

Volume 1
2023-24

Sydney Metro Annual Report





Acknowledgement of Country

Sydney Metro acknowledges the traditional custodians of the land on which we work and live.

We pay our respects to Elders past and present and celebrate the diversity of Aboriginal people and their ongoing cultures and connections to the lands and waters of NSW.

Many of the transport routes we use today – from rail lines, to roads, to water crossings – follow the traditional Songlines, trade routes and ceremonial paths in Country that our nation’s First Peoples followed for tens of thousands of years.

Sydney Metro is committed to honouring Aboriginal peoples’ cultural and spiritual connections to the lands, waters and seas and their rich contribution to society.

Front cover: Passengers on Sydney Metro train.



Letter to the Minister

The Hon. Jo Haylen MP
Minister for Transport
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Minister

I am pleased to submit for presentation to Parliament the Annual Report for Sydney Metro for the financial year ended 30 June 2024.

The annual report has been prepared in accordance with the *Government Sector Finance Act 2018* and the regulation under the Act.

The Financial Statements for 2023–24, which form part of the report, have been submitted to and certified by the Auditor-General of NSW.

Yours sincerely,

John Arthur
Chairman, Sydney Metro Board

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From the Chairman and Chief Executive



John Arthur
Chairman
Sydney Metro Board



Peter Regan PSM
Chief Executive
Sydney Metro

Sydney Metro's purpose is to build and operate a connected metro service for Sydney, providing fast, frequent and reliable public transport to make our city more connected. The delivery of three mega projects, on every measure, is the biggest public transport program in the country.

Throughout 2023–24 we remained focused on our program of delivery as well as providing passengers with a safe and reliable metro service on the Metro North West Line. We are pleased to report on our activities and achievements for the year and the benefits for our passengers, communities, and the people of NSW.

During 2023–24 we have:

- completed 11,000 hours of testing in readiness for passenger services from Chatswood to Sydenham in August 2024
- completed more than 40 kilometres of tunnelling across Sydney Metro – Western Sydney Airport and Sydney Metro West projects
- undertaken detailed planning in preparation for the final conversion of the T3 Bankstown Line to Metro and worked with Transport for NSW to develop the temporary transport plan for replacement bus services
- progressed work on the procurement strategy and tender documentation for the final contract packages for the Sydney Metro West project
- maintained outstanding service reliability and customer satisfaction with on time performance exceeding 99 per cent for the Metro North West Line

During the first half of the financial year, Sydney Metro worked with independent reviewers appointed by the NSW Government to facilitate expert analysis of our organisation, to assess what had been working appropriately, and where we could do things differently.

The work done by the reviewers helped the NSW Government make its decision to continue with the delivery of Sydney Metro West. We are excited by the opportunities to drive even more value from our projects and support the NSW Government's aspiration to link the construction of significant new transport infrastructure in Sydney to major new housing uplift. This is a significant vote of confidence in the city-shaping work being delivered by our staff and contract partners.

Global economic conditions have continued to place pressure on our budgets. We are responding by working harder to find efficiencies within the context of prudent financial planning and decision making. At the end of the financial year we also began work to review our operating model and organisational structure to ensure our future sustainability and respond to our evolving operational needs as the Sydney Metro City & Southwest project nears completion.

Yours sincerely,

John Arthur
Chairman

Peter Regan PSM
Chief Executive



Image: Sydney Metro trains.

Our year at a glance



Image: Community open day at Barangaroo Station.

New stations on show at community open days

Around 21,000 members of the public experienced six of our new city stations ahead of first passenger services in August 2024.



Image: Sydney Metro's train sets undergo on-track dynamic train testing on the City & Southwest Line.

Reliability and safety assured

Over 11,000 hours of testing was completed in preparation for the opening of the Metro City Line.



Image: Entrance to the new Barangaroo Station.

Final construction works for city stations

Teams of construction professionals worked during the year to fit out eight stations ready for metro services through the city.

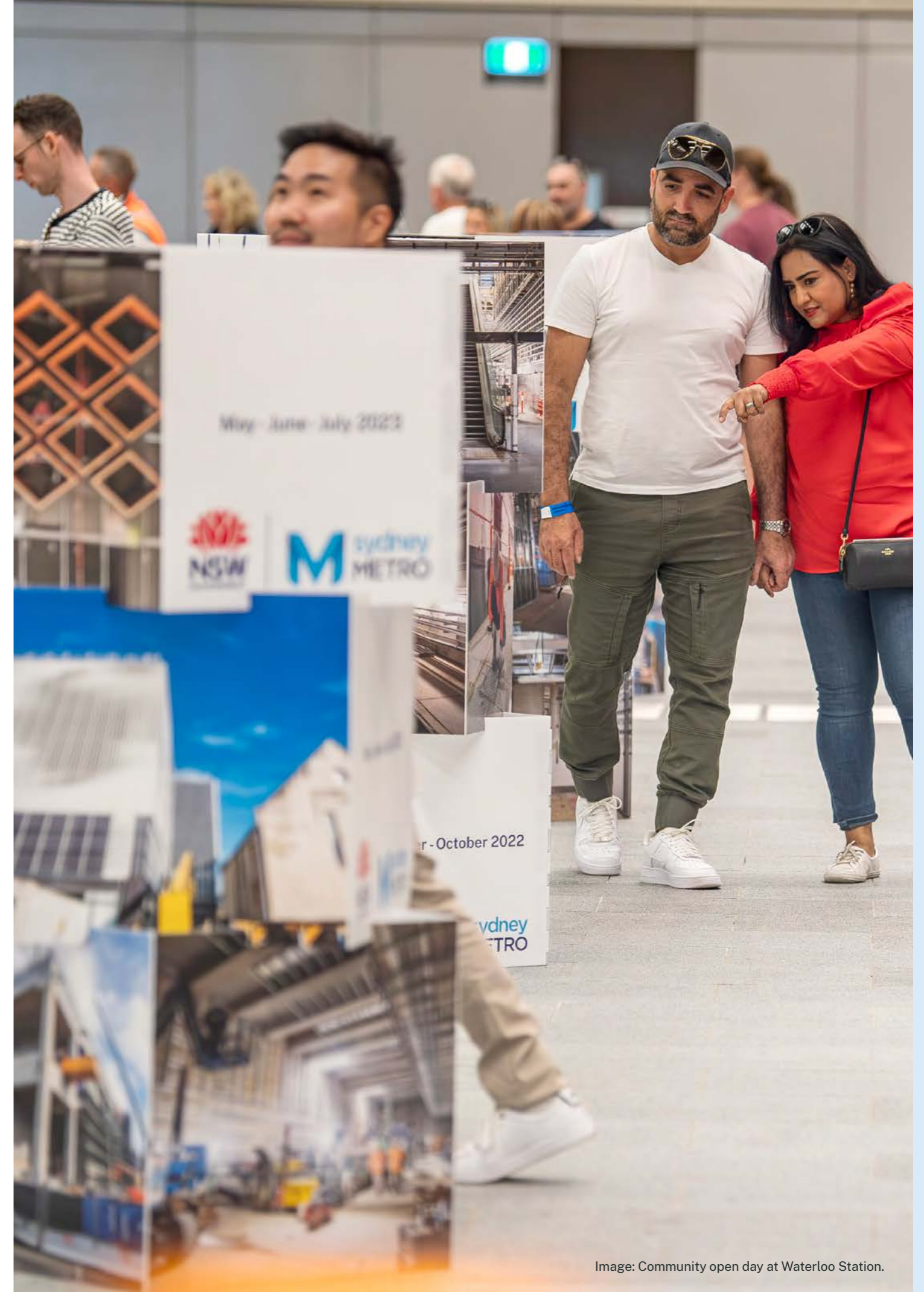


Image: Community open day at Waterloo Station.



Image: TBM Marlene's final breakthrough at St Marys Station.

Western Sydney Airport metro tunnels complete

In June 2024, tunnel boring machine (TBM) Marlene made the final breakthrough on the Sydney Metro – Western Sydney Airport project at St Marys Metro station. The four TBMs – Marlene, Catherine, Eileen and Peggy – excavated a combined total of 1,863,460 tonnes of material, enough to fill 300 Olympic-sized swimming pools, and lined the tunnels with 69,966 concrete segments.



Image: Chair and Deputy Chair of the Sydney Metro Independent Review into Sydney Metro, Mike Mrdak AO and Amanda Yeates, are shown through Central Station.

Sydney Metro Independent Review

Independent reviewers appointed by the NSW Government examined value for money, delivery models, project governance and passenger impacts. The review allowed us to take stock of all our achievements to date and get expert analysis on what has been working and where we could do things differently.



Image: Excavation work at Parramatta.

Site works underway on Sydney Metro West station sites

Site establishment and excavation works are underway at Sydney Metro West project sites.



Image: Gadigal Station entrance on Pitt Street.

Gadigal Railway Station

The original custodians of the land around Sydney's CBD were acknowledged with the official naming of Gadigal Railway Station for the metro station on Pitt Street.



Image: Artist impression of Pymont over station precinct.

Concept state significant development application lodged for the Pymont over station precinct

The proposed development over Pymont Station includes a 31-storey building above the eastern site, located on Union Street. The building proposes a mixed-use podium, with commercial and retail uses, and a residential tower to complement the station below.



Image: Artist impression of Hunter Street precinct.

Plans approved for Hunter Street precinct

Hunter Street precinct received planning approval in April 2024, being the first over station development approved on the Sydney Metro West project.



Aboriginal business forum

In October 2023, over 100 Aboriginal businesses showcased their products and services to Sydney Metro's delivery partners, operators and supply chain representatives at a unique business matching event at Penrith.

Image: Participants at the Aboriginal business forum held at the Penrith Panthers Stadium.



Parramatta Heritage Day

Sydney Metro and delivery partners Gamuda Australia and Laing O'Rourke Consortium hosted a heritage day in July 2023 at the Sydney Metro West station site at Parramatta. Around 300 people attended to see some of the tens of thousands of artefacts found on the site to date.

Image: Displays at the Parramatta Heritage Day of the artefacts found on site.



Significant carbon reduction realised in the Sydney Metro City & Southwest projects

Our delivery partners have poured 958,101m³ of concrete with an average supplementary cementitious material replacement of 38 per cent which has far exceeded our 25 per cent target, equating to a 120,000 tonnes of CO₂ equivalent emissions reduction against our baseline.

Image: A concrete pour inside the tunnel between Chatswood and Crows Nest.



Image: Displays at the Parramatta Heritage Day of the artefacts found on site.

01

Overview



Image: Waterloo Community Open Day.
Roscoe, whose image features at the station, is a local dancer with the Brolga Dance Company. The work is part of the Footprints on Gadigal Nura, artwork by Aboriginal Artist Nicole Monks, 2023, at Waterloo Station.
Roscoe's photo is by Wayne Quilliam.

About us

Sydney Metro is Australia's largest rail infrastructure program, delivering Australia's most technologically advanced railways, and is Australia's only fully accessible, driverless train service.

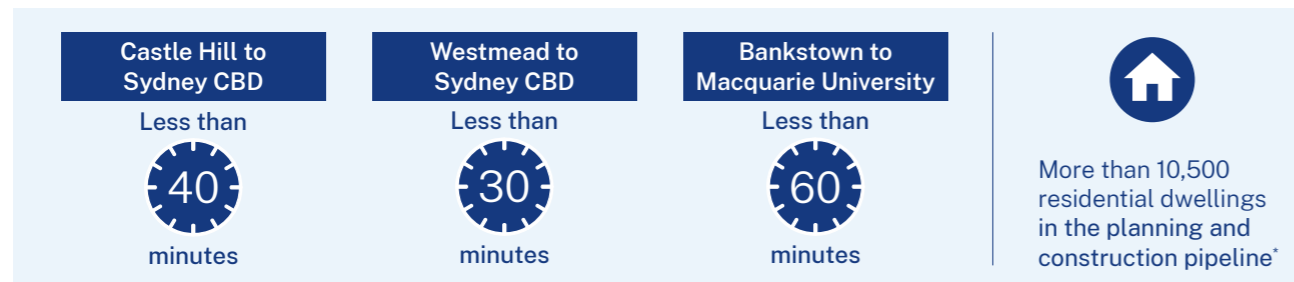
We are a NSW Government agency, established on 1 July 2018 under the *Transport Administration Act 1988*. We operate within the general government sector and are administratively arranged in the Transport portfolio. We are responsible for stewarding a portfolio of projects and operations exceeding \$60 billion.

Transport priorities, strategies and plans set the vision, directions and principles for passenger mobility in NSW, guiding transport investment over the longer term. Investment in Sydney Metro as part of an integrated public transport system is playing an important role in supporting Sydney's growth, ensuring future livability

and global competitiveness. Sydney Metro is increasing the resilience and capacity of Sydney's public transport network, improving accessibility in central Greater Sydney and laying the public transport foundations for Western Sydney.

Over the coming years, Sydney Metro will continue to deliver a step-change increase in public transport capacity right across Greater Sydney, allowing people to easily access a wide range of places and services within 30 minutes of home – including jobs, health and education facilities, and cultural and leisure destinations. New metro stations are supporting the NSW Government's focus to encourage the development of more housing within walking distance of transport and close to shops and services. Metro stations are being designed to be hubs for local communities, with new places to live, work and play and activated public spaces for people to enjoy.

The outcomes we are working towards



* Further dwellings are in the pre-planning stages on both the Sydney Metro – Western Sydney Airport and Sydney Metro West alignments.



Image: Community open day at Waterloo Station.

Our values

Our values are the compass that guide us as we work together to navigate the challenges and opportunities ahead of us.



Safety and wellbeing

We think 'safety' and act safely. We strive for a healthy work-life balance and extend our caring approach to each other, the environment and the community in which we work.



Innovation

We are leading edge, creative and forward thinking. We deliver sustainable and innovative solutions. We are committed to our continual improvement delivering effective outcomes.



Collaboration

We create positive relationships – proactively solving problems and achieving with each other, our passengers, stakeholders and partners.



Excellence

We take pride in being passenger-centric. We are efficient and adaptable and make timely, risk-informed decisions. Together, we aim for excellence in delivery and a sustainable future.



Integrity

We listen and act with integrity, respect decisions and opinions of others and promote mutual respect and trust.



Achievements

We support each other to meet priorities, delivering outcomes for our passengers and stakeholders. We are accountable, adaptable and always ready to take ownership.

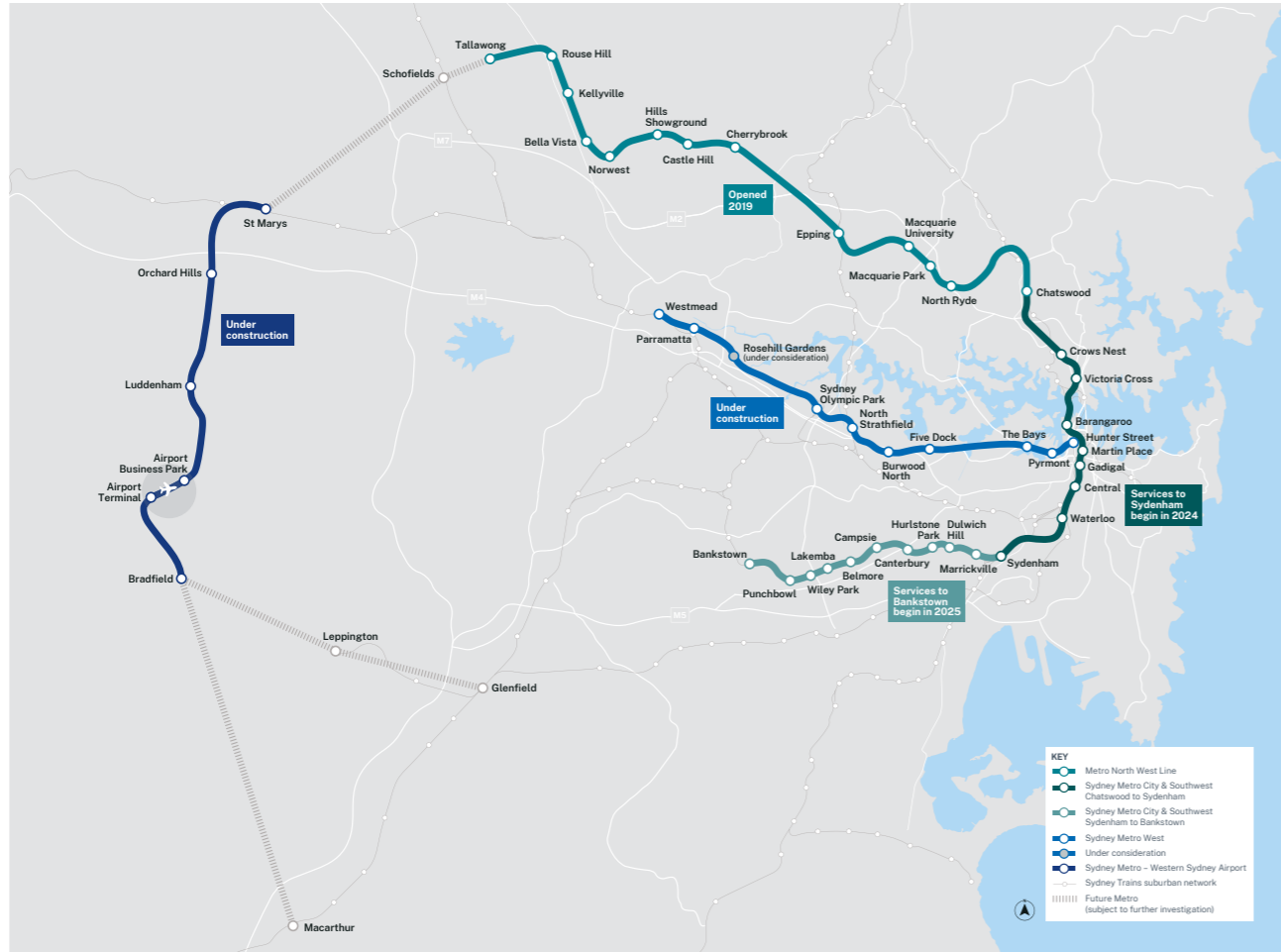
Our mission

To deliver Sydney an easy to use, integrated metro and vibrant, productive precincts that together improve liveability for our communities now and in the future.

Our vision

To transform Sydney with a world-class metro.

Our services



Operational lines

We are progressively delivering a new rapid transport system for Greater Sydney. Our Metro North West Line, Australia's first fully accessible and driverless train service, started operating in May 2019.

Metro North West Line	
Location	36 kilometre line running from Chatswood to Tallawong
First passenger service	26 May 2019
Stations	Tallawong, Rouse Hill, Kellyville, Bella Vista, Norwest, Hills Showground, Castle Hill, Cherrybrook, Epping, Macquarie University, Macquarie Park, North Ryde and Chatswood

Construction projects

Three projects were under construction during 2023–24.

Sydney Metro City & Southwest	
Location	30 kilometre metro line extending from the end of the Metro North West Line at Chatswood, under Sydney Harbour, through the CBD and southwest to Bankstown
Stations	Crows Nest, Victoria Cross, Barangaroo, Martin Place, Gadigal, Central, Waterloo, Sydenham, Marrickville, Dulwich Hill, Hurlstone Park, Canterbury, Campsie, Belmore, Lakemba, Wiley Park, Punchbowl and Bankstown
Integrated transport benefits	<ul style="list-style-type: none"> Increases system capacity and improves transport network resilience by providing an alternative mass transit mode through the CBD. Reduces crowding at key stations, including Central, Town Hall, Wynyard and North Sydney. Improves access to the northern part of the Sydney CBD, the Rocks and Barangaroo's growing waterfront precinct. Stations along the T3 Bankstown Line currently have a train every six to 15 minutes in the morning peak. When Sydney Metro services start, there will be a train every four minutes in the peak in each direction. Capacity will increase with Sydney Metro being able to move 17,000 people an hour on the Bankstown Line in each direction compared to the suburban train system which can move around 12,000 passengers an hour. Replacing the T3 Bankstown Line with a new stand-alone metro line will also provide more reliable journeys for rail passengers across Sydney by removing the current bottleneck that occurs as the T3 merges with other railway lines close to the Sydney CBD.
Precinct highlights	<p>Integrated station developments at Crows Nest, Victoria Cross, Martin Place and Gadigal will unlock the potential of Sydney as a growing global city. These developments will deliver new stations combined with commercial buildings, homes, community facilities, public and retail space and better pedestrian connections.</p> <p>The metro station at Waterloo is the catalyst for renewal of the surrounding precinct.</p>
Project announcement	2014
Construction commencement	2017
Budget	\$21.6 billion
Estimated opening	<p>Stage 1 Chatswood to Sydenham – 2024</p> <p>Stage 2 Sydenham to Bankstown – 2025</p>
Key milestones 2023–24	<ul style="list-style-type: none"> Station construction works completed on the City section with services set to start in 2024. 11,000 hours of testing completed between Tallawong and Sydenham as part of operational readiness activities. 11,360 of the 16,576 metres of security fencing on the southwest section between Sydenham and Bankstown has been installed. 4,199 of the 4,741 metres of segregation fencing on the southwest section between Sydenham and Bankstown was completed. All stations from Sydenham to Bankstown were made fully accessible.



Sydney Metro – Western Sydney Airport

Location	23 kilometre new railway connecting Sydney’s public transport system at St Marys to the new Western Sydney International (Nancy-Bird Walton) Airport and the Western Sydney Aerotropolis at Bradfield
Stations	St Marys, Orchard Hills, Luddenham, Airport Business Park, Airport Terminal and Bradfield
Integrated Transport benefits	The new metro rail will become the transport spine for Greater Western Sydney, connecting communities and travellers with the new Western Sydney International (Nancy-Bird Walton) Airport and the growing region.
Precinct highlights	The metro station at St Marys will be the catalyst for urban renewal. Vibrant new communities will be centred around Orchard Hills and Luddenham. Bradfield Station will become the public transport heart of the future city centre.
Project announcement	March 2018
Construction commencement	2020
Budget	\$11.4 billion (jointly funded by the NSW and Australian Governments)
Estimated opening	Targeting opening when Western Sydney International Airport opens for passenger services
Key milestones 2023–24	<ul style="list-style-type: none"> • Surface and Civil Alignment Works and Tunnelling completed. • Construction of the viaduct at Luddenham was more than halfway completed. • All station box excavations were completed during the year and handed over to commence station construction.



Image: An artist's impression of St Marys Metro Station.

Sydney Metro West

Location	24 kilometre underground line from Hunter Street in Sydney CBD to Parramatta and Westmead
Stations	Westmead, Parramatta, Sydney Olympic Park, North Strathfield, Burwood North, Five Dock, The Bays, Pyrmont and Hunter Street
Integrated Transport benefits	Sydney Metro West will double rail capacity between Greater Parramatta and the Sydney CBD.
Precinct highlights	Integrated station developments are proposed in the commercial heart of both Sydney (Hunter Street) and Parramatta CBDs. The metro stations at Sydney Olympic Park and The Bays will be a catalyst for renewal.
Project announcement	November 2016
Construction commencement	2020
Budget	\$25.32 billion
Estimated opening	2032
Key milestones 2023–24	<ul style="list-style-type: none"> • Two tunnel boring machines broke through at Five Dock in a southern hemisphere double breakthrough record. • Work started on a scoping study for the construction of up to two new stations along the existing route west of Sydney Olympic Park.



Image: An artist's impression of Parramatta Metro Station.

Future extension

Sydney Metro projects are designed to allow for incremental extension into longer lines and/or to increase the number of passengers carried per hour in each direction with the introduction of additional fleet. This allows flexibility for strategic decision making to expand the metro network when the time is right.

We work with Transport for NSW (TfNSW) to support the development of integrated network plans that outline the NSW Government's long-term vision for transport. These plans support government investment decisions and help to prioritise funding for detailed business cases that provide the design, economic assessment, land use planning and cost estimation to inform an investment decision for construction.

Sydney Metro – Western Sydney Airport – Northern extension



Image: An artist's impression of St Marys Station.

Study area

A connection from the future St Marys metro station towards Tallawong via Marsden Park and Schofields.

During the year early planning activities towards a final business case for this corridor were undertaken. The final business case will be used to inform the NSW Government's investment priorities in the coming years.

Sydney Metro – Western Sydney Airport – Southern extension



Image: An artist's impression of Bradfield Station.

Study area

A connection from the future Bradfield metro station towards Leppington/Glenfield, and between Bradfield and Campbelltown/Macarthur. The NSW Government is working with the Australian Government to evaluate an expanded southern corridor.

During the year early planning activities towards a final business case for this corridor were undertaken. The final business case will consider rail options which will inform both the NSW and Australian governments' investment priorities in the coming years.

Our current property and place priorities

We plan and deliver world-class precincts and connected places that transform Sydney. Sydney Metro and TfNSW work closely with the Department of Planning, Housing and Infrastructure (DPHI) to prepare place-based plans for the renewal of precincts to deliver connected communities with environmental, economic and social outcomes that improve the city's performance and deliver a return on the State's investment.

Housing is one of the NSW Government's top priorities. The Transport Oriented Development Program will deliver much needed housing around key transport hubs through state-led rezonings within 1,200 metres of eight priority transport hubs and a new State Environment Planning Policy (SEPP) to increase the capacity for more mid-rise housing and mixed-use development within 400 metres of 37 transport hubs and town centres.

Metro stations included in the state-led rezoning program are Bankstown, The Bays, Bella Vista, Kellyville, Macquarie Park and Crows Nest. The new SEPP will apply to metro stations at Canterbury, Dulwich Hill, Marrickville, North Strathfield, St Marys and Wiley Park.

In addition to stimulating increased housing supply in the catchment areas of our stations, our projects also directly contribute to housing. Over-station developments and the divestment of surplus land acquired to support the construction of our projects deliver both residential and non-residential spaces. To date more than 10,500 residential dwellings and nearly one million square metres of non-residential spaces have been submitted for planning approval with further dwellings and commercial spaces in the pre-planning stages on both the Sydney Metro – Western Sydney Airport and Sydney Metro West alignments.



Image: An artist's impression of The Bays Station.

Our stakeholders

We are committed to providing an interconnected metro service for Sydney, offering passengers increased options and fostering opportunities for our communities both now and in the future. By working together, we can

be more effective. This is why Sydney Metro actively collaborates with a diverse range of stakeholders to accomplish shared objectives.

Our passengers



Our communities



Our partners



Our people



Government and regulators



<p>Who they are</p>	<p>At Sydney Metro we define our passengers as everyone who interacts with our precincts, stations, staff and services.</p>	<p>Our communities are diverse and include special interest and community groups, industry associations and peak bodies, First Nations peoples, culturally and linguistically diverse communities, businesses and local residents.</p>	<p>Our partners include delivery partners, contractors, suppliers, professional service providers, rail operators, and academic institutions.</p>	<p>Our people who work for Sydney Metro – employees and contractors.</p>	<p>We work across government including NSW Parliament, TfNSW, NSW Treasury, Infrastructure NSW, DPHI, Department of Climate Change, Energy and Water, Office of the National Rail Safety Regulator, SafeWork and other Federal, State agencies and local councils.</p>
<p>Why we engage</p>	<p>As a government entity we are responsible for delivering and operating a metro service for the public. We do this by understanding our passengers' needs and behaviours and incorporating this into everything we do.</p>	<p>Our considerable construction and operational footprint in Sydney means that our community stakeholders are diverse with a range of interests and needs. We engage throughout the delivery of our projects from planning to operations.</p> <p>We build and foster relationships with community stakeholders to understand the issues that matter to them and how we can shape our approach to deliver better outcomes for everybody.</p>	<p>We are committed to being a good client to foster sustainable relationships to ensure public value. We collaborate with our partners, learning from and with them to enhance the quality of our outcomes and services.</p>	<p>Our people are the most valuable resource and the key to delivering high quality outcomes and services.</p>	<p>Public policy, regulation and investment define the environment in which we operate. Working together enables us to work safely and efficiently to create greater value for the people of NSW.</p>
<p>How we engage</p>	<p>Sydney Metro conducts surveys and monitors patronage to gather insights and feedback. To provide an easy passenger experience, we use a customer-centred design.</p>	<p>Sydney Metro is committed to building relationships through face-to-face and digital engagement. Our client teams actively manage relationships and maintain open dialogue with clients. We also conduct client satisfaction surveys and participate in industry and client forums to stay connected and responsive to their needs. Additionally, we organise various events and engage in market research to stay at the forefront of industry trends.</p>	<p>Our tendering process and formal evaluation of suppliers are conducted in accordance with the NSW Government tender evaluation process. This includes carrying out surveys and engaging in conversations with individual suppliers to ensure their compliance.</p>	<p>We engage our people through various internal communications tools including the People Matter Employee Survey, all staff meetings and joining together for significant days and events such as NAIDOC Week.</p>	<p>Directly engaging with other government agencies and regulators by participating in consultations, contributing to parliamentary inquiries, and taking part in research.</p>

Our charter

Our principal objectives are to deliver safe and reliable metro passenger services in an efficient, effective and financially responsible manner, and to facilitate and carry out the orderly and efficient development of land in the locality of metro infrastructure. Our other objectives are to:

1. be a successful business and, to that end:
 - a. operate at least as efficiently as any comparable business, and
 - b. maximise the net worth of the State's investment in the metro
2. exhibit a sense of social responsibility by having regard to the interests of the community in which we operate
3. where our activities affect the environment, conduct our operations in compliance with the principles of ecologically sustainable development contained in section 6(2) of the *Protection of the Environment Administration Act 1991*.

Our core activities to achieve our objectives are:

Future extensions – we develop business cases to provide government with proposals to invest in new integrated transit infrastructure that makes the transport network more resilient to improve the liveability of communities and create economic opportunity.

Project delivery – we procure, set standards, oversee and assure the planning, design, construction and commissioning of rail and precinct infrastructure.

Operations – we procure and oversee contracted operators to deliver safe and reliable passenger services and maintain operational assets.

Property and placemaking – we collaborate to create, deliver and manage attractive, vibrant and connected places where people want to live, work, play and learn.

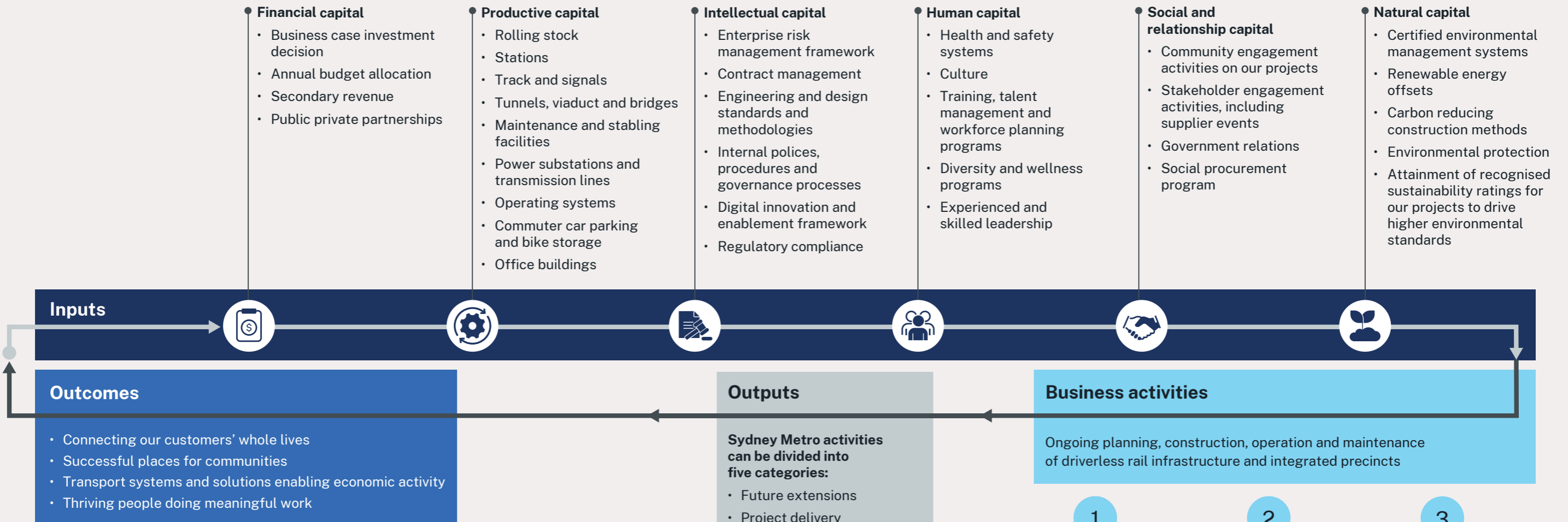
People and relationships – we grow capabilities and relationships to enable the efficient and effective delivery of our core products and services.

Image: Martin Place atrium.



Our business model

This diagram provides an overview of how we create and sustain value to deliver Sydney an easy to use, integrated metro and vibrant, productive precincts that together improve liveability for our communities now and in the future.



Key strategic objective measures



Provide a high-quality passenger and place experience

- Customer satisfaction
- On time performance
- Delivered services
- Customer perception of safety and security



Plan, design and build to shape the future

- Contractor work-related injury and illness severity
- Customer perception ease of connection with other modes
- Australian and New Zealand small and medium enterprises engaged
- Aboriginal procurement activity



Position the organisation for continued success

- Employee work-related injury and illness severity
- PMES engagement score
- Workforce diversity



Reduce environmental impact and champion social responsibility

- Community sentiment score
- Zero emission electricity for operations
- Reduction of carbon construction emissions
- Environmental compliance and incidents



Drive financial responsibility

- Total expenditure
- Capital expenditure

1. Delivering and operating metro passenger services

- Business cases developed to meet transport needs
- Property acquisition
- Planning process and approvals
- Designing to standards and passenger needs
- Procurement and tendering
- Constructing the metro via third-party contracts
- Network integration
- Operational readiness and commissioning
- Asset management
- Operator oversight

2. Property development and precinct management

- Connecting with Country embedded in precincts
- Master planning precincts for growth and sustainability
- Retail and secondary revenue
- Property development and divestment strategies
- Residential planning
- Recognition of local heritage

3. Metro's enabling and support functions play an important role in building a sustainable business

- Risk and assurance
- Health and safety
- Human resources
- Finance
- Commercial and procurement
- Digital technology, information and data
- Legal and compliance
- Communications and engagement
- Government services
- Strategic projects
- Strategy and governance
- Environment and sustainability
- Enterprise security

Management and structure

We are strategically guided and overseen by a Board which provides direction, advice and guidance to the Chief Executive, with our objectives and functions being directed by Part 3D of the *Transport Administration Act 1988*.

Sydney Metro is, in the exercise of its functions, subject to the control and direction of the Minister for Transport. The Minister has the power to direct Sydney Metro in the exercise of its functions under section 3B of the *Transport Administration Act 1988*.

TfNSW has the power to direct Sydney Metro under section 3G of the *Transport Administration Act 1988*, for the purpose of TfNSW exercising its functions. To support a shared responsibility and commitment to the delivery and operation of metro infrastructure and services, key roles and responsibilities of each organisation are outlined in the TfNSW & Sydney Metro Collaboration Agreement.

Within Sydney Metro our governance arrangements, decision making systems and processes are designed to:

- enable informed and transparent decision making and provide an open environment to raise and resolve issues
- encourage decision making in line with delegations and clear accountabilities that is transparent and responsive but with an organisation-wide lens
- support consistent, simple and straight-forward decision making processes that limit duplication, burden, time and cost on the organisation.

Sydney Metro Board

The Board governs Sydney Metro by setting the strategic direction, making key decisions, and appointing a Chief Executive for the day-to-day running of the organisation in accordance with a Board-approved delegation framework.

Consistent with this, decisions relating to the functions of Sydney Metro are made under the authority of the Sydney Metro Board.

The Sydney Metro Board is established and operates in accordance with section 38F and Schedule 2B of the *Transport Administration Act 1988*. The Board must have a minimum of three, and may have a maximum of eight directors, consisting of at least three and not more than seven directors appointed by the Minister. One additional director may be appointed by the Transport Secretary. One of the Minister's appointees is to be specifically appointed by the Minister to chair the Board.

The Board may appoint advisory committees in accordance with section 38J of the *Transport Administration Act 1988* for the purposes of advising and assisting the Board and Sydney Metro. Board committees may be standing committees, or special purpose committees appointed on an ad hoc basis. The Board Chairman is an ex officio member of the committees.

The Board had the following standing committees for 2023–24:

- Board Audit Committee – provides assistance to management and the Board by monitoring, reviewing and providing advice about Sydney Metro's governance procedures, the integrity of Sydney Metro's financial reporting, and its external accountability obligations. The committee consists of at least three members appointed by the Board for the tenure specified by the Board.
- Board Risk Committee – provides assistance to management and the Board by monitoring, reviewing and providing advice about Sydney Metro's risk management and control frameworks, and their implementation. The committee consists of at least three members appointed by the Board for the tenure specified.
- Board People and Culture Committee – assists management and the Board in fulfilling its role in relation to Sydney Metro's workforce culture and remuneration, recruitment and retention practices, policies and procedures and makes recommendation regarding the composition and performance of the Board.
- Board Operational Readiness Committee – assists management and the Board by monitoring, reviewing and providing advice about Sydney Metro's readiness to begin operating new railways. The committee consists of at least three members appointed by the Board for the tenure specified by the Board.

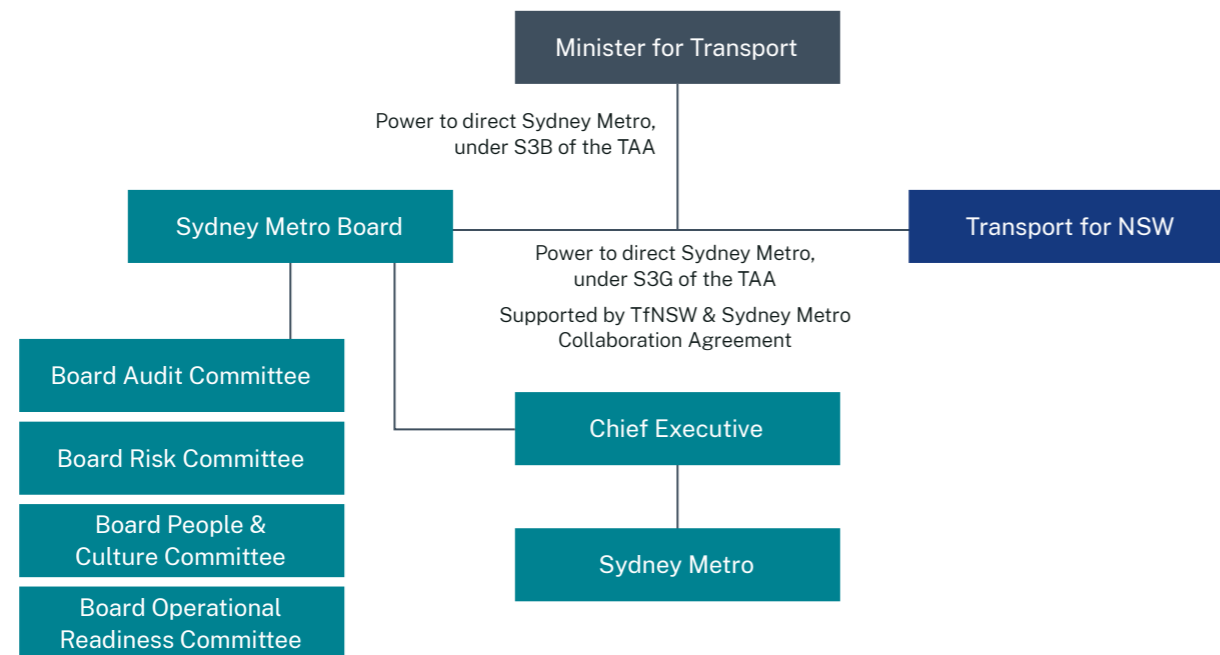


Figure: Sydney Metro governance arrangements as at 30 June 2024.

TAA: *Transport Administration Act 1988*.

Image: Sydney Metro all team meeting.



Sydney Metro Board members, 2023–24

John Arthur, Chairman

John Arthur is a highly experienced executive, director and advisor across a broad range of industries, including experience as Chairman and later Chief Executive Officer Investa Property Group, Chief Operating Officer of Westpac, General Counsel of listed entities in two industries, Chairman of legal firm Gilbert + Tobin, service on listed and unlisted company boards, advisor on governance and probity issues, and legal and commercial advisor to CEOs, chairmen, executive teams and boards.



John is currently chairman of Sydney Metro effective 1 July 2019, and a non-executive director of Singapore Telecommunications Limited effective 1 January 2022.

John Barraclough, Director

John Barraclough has decades of public and private sector experience at a senior executive level in major infrastructure delivery, including transport infrastructure. He was previously a member of the Major Transport Infrastructure Board Victoria, the Sydney Metro Assurance Board, the NSW Health Infrastructure Board and the Olympic Coordination Authority Board for the 2000 Sydney Olympics.



Howard Collins OBE, Director

Howard Collins OBE is a highly experienced transport executive who has spent more than 46 years working in the British and Australian transport industries.



He was previously the Chief Operating Officer of the London Underground, had a 35-year career with London Transport and his achievements included the development of an integrated transport system with Transport for London. In 2013, he was made an Officer of the Order of the British Empire (OBE) in recognition of his success as the Lead Director for the London Underground and London Rail for the 2012 Olympic Games and for services to public transport. Howard was also responsible for the restoration and recovery of the London Underground following the 2005 London bombings. He was a member of the British Transport Police Authority.

Having previously held the positions of Chief Executive Sydney Trains and Chief Operations Officer for TfNSW, in August 2023 Howard Collins was appointed to the position of Coordinator-General TfNSW. As Coordinator-General, Howard is responsible for overseeing operations for public transport, roads and maritime services. During his long and distinguished career, Howard has been involved in operations management, disaster recovery, operational planning, employee relations, business transformation and project portfolio management including commissioning and opening new railways. In addition to his TfNSW roles, Howard is on the boards of the Australasian Railway Association (ARA), TrackSAFE Foundation and Transport Heritage New South Wales.

Howard is the Chairman of the Board Operational Readiness Committee.

Bob McKinnon, Director

Bob McKinnon has over 40 years' experience as a senior executive and as a director in the financial services, property and technology sectors. He is currently a director of Mirin Digital, a boutique technology advisory firm, and is also a non-executive director of several other companies in the financial services and engineering sectors, including Cherrie Civil Engineering and Cloudfloat Holdings Pty Ltd.

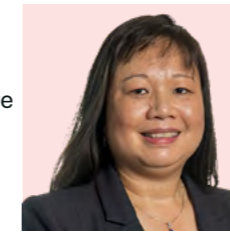


Bob's multi-faceted and unique career allows him to bring a range of specialist expertise to the Board. His previous senior executive roles included Group Executive, Technology and Chief Information Officer of Westpac Group (2008–2011) and Commonwealth Bank of Australia (2000–2006), Joint Managing Director and Chief Financial Officer of Brookfield Multiplex Group, Chief Executive of State Street Australia, Chief General Manager and Chief Financial Officer of MLC Group and Chief Financial Officer of Lend Lease Corporation. Previous board roles included Non-Executive Director and Audit Committee Chair of Alesco Corporation, Chair of New Payments Platform Australia and Non-Executive Director of AMP Capital Funds Management & AMP Investment Services.

Bob was the Chairman of the Board Audit Committee during the reporting period.

Thao Oakey, Director

Thao Oakey has over 25 years of experience in major infrastructure financing, development, and operations, including over 10 years in investment banking prior to undertaking senior executive roles at Leighton Contractors as General Manager, Infrastructure Investments and Sydney Motorway Corporation as Chief Investment Officer.



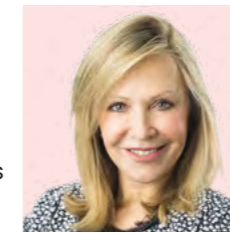
Thao has an in-depth understanding of project finance and development, mergers and acquisitions, project risk allocation and risk management.

Thao is currently Non-Executive Director of Utilities of Australia Pty Limited, and trustee of Utilities of Australia Trust and the Worsley multi-fuel co-generation facility (WA). Her prior board experience includes Westlink M7, SA Health Partnership, WestConnex M4 and Wellington Gateway Partnership.

Thao was the Chairman for the Board Risk Committee from 5 March 2024 to the end of the reporting period.

Gail Pemberton AO, Director

Gail Pemberton's extensive career has had a central focus on technology, technology-intensive businesses, and financial services in a variety of C-level roles. These included Chief Operating Officer UK at BNP Paribas Securities and CEO and Managing Director, BNP Paribas Securities Services, Australia and New Zealand. Prior to PNB Paribas, Gail worked at Macquarie Bank for 20 years, holding the role of the inaugural Group Chief Information Officer for 12 years and subsequently as Chief Operating Officer of the Financial Services Group.



Gail's current board roles include Chair of Fleet Partners (ASX: FPR) (formerly known as Eclipx), and Chair of Propsa (ASX: PGL), Non-Executive Director of HSBC Australia, Land Services (WA) and Land Services (SA).

She has previously served on a variety of boards over the past decade, both ASX-listed and unlisted, and in the private, public and non-for-profit sectors, variously as board chair, remuneration and nomination committee chairs, including Onevue (ASX: OVH), PayPal Australia, QIC, and the Sydney Opera House Trust.

Gail is the Chairman of the Board People and Culture Committee.

Louise Thurgood, Director

Louise Thurgood has over 25 years of experience in the banking, finance, and infrastructure sectors, with extensive risk-management experience extending across a wide range of industries including infrastructure, agriculture, construction, renewable energy, mining and consumables.



Louise is currently Non-Executive Director, Silk Logistics Holdings Ltd and Belvoir Street Theatre, and Deputy Chair of Inland Rail.

Louise is also a member of Global Access Partners National Standing Committee on the Environment and Energy, and co-founder and Executive Chair of Orion Mechanical Services. Past roles have included Non-Executive Director of Moorebank Intermodal Company, membership of the Heritage Council of NSW, and chair of several non-for-profit boards.

Louise was Chairman of the Board Risk Committee until she resigned from the Sydney Metro Board on 4 March 2024.

Table 1: Sydney Metro Board members during the year ended 30 June 2024

Member	Position	Qualification
John Arthur	Chairman	
	Ex-officio member of Board committees	Bachelor of Laws Hons
John Barraclough	Director	
	Member, Board Risk Committee Member, Board Operational Readiness Committee	Bachelor of Engineering (Civil) Hons
Howard Collins OBE	Director	Master of Business Administration
	Member, Board People & Culture Committee	Diploma in Management Studies
	Chairman, Board Operational Readiness Committee	Fellow of the Institution of Civil Engineers Fellow of Institute of Directors (UK) Fellow of the Institute of Railway Operators (UK) Member of Institute of Advanced Motorists (UK)
Bob McKinnon	Director	Bachelor of Commerce (Accounting, Finance and Systems)
	Chairman, Board Audit Committee	
	Member, Board Risk Committee Member, Board Operational Readiness Committee	Member, Chartered Accountants Australia and New Zealand Member, Australian Institute of Company Directors
Thao Oakey	Director	
	Member, Board People & Culture Committee	
	Member, Board Risk Committee (1 July 2023 to 4 March 2024)	Bachelor of Economics (Actuarial) Graduate, Australian Institute of Company Directors
	Chairman, Board Risk Committee (5 March 2024 to 30 June 2024)* Member, Board Operational Readiness Committee	
Gail Pemberton AO	Member, Board People & Culture Committee	Master of Arts Graduate Certificate in Finance Fellow, Australian Institute of Company Directors
Louise Thurgood	Director	Master of Business Administration
	Chairman, Board Risk Committee* Member, Board Audit Committee	Bachelor of Arts (Economics) Hons Graduate Diploma in Finance

* Louise Thurgood resigned on 4 March 2024 and Thao Oakey was appointed Chairman, Board Risk Committee.

Table 2: Terms of appointment of Sydney Metro Directors

Member	Term of appointment
John Arthur	1 January 2019 – 31 December 2023
	1 January 2024 – 30 December 2025
John Barraclough	1 July 2018 – 30 June 2019
	1 July 2019 – 30 June 2020
	1 July 2020 – 30 June 2021
	1 July 2021 – 30 June 2023
	1 July 2023 – 30 June 2025
Howard Collins OBE	5 July 2021 – 30 June 2024 1 July 2024 – 30 June 2028
Bob McKinnon	5 July 2021 – 30 June 2024 1 July 2024 – 30 June 2025
Thao Oakey	1 January 2019 – 31 December 2023
	1 January 2024 – 30 June 2028
Gail Pemberton AO	1 July 2019 – 30 June 2020
	1 July 2020 – 30 June 2023
	1 July 2023 – 30 June 2025
Louise Thurgood	1 January 2019 – 31 December 2022
	1 January 2023 – 4 March 2024

Image: Sundial, Indigo Hanlee and Michael Thomas Hill, Lightwell, Victoria Cross Station.

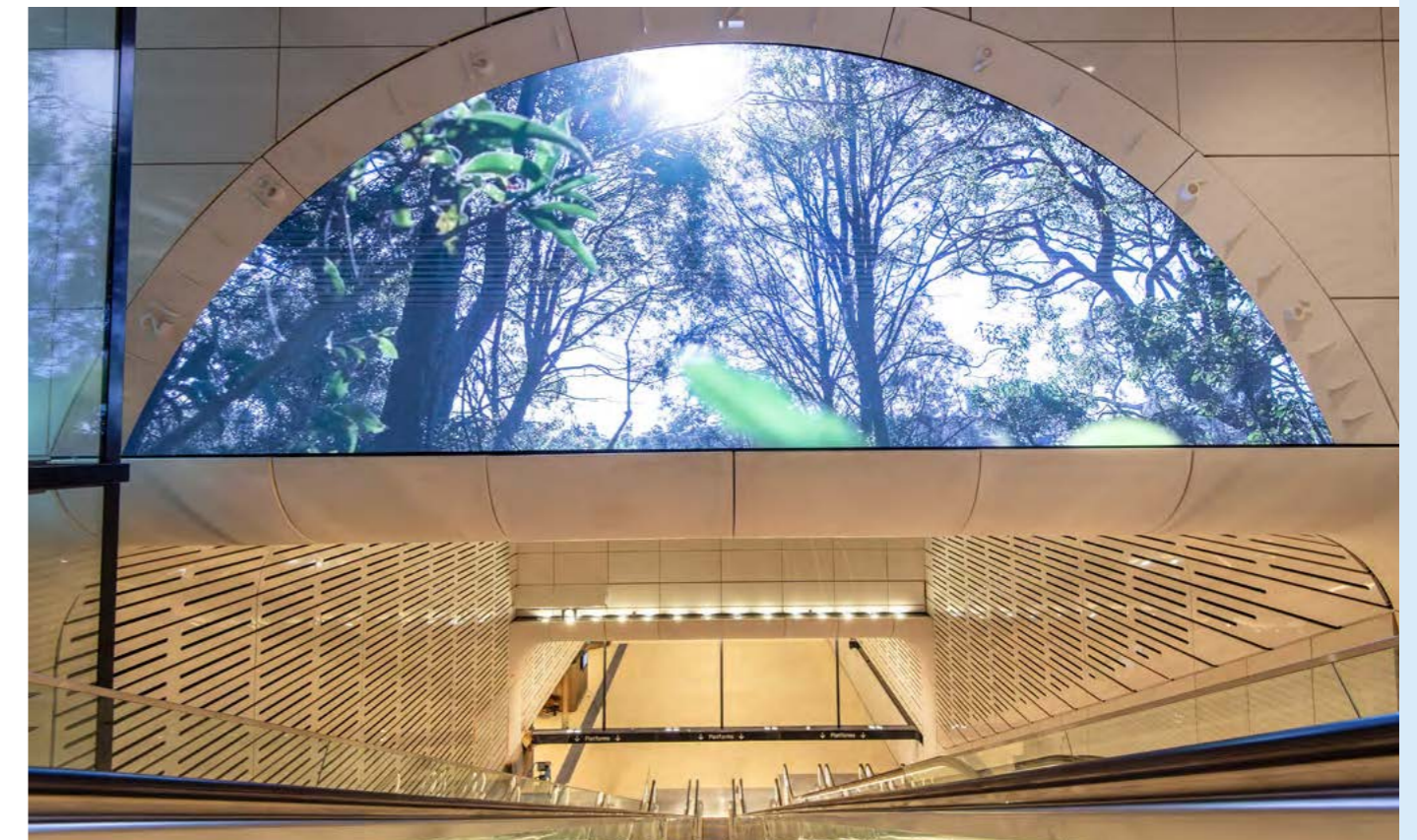


Table 3: Board committee meeting attendance for the year ended 30 June 2024

Director	Scheduled Board meeting		Ad-hoc Board meeting		Total Board meetings	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
John Arthur	12	12	3	3	15	15
John Barraclough	12	12	3	3	15	15
Howard Collins OBE	12	10	3	3	15	13
Bob McKinnon	12	11	3	3	15	14
Thao Oakey	12	12	3	3	15	15
Gail Pemberton AO	12	12	3	2	15	14
Louise Thurgood	8	8	2	2	10	10

Table 4: Board meeting attendance for the year ended 30 June 2024

Director	Board Audit Committee		Board People and Culture Committee		Board Operational Readiness Committee		Board Risk Committee		* Board special committees*	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
John Arthur	4	4	4	4	8	7	4	2	4	4
John Barraclough	0	0	0	0	5	5	4	3	1	1
Howard Collins OBE	0	0	4	2	8	8	0	0	0	0
Bob McKinnon	4	4	0	0	8	6	4	4	3	3
Thao Oakey	0	0	4	4	8	6	4	4	2	2
Gail Pemberton AO	4	4	4	4	0	0	0	0	2	2
Louise Thurgood	3	3	0	0	0	0	3	3	1	1

*Board special committees are Cyber Committee and Sydney Metro West Committee.

Chief Executive and senior leadership

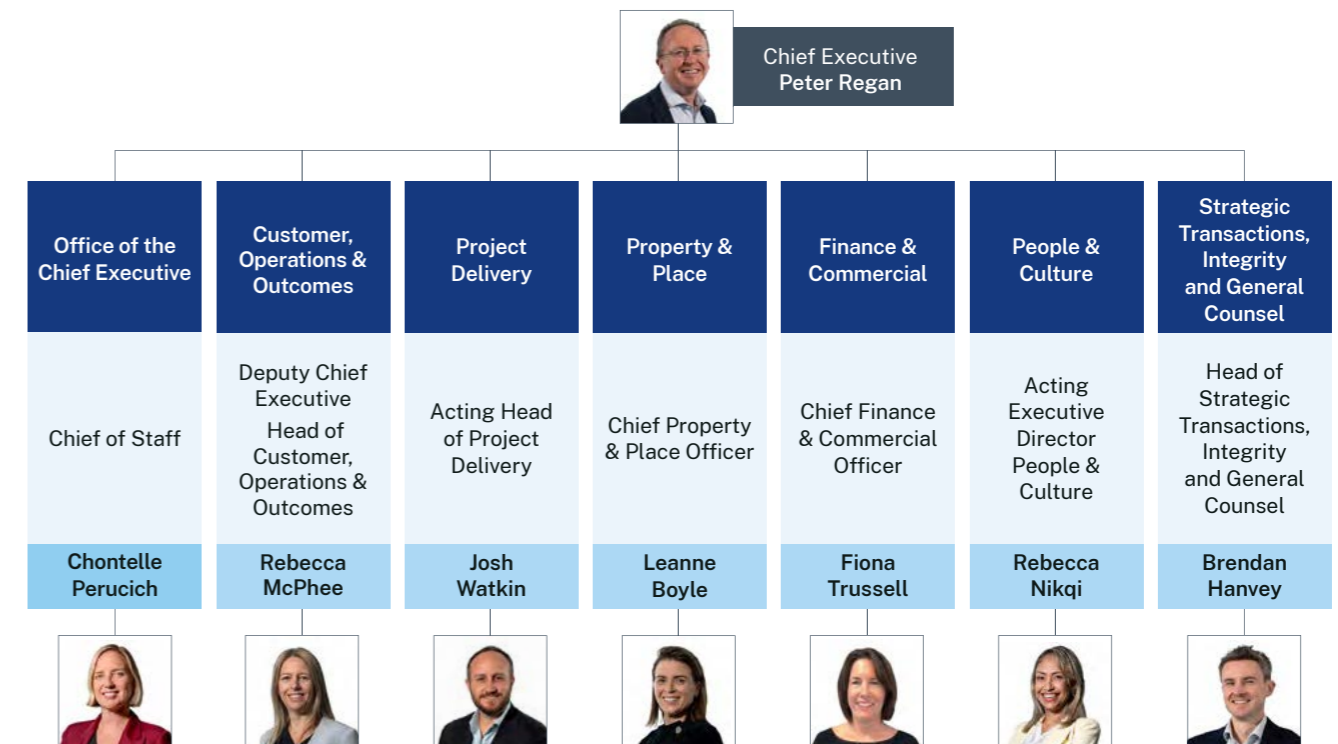
The Chief Executive is responsible for the day-to-day affairs of Sydney Metro in accordance with the specific policies, general directions and delegations of the Board. The Chief Executive may only exercise this responsibility to the extent that he or she is authorised by the Board. The Chief Executive may sub-delegate some functions delegated to him or her in accordance

with the written authority of the Board. The Chief Executive is employed in the Transport Service.

The Board exercises the employer functions of the NSW Government with respect to the Chief Executive.

Our Chief Executive is supported by a senior executive team which leads functional portfolios and collaboratively navigates risks and opportunities, shares insights and monitors performance against the key focus areas of the business.

Sydney Metro organisational structure as at 30 June 2024



Our people

Sydney Metro staff are employed by the NSW Government in the Transport Service. The Transport Secretary exercises the employer functions on behalf of the NSW Government for staff in the Transport Service, unless otherwise specified in legislation. The Transport Secretary may delegate employer functions. These are set out in the Transport Service human resource and industrial relations delegations instrument.



Image: Sydney Metro office.

02

Strategy



Image: Barangaroo Station.

Strategic direction

Sydney Metro's strategic direction is guided by external and internal strategies and plans, including Sydney Metro's legislative mandate, the NSW Government's priorities and vision, Commonwealth drivers and Transport priorities. These guide Sydney Metro's priorities and efforts towards achieving the right outcomes for customers, communities and the people of NSW.

We have a statutory obligation, under section 38L of the *Transport Administration Act 1988*, to publish a corporate plan that sets out our strategic objectives and activities for the coming financial year. Our corporate plan is available on our [website](#).

Transport outcomes

Sydney Metro strategies and plans are informed by four enduring Transport Outcomes. These describe the value we are seeking to achieve for customers, communities, the people of NSW and the people of Transport.

Our achievements and performance against the Transport Outcomes are presented in this annual report.



Connecting our customers' whole lives

Sydney Metro plays a vital role in customers' lives, delivering and enabling safe, reliable and sustainable transport solutions for the movement of Sydneysiders. We work to provide customers with effortless, accessible services, safe journeys through our world class metro services.



Successful places for communities

At the heart of communities are places where people come together to interact, transact and connect. Successful places support communities to achieve their desired social, cultural, health, environmental, economic and wellbeing outcomes, now and in the future. Partnership with communities ensures that the places created and impacted by the infrastructure, services and experiences provided by Sydney Metro and its partners support their desired outcomes, reflect their people and culture, and protect and enhance communities and their environments.



Transport systems and solutions enabling economic activity

The transport system powers and connects a globally competitive, inclusive and sustainable NSW. Transport plays a critical role in driving economic growth and improving quality of life, keeping freight moving productively and sustainably for the people of NSW and Australia, and supporting the transformation of communities into hubs for investment, employment, tourism and essential services. Transport ensures it delivers value for money through sound financial management and effective custodianship of the state's transport assets.



Thriving people doing meaningful work

We want Transport including Sydney Metro to be a great place to work and one of the safest workplaces in Australia. We aim to build capability and harness the diversity of our people and their perspectives. We enable the way we work through modern workplaces and choice in where and when we get the job done. We want our people to see how their role contributes to our vision and culture – putting the customer at the centre, people at the heart, and for the greater good.

Our strategic priorities

Sydney Metro's focus for the year in review has been guided by the **Sydney Metro Corporate Plan 2023–2024**.

The strategic objectives and key areas of focus set out in our corporate plan for the 2023–24 financial year were:

 Delivery commitments	 Successful engagement	 Operational excellence	 Financial responsibility	 Organisational capability
We will deliver high quality metro infrastructure and places – safely, on time and on budget.	We will collaborate with our communities and our partners to drive sustainable, city-shaping transformation.	We will work with partners, keeping customers at the centre of everything we do, to deliver a world-class, integrated metro.	Our financial and commercial focus will drive value-for-money outcomes, and overall business success.	We will attract, nurture and develop a talented, diverse and innovative workforce who are enabled by fit-for-purpose systems and processes, and highly capable delivery partners.

Sydney Metro Independent Review

During the 2023–24 period, the NSW Government completed a comprehensive review into Sydney Metro. The Sydney Metro Independent Review evaluated the delivery of Sydney Metro to date, the current state of progress against delivery targets and made recommendations for getting the maximum value out of the project, including looking at better land use, urban renewal and better integration with the wider transport network.

The review's interim report was released on 1 August 2023 to support the 2023–24 NSW State Budget.

The final report was released on 7 December 2023 with the NSW Government confirming that the Sydney Metro West project would proceed with a stronger focus on supporting the uplift of new housing. The NSW Government also directed Sydney Metro to complete scoping studies for up to two new stations to be constructed west of Sydney Olympic Park, along the existing planned route. Planned project completion was also reset to a more sustainable timeline, with the project expected to be completed by 2032, allowing for the necessary time to explore additional station and housing options.



NSW Government priorities

During the 2023–24 reporting period the Minister for Transport outlined the NSW Government’s five immediate priorities for Transport. These are focus areas for change and improvement over the next four years:



A safe, equitable and integrated transport system	Restoring reliability and increasing patronage	City shaping and precinct making	Local manufacturing and jobs	Respecting and re-engaging our entire workforce
Travel across modes is integrated, with more options for people to travel where, when and how they want.	Services are reliable, disruptions are managed well, and more people across NSW are choosing public transport more often.	Transport hubs are vibrant places for people, and communities are connected to jobs, education, health and housing.	New buses, trains and ferries are being built in Australia and NSW, to support a growing manufacturing sector and better jobs across NSW.	Everyone who delivers transport services is valued and engaged and feels proud to be part of the transport system.

Sydney Metro Corporate Plan refresh

During the 2023–24 reporting period we undertook a comprehensive review of our strategic objectives, our operating environment and performance measures to ensure our strategy remains aligned to government priorities and policy, incorporates the recommendations of the independent review and is responsive to external trends.

The refreshed **corporate plan** has a four-year planning horizon set to run from 1 July 2024 to 30 June 2028 and will be reviewed and updated annually to remain responsive to any changes in our operating environment.

The draft plan was placed on public exhibition in May 2024 and was finalised in June 2024 to commence from 1 July 2024.

The corporate plan establishes a new performance framework and will be the foundation for how we will report on our achievements in coming years.



Strengthening financial decision making

During the reporting period, Sydney Metro, like all NSW Government agencies, has been operating in a constrained financial environment. In response to global and domestic inflationary pressures, the Government has set a range of savings targets across the NSW public sector to close the gap between spending and revenue and reduce the reliance on consultants and labour hire.

In September 2023, to strengthen our fiscal responsibility, the Contractor Review Committee was established to ensure all decisions relating to the engagement or extension of contractors meet the threshold criteria set by the Sydney Metro Chief Executive in accordance with government policy. The committee is responsible for considering all matters relating to resourcing requests for contractors, either new or existing, to ensure the requests balance the need for a fit-for-purpose workforce to deliver high quality metro infrastructure with fiscal responsibility.

In February 2024, Sydney Metro established the Future Sustainability Group to further strengthen existing controls to provide executive oversight and strategic guidance to drive and monitor a program of work aimed at ensuring a sustainable future for Sydney Metro. The Future Sustainability Group considers matters from an enterprise-wide perspective to ensure the demonstration of value for money and fiscal responsibility.

Both the Contractor Review Committee and Future Sustainability Group were established as sub-committees of the Sydney Metro Senior Management Committee as part of a refresh of the organisation’s governance framework.



Image: Commuters at Tallawong Station.

03

Operations and performance



Image: Train arriving at Sydenham Station.

Summary review of operations

North West Line operations

Sydney Metro delivered its fifth year of operations on the Metro North West Line during 2023–24.











Our operational line is a fully accessible railway line with 45 lifts and 78 escalators across 13 stations. In 2023–24, Sydney Metro passengers took over 23 million journeys on the North West Line, with a customer satisfaction rating of 98 per cent. During the year our fleet travelled 3.74 million kilometres and maintained service reliability of 99.6 per cent.

Sydney Metro manages the delivery of services and maintenance of the Metro North West Line through an operations, trains and systems contract, which includes management of all operational and maintenance activities for the line. The 15-year public private partnership (PPP) is between Sydney Metro and the Northwest Rapid Transit consortium. Metro Trains Sydney (MTS) is Northwest Rapid Transit's operations and maintenance contractor. MTS is a joint venture of MTR Corporation (60 per cent shareholding), John Holland Group (20 per cent) and UGL Rail (20 per cent), a division of United Group Limited.

The management of these assets includes rolling stock, depot equipment, signalling, track and civil structures, high-voltage electrical infrastructure, communication systems, buildings and tunnels.

Our assets

Assets in operation as at 30 June 2024

 36 kilometres of twin tracks between Chatswood and Tallawong	 1 stabling and maintenance facility
 45 trains	 4 kilometres of viaduct and bridges
 15 kilometres of tunnels	 8 power substations
 13 accessible metro stations	 8 bike parking facilities
 4000 commuter parking spaces	 Vertical transport 45 lifts and 78 escalators

Sydney Metro City Line operational readiness – testing and commissioning

The 2023–24 reporting period was marked by exciting new milestones in the Sydney Metro City testing and commissioning program. High-speed dynamic testing on the City section of the line started in August 2023. Throughout the year testing milestones progressively simulated operational speeds, running to timetable and multiple trains on the network. By the end of the reporting period, the planned 11,000 hours of testing and commissioning from Tallawong to Sydenham was completed.

During the commissioning program extensive acoustic testing inside the trains and new tunnels took place. Monitoring from microphones and vibration sensors, sensitive enough to detect a pin drop, confirmed that the noise emitted across the network was within predicted noise and vibration comfort levels.

End-to-end passenger information systems, energy consumption and journey time tests were also completed during the reporting period. During some testing periods, the Metro North West Line was closed for several weekends in March 2024, with buses replacing metro services between Tallawong and Chatswood. All 45 trains in the fleet completed return journeys between Tallawong and Sydenham at operational speed. Each train stopped at every station to check that the train and platform screen doors operated correctly. Passenger help points and information displays on the trains were also tested.

The final version of the signalling software used to control the movement of trains to ensure the safety of passengers was deployed and tested in preparation for project handover to MTS.

The end of the reporting period saw the first tranche of completed stations – Sydenham, Waterloo and Central Station and the rail corridor officially handed over to MTS to complete the final preparations and regulatory approvals for first passenger services.



Image: Train testing to ensure passenger safety.



Image: MTS CEO Daniel Williams accepting the keys to Waterloo Station from Sydney Metro CEO Peter Regan.

Construction progress highlights 2023-24

Sydney Metro City & Southwest project Chatswood to Sydenham alignment

6

community open days were held to allow the community to see the brand new stations



180

lifts and escalators installed in all 8 stations on the Metro City Line to ensure stations are accessible to all passengers



228

platform screen doors installed across all stations



Victoria Cross Station



- More than 5000 construction workers built the Victoria Cross Station.

Barangaroo Station



- Construction of Hickson Road (North of the Dalgety Bonds) completed.

Sydenham Station



- 6500 strong workforce worked to build the Sydenham Station.

Waterloo Station



- Central, Waterloo and Sydenham stations were completed and handed over to the operator MTS.
- It took 5000 people and five million work hours to complete Waterloo Station.
- Bike parking room for more than 300 bicycles at Waterloo Station.

Central Station



- Chalmers Street entrance at Central Station was opened after six months of rectification work following damage from neighbouring building fire.

Gadigal Station



- Completed installation of about 11,000 aluminium tube panels to minimise echo in the tunnels.

Martin Place Station

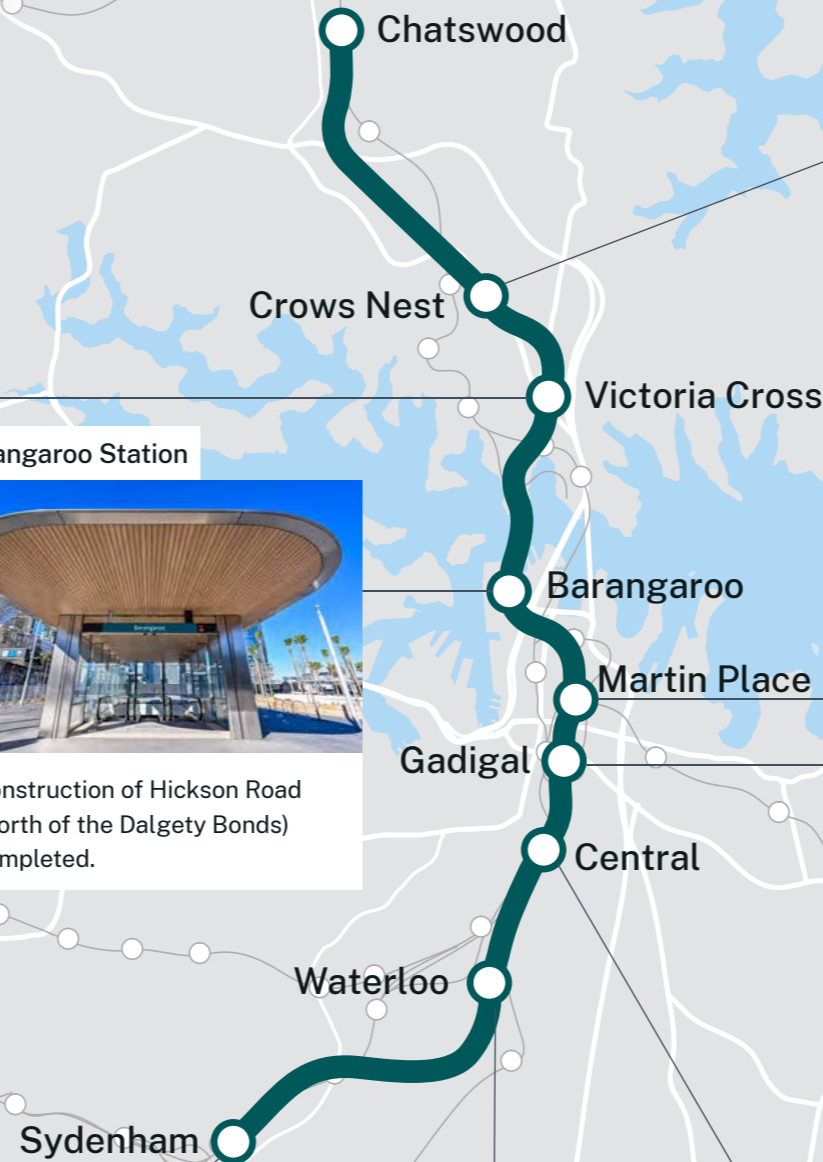


- Martin Place Station has a pedestrian tunnel link between the northern and southern sides. The pedestrian link allows commuters direct access to the T4 Eastern Suburbs Line.
- Martin Place Station was built by 10,000 workers.
- Martin Place over station development completed.

Crows Nest Station



- More than 6100 workers built the Crows Nest Station.



Sydney Metro City & Southwest project

Sydenham to Bankstown alignment

M4

11,360 of
16,576

metres of security fencing completed



4,199 of
4,741

metres of segregation fencing completed



Installation

of electric access control systems



25.3 of 27.2

kilometres of track resurfacing completed



18.6 of 27.4

kilometres of overhead wiring and 28 of 34 overhead wire structures for the project have been installed



Bankstown Station



- Conversion works started at Bankstown Station during the April 2024 school holiday possession.
- Two new track crossovers at Bankstown installed.

Campsie Station

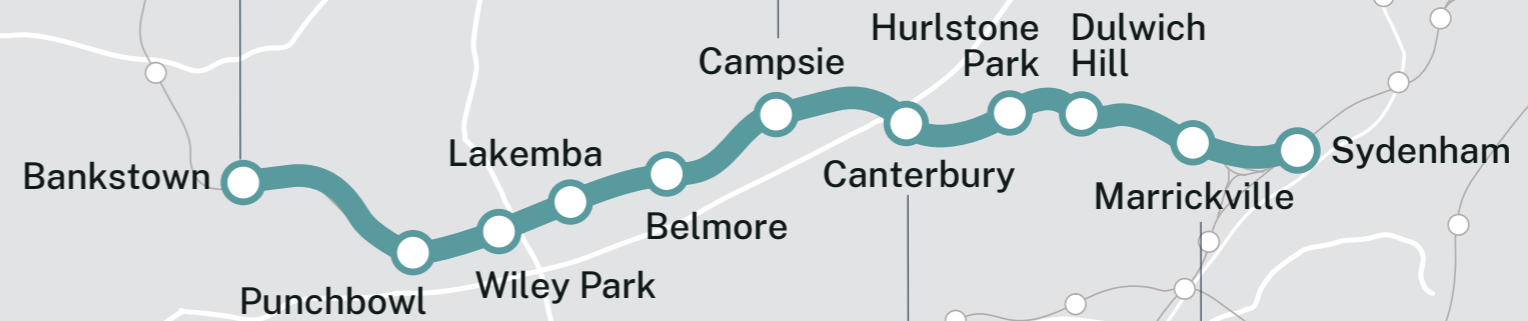


- Started works at Campsie Station to install equipment, cables, cable tray and cabinets in station rooms and buildings.

Marrickville, Dulwich Hill, Canterbury, Campsie stations



- Installation of mechanical gap fillers completed at Hurlstone Park, Marrickville, Dulwich Hill, Canterbury, Campsie stations.
- Building work on the Platform 2 building in progress at Hurlstone Park Station.



Punchbowl Station



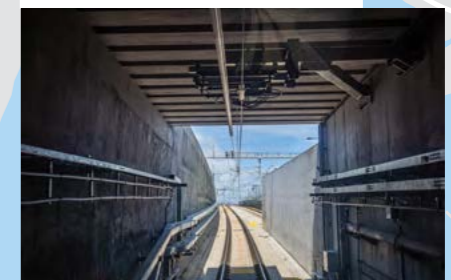
- Installation and modification of cables, cable service route and trackside equipment underway at Punchbowl Station.

Canterbury Station



- Geotechnical investigations at Canterbury Road rail overbridge, to collect information on underground utilities in preparation for final conversion.

Marrickville to Bankstown



- Commenced signalling related work from Marrickville to Bankstown.

Sydney Metro – Western Sydney Airport project



M7

Orchard Hills Station



- Piling works for Orchard Hills are underway. Initial works include the drilling of 128 piles, placement of pile cages and concreting.

Luddenham Station



- Construction of the station deck for the only above ground station along the alignment underway. Constructed from 32 concrete segments across four spans, the 9.5m-high structure will underpin the elevated Luddenham Station.

Airport Terminal Station



- Above ground, piling work, essential for the foundation of the five-level metro station, is underway. This includes drilling 96 piles using approximately 600 tonnes of reinforcement steel for the pile cages and about 1600 tonnes of concrete.



St Marys Station



- Major tunnelling completed on project with final breakthrough by TBM Marlene at St Marys Metro Station site.
- Sydney Metro – Western Sydney Airport project office construction completed and operational.

Claremont Meadows Services Facility



- TBMs Catherine and Marlene both achieved their first breakthroughs at the Claremont Meadows services facility shaft, as they build the twin 4.3-kilometre tunnels between Orchard Hills and St Marys.

Airport Business Park Station



- Above ground major earthworks are underway to excavate around 30,000 tonnes of existing material off site and compact the ground in two layers to form the piling rig platforms. There will be 178 piles, using 260 tonnes of reinforcement steel for pile cages and 1738 tonnes of concrete.
- Below ground, tunnelling support infrastructure is being removed from the site, including the spoil conveyor which carried the excavated rock from the tunnels to the surface.

Bradfield Station



- TBM Peggy completed tunnelling work with break through at Bradfield station.
- Drainage works inside the station box nearing completion.
- Piling and concreting work to build the metro station base underway.

Sydney Metro West project



Westmead Station



- Westmead Station box (East) excavation completed.

Parramatta Station



- Archaeological works at station precinct in progress.

Sydney Olympic Park Station



- Sydney Olympic Park station box excavation completed.
- TBM reaches Sydney Olympic Park.

Five Dock Station



- Five Dock shafts and cavern excavation completed.
- In December 2023, TBM Daphne and Beatrice achieved breakthrough at Five Dock Station site making them the first TBMs in the southern hemisphere to complete a double breakthrough.

The Bays Station



- TBM Jessie arrived at The Bays to commence tunnelling.
- Tunnelling precast segment fabrication completed.

Clyde Stabling Maintenance Facility



- Treatment of site contamination underway at Clyde Stabling Maintenance Facility site.
- Arrival cavern preparation for permanent lining at Clyde Spur Tunnels underway.
- Clyde connecting tunnel (west down) excavation completed.

North Strathfield Station



- North Strathfield Station box excavation completed.
- TBM reaches North Strathfield.

Burwood North Station



- Burwood Station box excavation completed.
- TBM Daphne breakthrough at Burwood Station site.

Pyrmont Station



- Commenced excavation of Pyrmont Station site.

Hunter Street Station



- Hunter Street Station excavation is over 30 per cent complete.
- Hunter Street received first precinct planning approval on Sydney Metro West alignment.

M4

Westmead

Parramatta

Clyde

Sydney Olympic Park

North Strathfield

Burwood North

Five Dock

The Bays

Pyrmont

Hunter Street

Land and property disposal

Sydney Metro acquires and holds properties to construct major projects in accordance with our functions under the *Transport Administration Act 1988*. Land and property assets not required for ongoing operational purposes are either transferred to other government agencies for approved functions or divested in accordance with government guidelines.

Sydney Metro exchanged contracts for sale on the following properties in 2023–24:

Land	Deposited plan	Purchaser
3 Andalusian Way, Castle Hill 2154	Lot 56 DP1253217	Deicorp
25–31 Brookhollow Avenue, Norwest 2153	Lot 71 DP1252765	Mulpha

No properties were sold to people with a family or business connection to a person responsible for approving the disposal.

Members of the public can request access to information regarding property disposal under the *Government Information (Public Access) Act 2009*.



Image: Castle Hill Station.

Research and development projects 2023–24

Table 5: Research and development

Activity	Status	Partners and collaborators
<p>Metro North West Benefits Realisation – Wider Economic Benefits</p> <p>In 2020 Sydney Metro engaged Western Sydney University to conduct a three-year study to measure changes relating to place-making, land use and wider economic benefits due to the operations of the Metro North West Line.</p> <p>The research has demonstrated:</p> <ul style="list-style-type: none"> place-making and land-use benefits were realised after the opening of the North West Line and there was a strong evidence base to support the inclusion of wider economic benefits, placemaking and land-use benefits in the cost benefit analysis for future transport projects evidence of wider economic benefits being realised because of improved connectivity and land use change. 	Completed	Western Sydney University
<p>Acoustic Classifier Feasibility Project</p> <p>In 2023, Sydney Metro initiated a project to redefine and increase the efficiency of the management of noise impacts from construction. The project explored more efficient and effective methods for managing construction noise using artificial intelligence. The testing undertaken during the study demonstrated strong predictive capability and rapid learning, with potential for further application in the field of acoustics.</p>	Completed	University of Technology, Sydney
<p>Inquiry Based Learning Professional Development Education Program</p> <p>University of Western Sydney has been engaged since 2018 to design and deliver a series of three NSW Education Standards Authority accredited professional development courses per annum focused on upskilling teachers working in schools around the metro alignments to use inquiry based learning strategies based on issues relevant to Sydney Metro in their communities.</p>	Ongoing	Western Sydney University



Implementation of price determination

Sydney Metro's fares are determined by order made by TfNSW.

IPART is responsible for determining maximum fares for trips made across all Opal services, excluding Gold Opal, Child Opal, Concession Opal and travel on

the School Student Travel Scheme. From 16 October 2023, the annual Opal fare adjustments were as determined by IPART having regard to the TfNSW Pricing Proposal for 2023.

Delivering our outcomes

Connecting our customers' whole lives

North West Line operational performance

In the 2023–24 reporting year, the Metro North West Line continued to deliver strong operational performance and customer satisfaction outcomes. Customer satisfaction and on time performance remained high at 98 per cent and 99.6 per cent respectively. Passenger growth was strong, increasing around 18 per cent compared with the previous year despite a reduction in the number of services because of weekend track closures for operational readiness testing for the City Line.

Table 6: Metro North West Line performance 2023–24

Measure	2021–22	2022–23	2023–24
Customer satisfaction*	98%	99%	97%
Services delivered	99.80%	99.59%	99.90%
On time performance (headway)	99.49%	99.25%	99.55%
Journey time within 37 minutes	97.93%	98.84%	99.10%
Patronage**	10.7 million	19.7 million	23.3 million
Services	90,398	111,170	105,561**
Services in kilometres	3.19 million	3.88 million	3.74 million***

* TfNSW Customer Satisfaction Index

**This does not take into account adjustments for fare evasion, school students and fare free concessions.

***Lower number of services due to track closure for City Line testing and commissioning.

Customer satisfaction drivers and feedback

The reliability provided with the turn-up and go service offered on the Metro North West Line is highly valued by passengers. Independent customer surveys are conducted every quarter and provide valuable insights so we can focus on the areas that our passengers value the most.

The November 2023 and May 2024 customer satisfaction index for Sydney Metro measured at 98 per cent and 97 per cent respectively. Sydney Metro customers were most satisfied with timeliness, ticketing, accessibility and cleanliness.

The best features of our service according to our passengers include:



Preparing for Chatswood to Sydenham passenger service

In this reporting period final preparations took place for the start of passenger services from Chatswood to Sydenham in the second half of 2024. Planning for first passenger services has been supported from across the Transport portfolio to ensure an integrated travel experience for passengers. Some of the activities that took place during the year included:

- operational readiness exercises
- planning for changes to bus routes in Sydney's north and north west to direct more services to metro stations
- improving active transport links around stations
- familiarisation activities with Sydney Trains staff at metro interchange stations
- planning timetable adjustments for the gradual increase of metro services
- incorporating network changes into transport trip planning applications
- onboarding and training of new metro operational staff
- developing public awareness campaigns about the new services
- planning for opening day and street teams to support passenger wayfinding in the early days of operation
- working with multiple security and emergency service agencies to ensure seamless response planning.

Our network operator expanded the Operations Control Centre (OCC) ahead of services commencing beyond Chatswood, below the Sydney CBD and out to Sydenham through the city. The OCC is the nerve centre of the fully automated metro network where MTS staff can:

- monitor more than 3500 CCTV cameras at stations, on trains and in tunnels to ensure the safety and reliable journeys of our passengers
- connect directly to the Transport Management Centre (TMC), NSW Police and Emergency Services
- coordinate operational responses and network performance
- provide real-time customer information, including public announcements and updates to passenger information displays inside trains and stations.

Across the Transport portfolio extensive planning also took place to prepare the temporary transport plan that will be in place while the T3 Bankstown Line from Sydenham to Bankstown is closed later in 2024 for the final conversion to metro. The Sydenham to Bankstown service is expected to begin in 2025, offering more frequent services.



Image: Commuters at metro station.

The estimated journey times for Sydney Metro City Line include:

35
minutes



Castle Hill to Martin Place

3
minutes



North Sydney's Victoria Cross under
Sydney Harbour to Barangaroo

26
minutes



Macquarie University to Central

7
minutes



Central to Martin Place

13
minutes



Chatswood to Gadigal

22
minutes



Sydenham to Chatswood

Mobile Community Information Centre: Bringing Metro to you

In late 2023, we introduced our new Mobile Community Information Centre to provide more opportunities across our large construction footprint to engage, connect and help diverse local communities learn more about Australia's biggest public transport project. The purpose-built van is equipped with interactive tools and project displays, videos, iPads, heritage artefacts and more, bringing information directly to the local community.

The van is used to attend markets, events, open days, pop ups, schools, libraries and streets along the alignments for the Sydney Metro City & Southwest, Sydney Metro West and Sydney Metro –Western Sydney Airport projects.



Image: Sydney Metro community engagement van.

Engaging the younger community

For younger members of the community or those young at heart, Sydney Metro the Game provides a unique and fun opportunity for stakeholders and communities to explore a future Sydney Metro station and precinct. The Game gives users a firsthand experience of the Sydney Metro end-product, collecting knowledge tokens along the way as they learn more about Australia's biggest public transport project.



Image: Children playing Sydney Metro the Game.

Successful places for communities

Sydney Metro is a catalyst for urban development and renewal. Our projects enable existing locations to be reimagined to support increased housing density by providing a rapid transit and seamlessly integrating with the broader public transport system. We are helping current and future residents of Greater Sydney to easily travel from where they live to work, play and learn. We are responding to the NSW Government's commitment to increase housing supply by working closely with planning agencies to ensure our integrated station developments and surrounding precincts support the NSW Government's Transport Oriented Development Program by having the right mix of services, amenity and housing.

Through excellence in design and delivery, Sydney Metro aims to deliver places which:

- respond to the community's needs and the character and context of each station
- are architecturally unique and easy to navigate
- are intuitive and safe, and promote people's health and wellbeing
- are active and vibrant, with a mix of uses and activities.

North West precinct development

Sydney Metro, together with development partner Landcom, have completed rezonings and concept Development Approvals for land owned by Sydney Metro within walking distance of the Metro North West Line stations to enable up to 10,000 dwellings and up to 350,000 square metres of non-residential (retail/commercial/community) floor space.

These city-shaping transit-oriented developments will create well-connected and vibrant places through integrated strategic planning and good urban design, in line with global best practice. Our approach to placemaking focuses on creating thriving, welcoming hubs for local communities to enjoy, with new public spaces designed to encourage walking, cycling and social interaction with a mix of land uses including diverse and affordable housing types.

During the year, contracts for sale were exchanged with developers for sites at Hills Showground and Norwest. The sale of the site at Hills Showground to Deicorp is for the delivery of a new residential development with a public park, located next to a mixed-use local centre which is currently under construction. The sale of a site at Norwest to Mulpha is for a commercial development with an activated public plaza.

Sydney Metro City & Southwest

The integrated station developments for Sydney Metro's new stations made significant progress during the reporting period. The integrated station development at Martin Place was completed in June 2024, with both the 39-storey north tower and 28-storey south tower ready for the Sydney Metro City Line opening. The integrated station development at Victoria Cross station, which includes a 40-storey premium office tower over the south entrance, and at Gadigal station, which includes a 39-storey premium office tower over the north entrance and 234 premium built to rent apartments over the south entrance, are progressing towards completion in 2024–25.

Development of the 1.91-hectare mixed-use Waterloo Metro Quarter at Waterloo station has also progressed over 2023–24. The southern precinct of Waterloo Metro Quarter is progressing for completion in 2025 and will include 70 social housing units, 474 student beds, a community makerspace and Cope Street Plaza.

Sydney Metro also progressed the construction of its over station development at Crows Nest, a seven-storey commercial building that is due for completion and sale in late 2024.



Image: An artist's impression of Sydney Metro Hunter Street Station precinct.

Sydney Metro West

In April 2024, the over station developments at Hunter Street in the Sydney CBD received planning approval from the Department of Planning, Housing and Infrastructure. The approval is for two new buildings, a 58-storey building above the eastern side of Hunter Street Station, between O'Connell Street and Bligh Street, and a 51-storey building above the western side of Hunter Street Station, on the corner of George Street and Hunter Street. The new Hunter Street Station will revitalise Sydney's central business district and become a transport precinct with connections to George Street light rail, train services at Wynyard and the new metro station at Martin Place.

The planning process for the Hunter Street over station development has been run concurrently with the procurement of a development partner to deliver the project. The tender process to award the development partner contract is continuing with the two shortlisted consortia was announced in November 2022.

Sydney Metro continues to engage with local councils and planning agencies to align and realise the visions for the precincts along the Metro West corridor, including approval of the state significant development planning assessment for Parramatta, Pyrmont and Sydney Olympic Park Station sites.

Sydney Metro – Western Sydney Airport

Sydney Metro continues to work closely with the Department of Planning, Housing and Infrastructure and local councils and communities to plan vibrant places and landmarks that will support the success of the Western Parkland City.

Sydney Metro has been involved in numerous activities to create new and enhanced places, including working with:

- Penrith City Council to progress the strategic planning of St Marys
- the Department of Planning, Housing and Infrastructure to progress the planning process for Orchard Hills.



Image: An artist's impression of Orchard Hills Station precinct.

Project planning approvals

To support the delivery of our city shaping projects the following State Significant projects were approved under the *Environmental Planning and Assessment Act 1979* in 2023–24:

- State Significant Development (Stage 1) – Sydney Metro West: Hunter Street over station and development (East site)
- State Significant Development (Stage 1) – Sydney Metro West: Hunter Street over station and development (West site)
- State Significant Infrastructure – Sydney Metro West Stage 1 Modification 5 – Additional impacts to mangroves at Clyde stabling and maintenance facility
- State Significant Infrastructure – Sydney Metro West Stage 2 Modification 2 – Permitting tunnelling activities by means other than tunnel boring machines outside approved construction hours.

The following Sydney Metro State significant project applications were progressed in accordance with the *Environmental Planning and Assessment Act 1979* in 2023–24:


- State Significant Development (Stage 1) – Sydney Metro West: Parramatta over station and adjacent station development
- State Significant Development (Stage 1) – Sydney Metro West: Sydney Olympic Park over station and adjacent station development
- State Significant Development (Stage 1) – Sydney Metro West: Pyrmont over station development
- State Significant Infrastructure – Sydney Metro West Stage 1 Modification 6 – Administrative Modification
- State Significant Infrastructure – Sydney Metro West Stage 2 Modification 3 – Administrative Modification
- State Significant Infrastructure – Sydney Metro West Stage 3 Modification 2 – Administrative Modification.

Sydney Metro City Line – first look community open days

In October 2023, more than 1500 community members visited the first open day at Waterloo Station to see the almost-complete concourse and platforms, view the public art installation and hear stories about the construction process from the team members working on the project.

Between October 2023 and May 2024, almost 21,000 people attended the six community days held at Waterloo, Barangaroo, Sydenham, Victoria Cross, Martin Place and Crows Nest stations.

We collaborated with all our station contractors to create these one-of-a-kind self-guided station tour events. Volunteers from Sydney Metro and its contractors were on site to answer questions and showcase the stations.



6 total number of first look station community open days

almost **21,000** visitors who attended a first look station community open day – City Line

almost **190** volunteers (cumulative) over the 6 events



Image: Sydenham Station.



Image: At Sydenham, the community were excited to see some of the most significant upgrades to the station since opening in 1884.



Image: Victoria Cross Station.



Image: Victoria Cross Station.

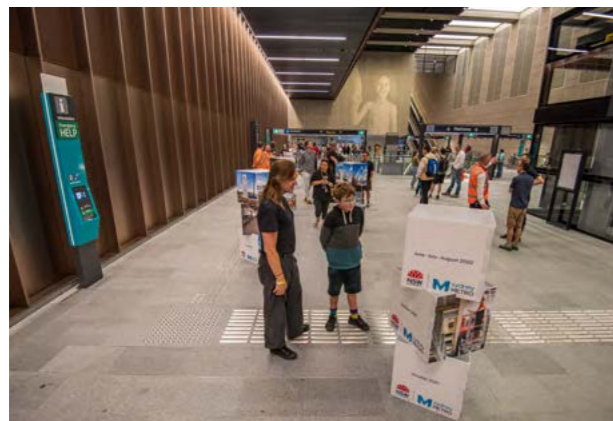


Image: Waterloo Station.



Image: Waterloo Station.



Image: Sonic Luminescence, Tina Havelock Stevens 2024, Martin Place Station, Sydney.



Image: Martin Place Station.



Image: Barangaroo Station.



Image: Barangaroo Station.



Image: Crows Nest Station.



Image: Crows Nest Station.

Connecting with Country

We have continued to inform the planning, design and delivery of our projects using the NSW Government's Connecting with Country framework. The framework is a guide for good practice to respond to Country when planning, designing and delivering built environment projects to meet legislative requirements of the *Environmental Planning and Assessment Act 1979*.

During the year we continued our work with contractors and knowledge holders through the Sydney Metro West and Sydney Metro –Western Sydney Airport Connecting

with Country Working Groups which involved walks on Country that supported meaningful discussions about Country and the design of our projects.

We express Country in our projects and operations in a variety of ways including architecture, landscape, public art, sustainability, materials, colour, public events, heritage interpretation, engineering and our interactions with community.

Highlights of our approach in 2023–24 are outlined below.

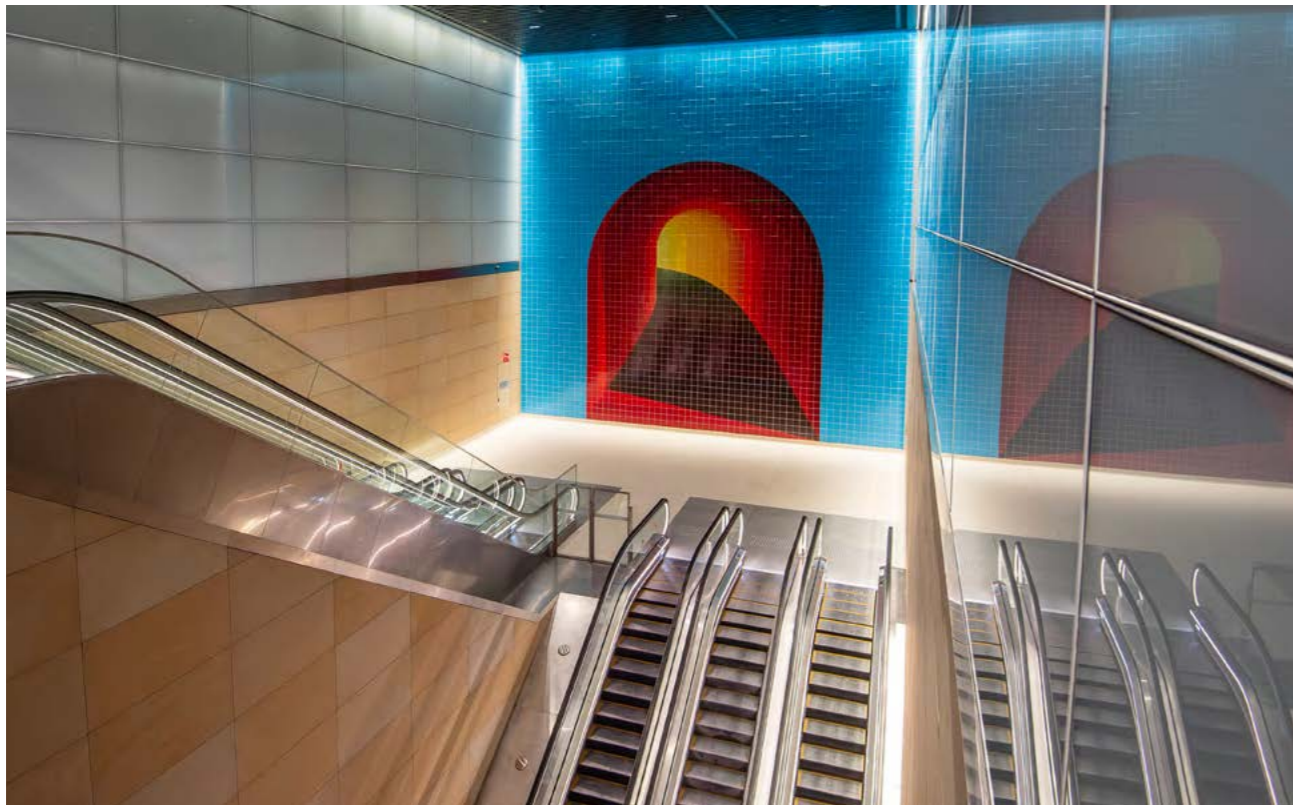


Image: The Underneath, Callum Morton, 2024, Gadigal Station.

Honouring First Nations – Sydney Metro Gadigal Station

In October 2023, the NSW Government announced Gadigal Railway Station as the name for the future metro station deep below Pitt, Park and Bathurst streets at the southern end of the Sydney CBD.

The station name acknowledges the Gadigal people, the original custodians of the land around Sydney's CBD.

The name was selected based on overwhelming support following an extensive process, particularly engaging with language specialists and several Aboriginal groups in Sydney such as the Metropolitan Local Aboriginal Land Council.



Image: Gadigal Station platform.

Dharug language knowledge sharing

Dharug language was spoken throughout much of what is modern day Sydney. During the year we engaged with people from Aboriginal communities to create a list of English words for translation into Dharug language. Around 170 words were translated into Dharug language to ensure we are being culturally sensitive in the use of language in our station projects.

Sydney Metro – Western Sydney Airport train seats upholstery design

We have selected the upholstery designs for the train seats on the Sydney Metro –Western Sydney Airport project. The upholstery connects passengers, including first-time visitors to Australia, Sydney, or Western Sydney, with Aboriginal artists and local culture.

The designs are based on the original artwork by Nga Dharug artist Leanne Watson Redpath, with Tina Barahanos and Alexandra Byrne. The designs include references to Badu (water) running through Country, following pathways, Connectedness, and Meeting Places.

The general seating design depicts Big Sky before sunrise with frosty mists and constellations. The priority seating design represents carved earth, symbolizing new growth and hopefulness, with Wadanguli (wattle) and Badu who tell us when to move through Country. Lead artist Leanne said:

“As we cross through Dharug Ngurra (Country) we follow our ancient pathways, Mariyung is my mother and I am guided by her, following her footprints and her image in the sky through the many seasons, Badu (water) changes with every season and as the Ngurra dries up on the plains we move to our Dhurabang (river). Along the way we stop and light our fires and we sit around them sharing our knowledge, resources and we hold ceremony.”

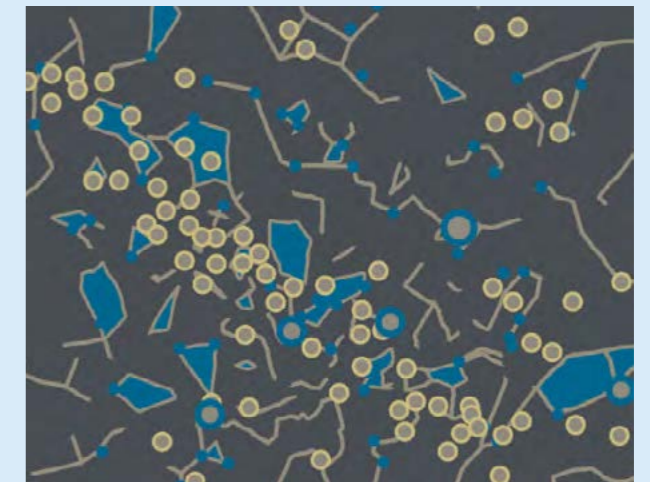


Image: General carriage seating design on the future Western Sydney Airport Line by Leanne Watson Redpath, with Tina Barahanos and Alexandra Byrne.

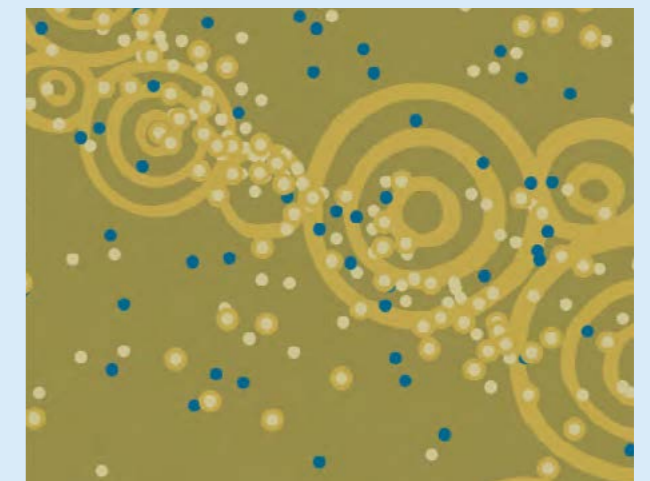


Image: Priority carriage seating design on the future Western Sydney Airport Line by Leanne Watson Redpath, with Tina Barahanos and Alexandra Byrne.

At Martin Place Station, art by Debra Beale celebrates the Gadigal women's stories connected to the saltwater harbour, coves, bays and coastlines. It also explores the importance of the Tank Stream, a freshwater stream directly below Martin Place. The artist's work is featured throughout the station including an acknowledgement of Country flooring design, wayfinding totems and seating design.



Image: Ngalga Dyi, Duba, Nura & Garrigarrang (meaning Look Here, Ground, Country & Sea), Debra Beale, 2024, Martin Place Station.

Celebrating heritage

Every Sydney Metro City & Southwest station tells the stories of the past through heritage interpretation. Deep Time stories are explored at Waterloo, with a backed blade represented as a repeating pattern in the station concourse and at the platform level. The backed blade was found during archaeological excavations in 2018 prior to the construction of the station. It was an

important tool used by the local First Nations people – sharp on one edge for piercing or cutting, and blunt on the other for handling of the blade. The archaeological excavations at Waterloo also uncovered 30 houses dating from the mid-1800s, with over 18,000 artefacts recovered. Selected artefacts are on display on the station concourse and tell the stories of the people who lived on Botany Road in the 19th century.

Tom Bass and Douglas Annand sculpture reinstatement at Martin Place

As part of the heritage interpretation at Martin Place Station, three important salvaged sculptures have been reinstated in the public lobby of the north tower. These sculptures were originally located in the 1963 P&O head office building at 55 Hunter Street close to the new Sydney Metro Martin Place Station. All three of the art works were carefully documented prior to being dismantled and have been restored before being reinstated in the lobby.

The P&O Wall Fountain by renowned Australian sculptor Tom Bass has been a part of Sydney's artistic landscape since its original installation on the Hunter Street building. Installed as a working copper water feature, it ran along the front retaining wall of the building on Hunter Street. Its reinstatement has retained its working order and recreated its original prominence in the public life of Sydney.

Douglas Annand's Four Continents was originally located above the entrance to the P&O building. The large bronze relief shows four creatures representing the four continents that P&O cruises served – Kangaroo (Australia), Lion (United Kingdom), Dragon (Asia) and Elephant (Africa).

A large ceramic wall mural by Douglas Annand was also salvaged from the P&O building and has been reinstated with a contemporary twist by artist Stevie Fieldsend who has reimagined six of the original figures.

The salvage, conservation and reconstruction of these works was undertaken by Sydney Metro in partnership with Macquarie Group and in consultation with the descendants of the artists.



Image: Heritage interpretation signage at Waterloo Station.

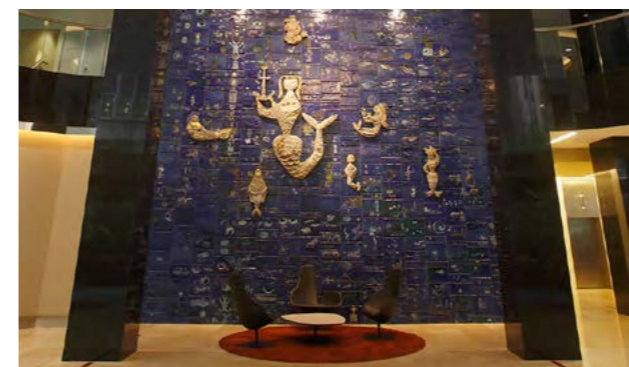
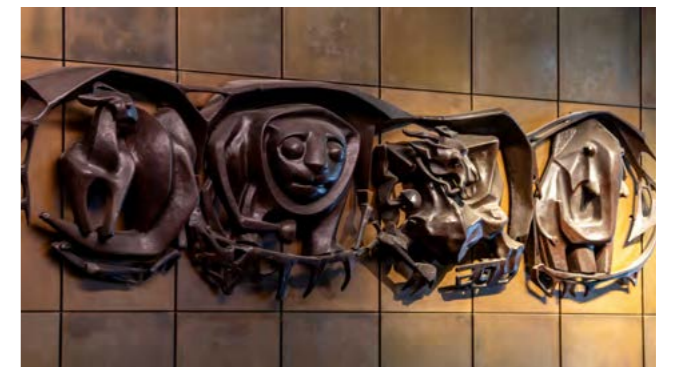
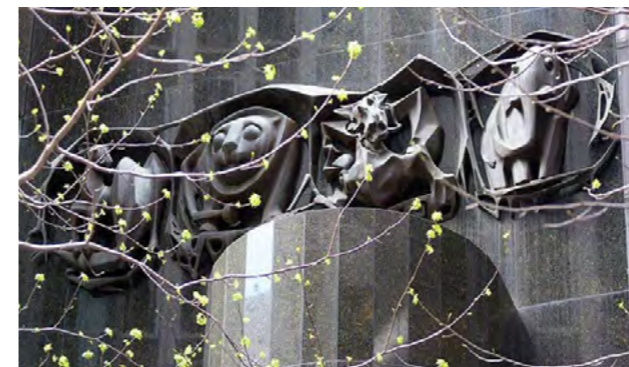
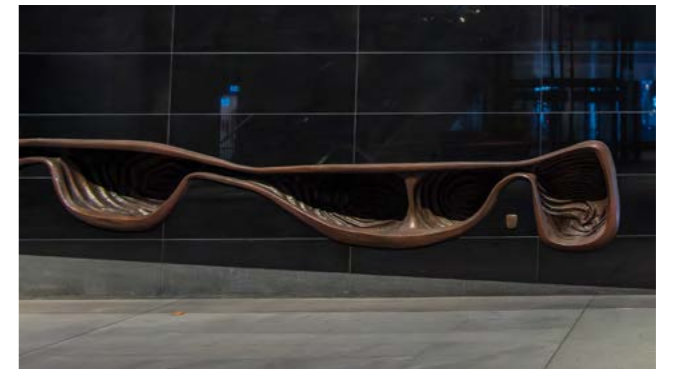


Image: Archaeological artefacts on display at Waterloo Station.



Image: Location of excavated remains of the Barangaroo Boat at Barangaroo Station precinct.

At Barangaroo, the Barangaroo Boat found during archaeological excavations in 2018 is outlined in the walkway near the station entry. The boat was abandoned on the west side of boat builder William Langford's wharf around the late 1830s or early 1840s and is the oldest colonial-built boat found in Australia.



Images: Tom Bass P&O fountain (top), Douglas Annand bronze relief (middle) and Douglas Annand wall mural (below), in their original locations.



Images: Tom Bass' fountain, reinstated at Martin Place Station (top), Douglas Annand bronze relief (middle) and Douglas Annand's wall mural (below) reinstated at Martin Place Station.

History unearthed at Parramatta

Sydney Metro hosted an open day at our Parramatta metro site in July 2023, attracting nearly 300 visitors, including families and history enthusiasts. Attendees were captivated by the stories revealed through artefacts unearthed in Parramatta.

Sydney Metro's heritage investigations at the site, started in 2021, are now 60 per cent complete. A 23,000 square metre area, destined to become the future metro station precinct, has been meticulously examined by a team of about 50 archaeologists, uncovering tens of thousands of artefacts to date.

Archaeological work at Parramatta metro station site has uncovered five 'convict hut allotments' — four on George Street and one on Church Street. These huts were two-room timber structures, each measuring 3.65 metres wide and 7.31 metres long, with a thatched roof and a brick chimney. Designed to accommodate 10 people, they often housed up to 14.

The finds to date illustrate the site's evolution over time — from a wetland used by Aboriginal communities to an agricultural and convict settlement, then a free-market town, and eventually an urban centre in the 19th century, culminating in its modern-day cityscape.

By 1823, Parramatta had become a free-market town, with the site hosting a mix of residential, retail, and manufacturing uses, including cottages, boarding houses and various shops.

In the 1870s, part of the site became home to Robert Adam Ritchie's Iron Works, where goods carriages and rolling stock were manufactured for the three railway lines operating in NSW at the time. The new Friendly Society's Hall on George Street, next to the Roxy Theatre, opened on 24 May 1883 with a grand gala day. Known as the Victoria Theatre, remnants of the building, including evidence of a devastating fire in 1939, have been uncovered at the site.

By the 20th century, the site was a bustling urban centre, predominantly used for commercial and retail purposes, with the local shopping centre situated along George Street. This site is now set to have a metro station.



Image: Archaeological finds on display at the Parramatta heritage day.

Integrating public art in place making

Public art is a key part of Sydney Metro's placemaking approach, promoting inviting and welcoming stations that are connected to communities. Each Sydney Metro art project is commissioned to reflect the urban context and communities it serves. Public art enriches our cultural and natural heritage, enhances the built environment and creates more meaningful public spaces. It fosters a sense of belonging, connecting stations with the community.

Aboriginal art is a prominent feature in Sydney Metro station and precinct design. We aim to provide a Connection to Country by integrating Aboriginal sense of place, wisdom, creativity, and storytelling into our designs. The rich cultural narratives within the NSW Aboriginal community offer a generational opportunity to create meaningful transport "places" that passengers wish to interact with, rather than just pass through.

During the year the community open days provided the opportunity for the community to view the public art that has been integrated into the city stations to reflect their unique location, history and context.

Appendix 1 provides an overview of the public art installations that can be seen within our station precincts.



Image: Public interacting with our contracted archaeologists during the Parramatta heritage day.

Transport systems and solutions enabling economic activity

Sydney Metro contracts

We deliver our construction projects and passenger services via public private partnerships and contracted service provision. Our internal workforce focuses on requirements setting, standards, procurement, contract management and assurance activities.

Contract packages are the way we segment the delivery of a project. We work closely with our contracted partners to manage the complex interfaces between contracts to promote seamless project delivery.

During 2023–24, we progressed procurement planning for the remaining Metro West project packages including trains, systems, maintenance and operations, linewide, stations and integrated station developments.

Building a legacy workforce

Sydney Metro continues to contribute to government priorities by harnessing the opportunities our projects provide and driving creation of jobs, skills development and diversity with our delivery partners and supply chain. Our Workforce Development and Industry Participation Plan and our Aboriginal Participation Strategy set out how these priorities will be delivered by addressing key Commonwealth and NSW Government policies and skills challenges. Sydney Metro's priorities include:

- industry participation
- workforce skills development
- diversity and inclusion
- inspiring future talent
- collaboration.

Sydney Metro works closely with industry to deliver programs and initiatives to achieve these priority areas.

Image: Some of the 50,000-plus workers who worked on the City project in the Barangaroo Crossover, July 2022.



Sydney Metro construction and operations outcomes of workforce initiatives in 2023–24

Diversity and inclusion



2680
Young people aged under 25



1515
Women



50
People with disability



750
Long-term unemployed people



541
Aboriginal and Torres Strait Islander peoples working across our projects



2500
People from culturally and linguistically diverse backgrounds



392
People who have completed cultural awareness training

Industry and jobs participation



16,831
People who have worked across Sydney Metro projects



353
Small to medium enterprises who have supported project delivery



83
Aboriginal businesses supporting project delivery



Over \$142 million
Aboriginal business spend including Aboriginal business engagement, workforce training and employment



22.74%
Aboriginal business representation in the Sydney Metro project supply chain



53.7%
Workforce from the Greater Western Sydney area

Workforce skills development



4.3%
Woman in non-traditional trades and occupations



25.2%
External workforce undertaking skills development programs



15.9%
External workforce under 25 years of age



16.3%
Trades' workforce who are apprentices



4233
People who have undertaken accredited training and micro-credentials, supporting upskilling and mitigating skills shortage

Promoting Aboriginal business representation

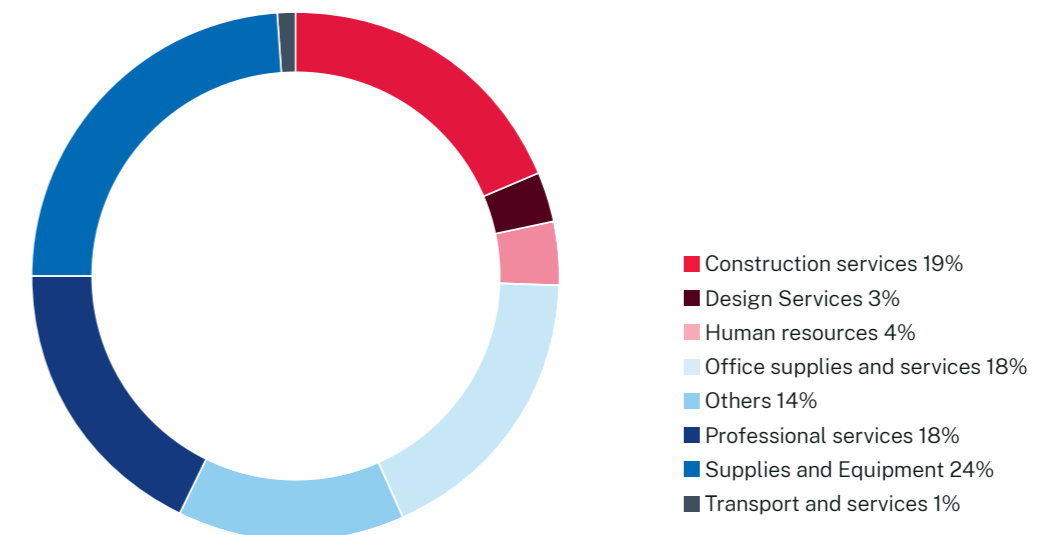
Sydney Metro is committed to broadening opportunities for Aboriginal and Torres Strait Islander peoples on Sydney Metro projects. We create a positive impact by setting minimum requirements in our contracts, bid-back mechanisms, facilitating collaborative forums and client-led programs.

In October 2023, Sydney Metro hosted its first face-to-face Aboriginal Business Forum at Penrith Panthers Stadium. The event facilitated engagement between our delivery partners, operators, supply chain

representatives, business intermediaries and local Aboriginal businesses through a unique business matching session involving over 100 recognised Aboriginal businesses. These businesses had the opportunity to pitch their services to procurement decision-makers from our delivery partners' commercial teams to increase Indigenous spending across our projects.

As at 30 June 2024, Recognised Aboriginal businesses made up 22.7 per cent of all reported businesses in our project supply chain.

% of Aboriginal businesses in the Sydney Metro project supply chain by sector



Passenger safety – Mechanical gap fillers

During the 2023–24 period, Sydney Metro installed 89 of the 170 mechanical gap fillers across Marrickville, Dulwich Hill, Hurlstone Park, Canterbury and Campsie stations as part of the Bankstown Line conversion works.

These devices are being used on conversion works on the Sydenham to Bankstown Line that have curved platforms to ensure safe and easy access, particularly for people with accessibility needs. The solution has avoided the need to carry out platform straightening and maintains the existing heritage character of the stations.

The gap fillers have an extendable step that sits inside the edge of the platform at each of the door locations. When the train arrives and the train doors are lined up with the platform screen doors, the step will automatically extend at the same time the doors open, allowing for seamless access to the train.

For areas on the station where the platform is straight or the curve is only very minor, a non-mechanical gap filler is used. These are a durable rubber strip that permanently extends from the platform. Similar technology can be seen at other locations on the Sydney Trains network.

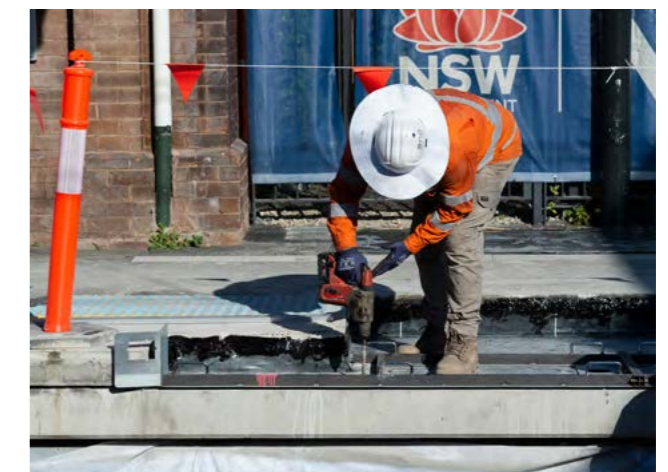


Image: Installation of mechanical gap filler at Hurlstone Park Station platform.

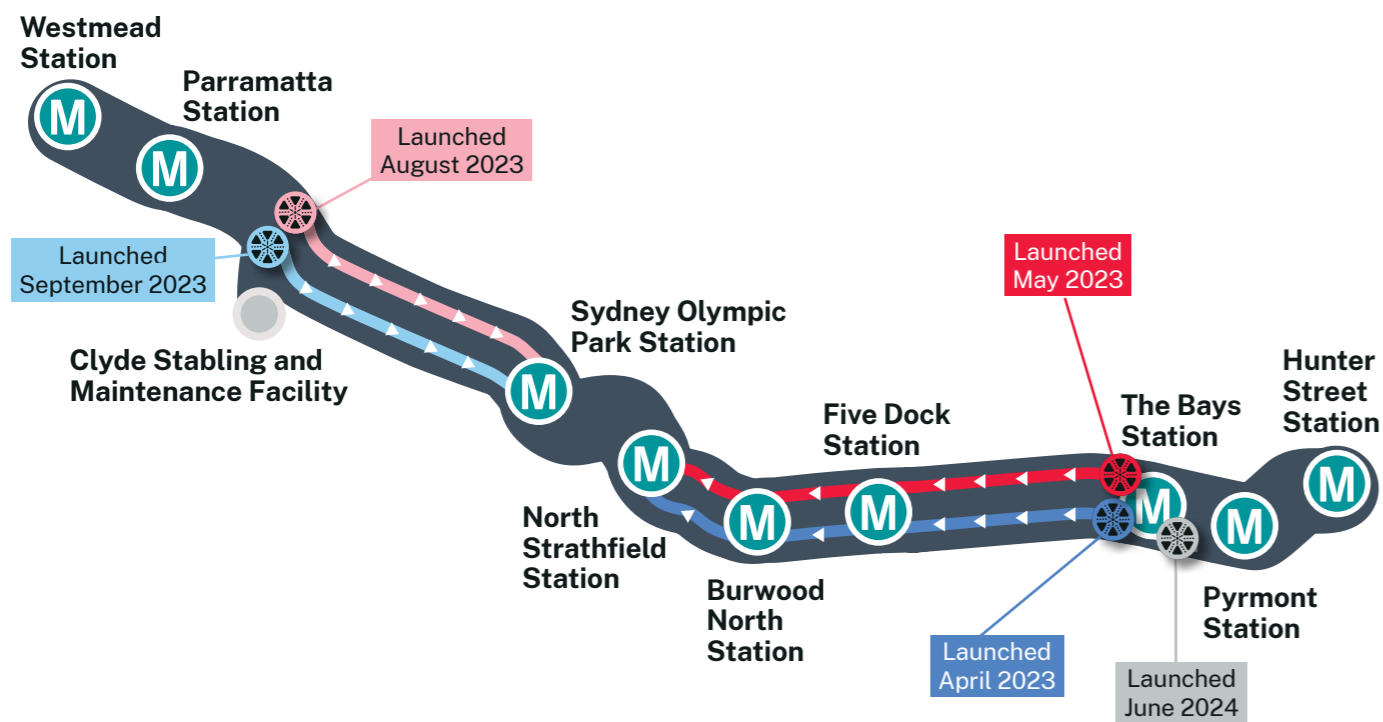
Our tunnel boring machines

Major tunnelling continued on the Sydney Metro West project during 2023–24.

TBMs Daphne and Beatrice were joined by TBM Betty in August 2023, TBM Dorothy in September 2023 and TBM Jessie in June 2024 to carve out the 24-kilometre twin metro tunnels from Westmead to the Sydney CBD. The final TBM will tunnel alongside TBM Jessie to carve out a 2.3-kilometre section of tunnel from The Bays, under Darling Harbour, to Hunter Street in Sydney's CBD.

All tunnelling on the Sydney Metro – Western Sydney Airport is now complete. TBMs Eileen and Peggy completed the 5.5-kilometre section of metro tunnels from the future Airport Business Park Station to Bradfield Station in June 2024. TBMs Catherine and Marlene finished the 4.3-kilometre tunnels from Orchard Hills to the St Marys Station site in May and June 2024 respectively.

Sydney Metro West project TBMs



- TBM Launch site
- █ TBM Beatrice – Travelled 8.4 kilometres towards North Strathfield Station
- █ TBM Daphne – Travelled 8.4 kilometres towards North Strathfield Station
- █ TBM Betty – Completed 4.6 kilometres at Sydney Olympic Park Station
- █ TBM Dorothy – Travelled 3.8 kilometres of her 4.6-kilometre journey towards Sydney Olympic Park Station. Expected to arrive at the Sydney Olympic Station in July 2024
- █ TBM Jessie – Travelled 0.01 kilometres to Pyrmont Station

TBM Beatrice



Image: TBM Beatrice launched at The Bays.

TBM Daphne

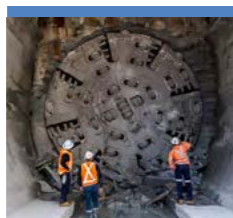


Image: TBM Daphne breakthrough at Burwood North.

TBM Betty



Image: TBM Betty launched at Clyde.

TBM Dorothy

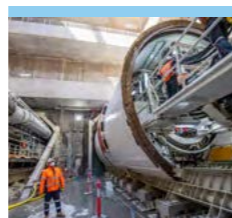


Image: TBM Dorothy launched at Clyde.

TBM Jessie

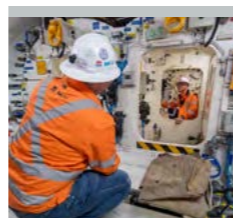
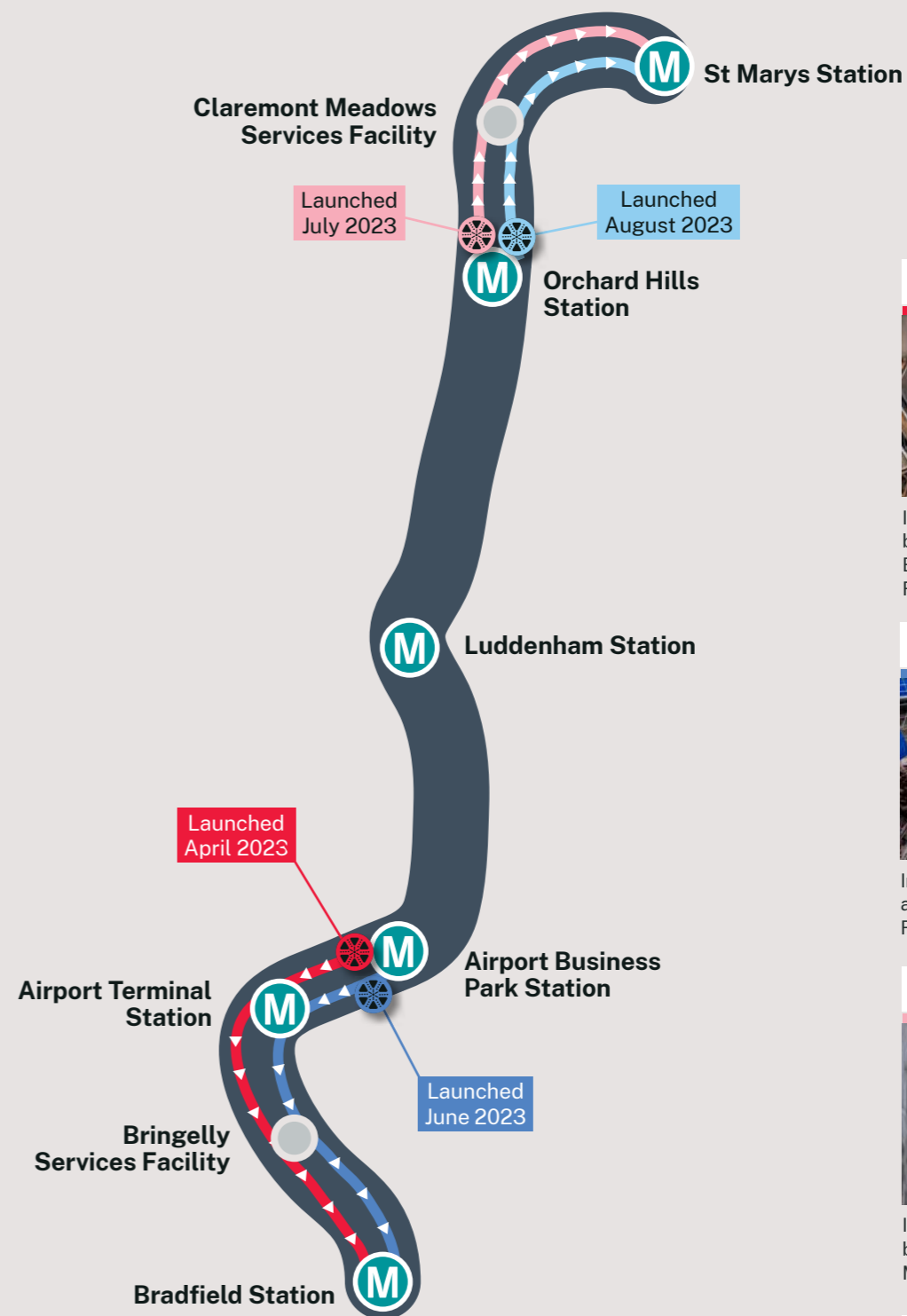


Image: TBM Jessie preparing to be launched at The Bays.

Sydney Metro – Western Sydney Airport project TBMs



- TBM Launch site
- █ TBM Eileen – Completed 5.5 kilometres at Bradfield Station
- █ TBM Peggy – Completed 5.5 kilometres at Bradfield Station
- █ TBM Catherine – Completed 4.3 kilometres at St Marys Station
- █ TBM Marlene – Completed 4.3 kilometres at St Marys Station

TBM Eileen

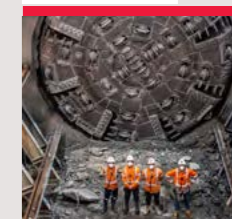


Image: TBM Eileen breakthrough at the Bringelly Service Facility.

TBM Peggy



Image: TBM Peggy at Bringelly Service Facility.

TBM Catherine

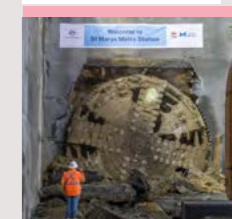


Image: TBM Catherine breakthrough at St Marys Station.

TBM Marlene



Image: TBM Marlene breakthrough at St Marys Station.

What's in a name?

As is tunnelling tradition across the world, the Sydney Metro TBMs are named after women to bring luck to the workers who look to Saint Barbara for protection. In 2023–24, our newest TBMs were named after four inspirational women.

TBM Catherine is named after Catherine White, Blacktown local who has spent 35 years working in the community and dedicating her life to vigorously promoting social justice and gender equality and supporting women and children. She is well known in the community and won the Blacktown Woman of the Year Award in 2012 for her ongoing work, strongly advocating against violence towards women.



Image: Catherine White at TBM launch at Orchard Hills.

TBM Marlene was named after Dr Marlene Kanga AO. Dr Kanga is a chemical engineer who leads initiatives for women in Science, Technology, Engineering and Mathematics (STEM) at the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the United Nations. Dr Kanga is Co-Chair of the Elevate program to support the careers of women in STEM in Australia. She is the former President of the World Federation of Engineering Organisations (WFEO) representing 30 million engineers. TBM Marlene was named by students from Claremont Meadows Public School as part of a TBM naming competition.



Image: Dr. Marlene Kanga at TBM launch.

TBM Betty is named in honour of one of Australia's most loved Olympians, Betty Cuthbert (1938-2017) who won four gold medals, including three gold in athletics at the 1956 Melbourne Olympics, earning her the title of Australia's Golden Girl. Between 1956 and 1964, she set or equalled 18 world records in individual races and team relays. Betty grew up in Parramatta and its surrounding areas, attending high school at Parramatta Home Science School (now Macarthur Girls High School).



Image: Australian Olympian Betty Cuthbert.



Image: TBM Betty has begun its journey from Rosehill to Sydney Olympic Park, the first part of twin nine-kilometre tunnels from Sydney Olympic Park to Westmead.

TBM Jessie is named after Jessie Street (1889–1970), an Australian activist, feminist, and lifelong campaigner for women's rights and the peace movement. Jessie worked in Australia and overseas to improve the status of women, primarily advocating for equal pay and equal opportunity for women at work. She also fought to improve the rights of Aboriginal people in Australia and played a pivotal role in campaigning for the 1967 referendum which amended the Australian constitution to enable Aboriginal people to be counted in the census.

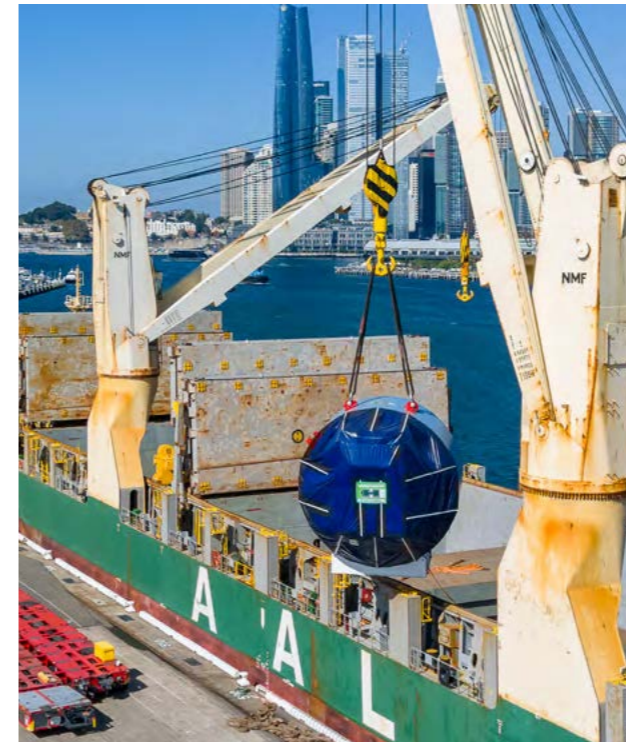


Image: Final TBMs for Metro West tunnelling arriving at White Bay in March 2024.



Images above: Australian activist and feminist Jessie Street.

Tunnelling Academy

In July 2023, the Tunnelling and Infrastructure Academy (TIA) began, providing expert training for the country's largest infrastructure projects. The Tunnelling Academy, located in Clyde, is educating the next generation of tunnelling workers.

This state-of-the-art training facility has significantly boosted the construction industry by training the skilled workforce required for Australia's infrastructure projects. The TIA also offers opportunities for new workers starting their careers in the construction industry by placing them in entry-level roles with construction partners on the Metro West project.

Since its opening in 2023, students have successfully completed nearly 3000 training courses across 192 accredited and non-accredited programs. Currently, 260 people are participating in 19 programs, and it is expected that up to 10,000 people will benefit from the training programs being offered.

The facility is managed by Sydney Metro West's Western Tunnelling Package delivery partners, Gamuda and Laing O'Rourke Consortium. Since the TIA opened, it has been upskilling existing workers on the Western Tunnelling Package, covering areas from Sydney Olympic Park to Westmead.



Image: Training session at the Tunnelling and Infrastructure Academy.

Thriving people doing meaningful work

We continue to recognise our people are our most valuable resource and the key to delivering high quality services and infrastructure to our passengers and community. We continue to support Transport's primary outcome of 'thriving people doing meaningful work', by driving engagement, continuing to attract and retain talent, building capability, harnessing the diversity of our people and implementing flexible work practices.

People Matter Employee Survey

Each year the Public Service Commission conducts the People Matter Employee Survey (PMES) across the NSW public sector. The survey enables us to check in with our people, measure employee engagement and understand their experience of working at Sydney Metro. In 2023, we had a 92 per cent response rate to the survey and our PMES engagement score was 70 per cent, above the NSW public sector score of 64 per cent.

Our people say they feel proud to work for Sydney Metro (83 per cent) and we scored highly on our culture for inclusion and diversity (75 per cent), our commitments to ethical behaviours and supporting organisational values (96 per cent), flexible working arrangements (91 per cent) and consideration of customer needs when planning work (84 per cent). Our results continue to reflect challenges encountered since the COVID-19 pandemic and a highly paced project delivery environment. Our leadership team has continued to focus on internal communication, internal change management, role clarity and purpose, learning and development and wellbeing initiatives.

We are also continuing to focus on proactive sourcing and talent pipelining, in-house recruitment practices and capability development, and on-going improvements to various recruitment processes to reduce overall recruitment timeframes.

Additionally, we introduced success profiles to attract talent from non-typical talent pools and educate hiring managers to look for people with more diverse backgrounds and experiences.

We also mobilised staff and used talent and succession planning to support opportunities either at grade or higher, including stretch assignments, which allows our people to build their experience and maximises retention.

Employee safety and wellbeing

This year we continued to prioritise employee safety and wellbeing through ongoing risk management activities to prevent exposure to psychosocial hazards and promote resources and support that is available to our workers. Key initiatives included:

- partnering with BlackDog Institute to build capability of our leaders in how to identify, assess and control psychosocial hazards, these sessions will be run throughout 2024–25
- increasing awareness of the importance of psychological safety to develop healthy environments and a speak up culture
- using PMES results to risk assess exposure to psychosocial hazards and addressed these areas in the PMES action plan
- conducting a panel discussion for R U OK Day on the importance of checking in with each other and creating a mentally safe work environment
- acquiring mental health first aid trainer accreditation to deliver training in-house
- increasing our mental health first aid network to 45+ members and continually providing in-house training
- initiating a wellbeing program focussing on mental health and resilience.

Sydney Metro achievement and awards

Awards won by Sydney Metro, our people and our contractors during 2023–24 are outlined below.



Awards won

- 2023 Australia Outstanding Security Performance Awards – Outstanding In-House Security Manager/ Director category
- 2023 Planning Institute of Australia, NSW Awards for Planning Excellence – Planning with Country category – Sydney Metro – Western Sydney Airport
- 2023 Australian Institute of Project Management, Project Management Achievement Awards – Project Management Office category – Sydney Metro – Western Sydney Airport Project Management Office
- 2023 Concrete Institute of Australia, NSW Awards for Excellence in Concrete – Infrastructure project category – Central Station Metro project
- 2023 Concrete Institute of Australia, National Awards for Excellence in Concrete – Infrastructure project category – Central Station Metro project
- 2023 Engineers Australia Excellence PEOPLE Awards – Professional Engineer of the Year category
- 2023 Engineers Australia Excellence PROJECTS Awards – NSW Project of the Year – Central Metro Station project
- 2023 National Electrical and Communications Association Excellence Awards – Industrial Large category – Central Station Main Works
- 2023 NSW Excellence in Surveying and Spatial Information Awards – Infrastructure and Construction category – Central Station Main Works
- 2024 Australian Cyber Security Awards – Female Cyber Security Leader of the Year category
- 2024 Australian Institute of Landscape Architecture Awards – NSW Award of Excellence for Infrastructure category – Corridor Landscaping Strategy, Sydney Metro – Western Sydney Airport

Awards highly commended

- 2023 Australian Defence Force, Reserves and Employer Support Awards – NSW Employer Support category – Sydney Metro
- 2024 Australasian Society for Historical Archaeology – Martin Davies Award for best Public Archaeology initiative category – Sydney Metro West Parramatta Open Day
- 2023 Interpretation Australia National Awards for Excellence – Temporary Interpretation Event or Display category – Sydney Metro West Heritage Open Day
- 2023 NSW Indigenous Chamber of Commerce Infrastructure and Construction Awards – Project of the Year category – Sydney Metro West – Western Tunnelling Package

Awards shortlisted/finalists

- 2023 Australasian Rail Industry Awards – Sustainability and Environmental Excellence Award category – Sydney Metro – Western Sydney Airport
- 2023 Australasian Rail Industry Awards – Supplier Excellence Award category – Sydney Metro Engineering Design and Assurance Partnership
- 2023 Australasian Rail Industry Awards – Sustainability and Environmental Excellence Award category – Central Station Metro project
- 2023 Australian Woman in Security Awards – The One to Watch in Protective Security category
- 2023 CX Awards – Best Use of Technology to Revolutionise Customer Experience category – Sydney Metro Virtual Reality Customer Centred Design Program
- 2023 National Association of Women in Construction Awards for Excellence – Contribution to Sustainability category
- 2023 NSW Indigenous Chamber of Commerce Infrastructure and Construction Awards – Project of the Year category – Sydney Metro
- 2023 NSW Indigenous Chamber of Commerce Infrastructure and Construction Awards – Project of the Year category – Sydney Metro – Western Sydney Airport draft Connecting with Country Framework
- 2024 Australian Cyber Security Awards – Cyber Security Professional of the Year, Government & Defence category
- 2024 Infrastructure Partnerships Australia, National Infrastructure Awards – Industry Choice category – Central Walk
- 2024 National Trust Heritage Awards – Adaptive Reuse/Architectural category – Central Station



Image: Associate Director Design Project Delivery, accepting the Award of Excellence in Infrastructure at the Australian Institute of Landscape Architects NSW State Awards.

04

Management and accountability



Image: Sydney Metro office.

Number and remuneration of senior executives

Table 8: Sydney Metro executives during 2023–24

Name	Position	Periods position held	Qualifications
Peter Regan	Chief Executive	12.04.2021–30.06.2024	Bachelor of Commerce (Accounting and Finance) Member of Chartered Accountants Australia and New Zealand
Chontelle Perucich	Chief of Staff	14.02.2022–30.06.2024	Bachelor of Environmental Science (Geography) (Hons) Graduate Member Australian Institute of Company Directors
Tim Parker	Head of Project Delivery	01.02.2020–12.01.2024	Master of Business Administration Chartered Mechanical Engineer Bachelor of Science (Hons), Environmental Engineering
Leanne Boyle	Chief Property & Place Officer	08.08.2022–30.06.2024	Master of Business Administration Graduate Member Australian Institute of Company Directors Bachelor Science (Land Economics)
Josh Watkin	Acting Head of Project Delivery	10.01.2024–30.06.2024	Executive Masters of Public Administration Master of Arts (Peace and Conflict Studies) Bachelor of Arts (Politics and Indonesian Studies) Graduate Diploma (Theology and Ethics) Graduate Member Australian Institute of Company Directors
Rebecca McPhee	Deputy Chief Executive & Head of Customer Operations & Outcomes	24.04.2021–30.06.2024	Master of Arts (Hons), Economics and Social and Political Sciences
Fiona Trussell	Chief Finance & Commercial Officer	14.12.2022–30.06.2024	Bachelor of Economics (Accounting) Graduate Member Australian Institute of Company Directors Member of Institute of Chartered Accountants Australia and New Zealand
Catrina Cresswell	Head of Legal, Probity, Internal Audit & General Counsel	04.04.2019–04.08.2023	Bachelor of Arts Bachelor of Laws (LLB)

Table 8: Sydney Metro executives during 2023–24

Name	Position	Periods position held	Qualifications
Brendan Hanvey	Head of Strategic Transaction Integrity and General Counsel	23.08.2023–30.06.2024	Postgraduate Certificate of Professional Legal Studies Bachelor of Laws (LLB) Hons Common & Civil Law with Hispanic Studies
Fatima Abbas	Executive Director People and Culture	20.05.2023–30.12.2023	Master of Psychology Master of Public Administration Bachelor of Science/Psychology Diploma, Human Resource Management
Rebecca Nikqi	Acting Executive Director People and Culture	15.01.2024–02.06.2024	Master of Business Administration Bachelor of Business Project Management Foundation (Prince 2)

Table 9: Number and remuneration of senior executives (2023–24)

Transport Senior Service Level	Female	Male	Total	Average total remuneration package \$
TSSE Band 3				
2023–24	2	1	3	603,048.33
2022–23	2	1	3	603,048.33
2021–22	0	1	1	666,250.00
2020–21	0	1	1	650,000.00
2019–20	0	1	1	538,125.00
TSSE Band 2				
2023–24	23	34	57	350,524.95
2022–23	23	36	59	357,820.61
2021–22	18	29	47	351,591.13
2020–21	13	27	40	343,635.10
2019–20	11	22	33	350,851.52
TSSE Band 1				
2023–24	71	144	215	251,962.76
2022–23	83	145	228	254,049.21
2021–22	66	116	182	252,052.30
2020–21	45	83	128	247,870.58
2019–20	31	55	86	254,762.29
Total 2023–24	96	179	275	276,222.03

Data source: SAP – Corporate Analytics Portal as of 30 June 2024.

Human resources

Employees at Sydney Metro are employed in the Transport Service. Personnel services are provided by Transport Shared Services in TfNSW, including salaries, wages, leave entitlements, superannuation, workers' compensation insurance premiums, payroll tax, fringe benefits tax and redundancies.

Table 10: Sydney Metro government workforce

	Salaried employees (Grades 1–9)		Transport Senior Service Managers		Senior Executive		Total
	Female	Male	Female	Male	Female	Male	
Full Time Equivalent							
As of 30 June 2024	383.2	327.9	118.7	153.6	94.9	179.0	1257.3
As of 30 June 2023	401.01	345	113.43	159.60	106.49	181.57	1307.10
Headcount							
As of 30 June 2024	389	328	122	154	96	179	1268
As of 30 June 2023	406	345	118	160	108	182	1319
As of 30 June 2022	330	293	99	130	84	146	1082
As of 30 June 2021	226	199	69	91	58	111	754
As of 30 June 2020	133	106	43	74	42	78	476

Exceptional movements in wages, salaries or allowances

Salaries, wages and allowances for Sydney Metro employees moved in accordance with the NSW Government Fair Pay and Bargaining Policy 2023 throughout the 2023–24 period. The TfNSW Salaries and Sydney Metro Salaries and Conditions of Employment Award 2022 applies to non-executive employees who were transferred to the Sydney Metro Group on 1 July 2018 or employed thereafter.

The Award reached its nominal expiry date on 30 June 2023. The Award was varied to provide for an increase to wages and related allowances of 4.5 per cent (inclusive of superannuation) from the first full pay period commencing on or after 1 July 2023. Negotiations toward a replacement Award are underway.

Amendments to legislation in 2023 has prevented the Statutory and Other Offices Remuneration Tribunal (SOORT) from determining annual wage increases for Transport Service Senior Executives (bands 1–3) until July 2025.

The Secretary approved a review of the Transport Service Senior Manager (TSSM) range resulting in individual increases of up to three per cent and not exceeding the maximum remuneration range for the TSSM classification. This was paid effective from the first full pay period commencing on or after 1 July 2023.



Building our capability

We are committed to developing our workforce through technical training, leadership development and informal learning opportunities.

This year we continued with our internal mentoring program, maintained an increased focus on entry-level roles and enabled opportunities for career development by partnering with TfNSW.

A total of 136 staff participated in our mentoring program and four graduates and cadets were successful in attaining engineering roles which is a critical skill shortage role at Sydney Metro.

Flexible work practices – making hybrid sustainable

Our PMES results have shown us that flexible ways of working are a key driver of our peoples' engagement levels and productivity.

The Hybrid working policy and associated practices have continued relatively unchanged at Sydney Metro/ TfNSW throughout the 2023–24 financial year. Support material and tools continue to be communicated to leaders to assist them in managing their respective teams in the hybrid working environment.

Attracting and retaining the best talent

Due to macro-economic factors including large volumes of infrastructure projects across NSW and residual impacts of the COVID-19 pandemic, we continue to face on-going challenges associated with the attraction of skills and talent in critical areas of project delivery, engineering and commercial management. In addition, the NSW Government implemented TSSE reduction targets across government agencies resulting in the introduction of recruitment controls within Transport from June 2023. This has resulted in controls around duration of appointments and additional approvals to recruit both internally and externally at all levels.

Despite these constraints we continue to find innovative ways to offer exciting and new opportunities for people with the right skills to work on our city shaping projects. We increased our focus on career pathways through organisational design and partnering with TfNSW and Infrastructure NSW to support filling of entry level roles.

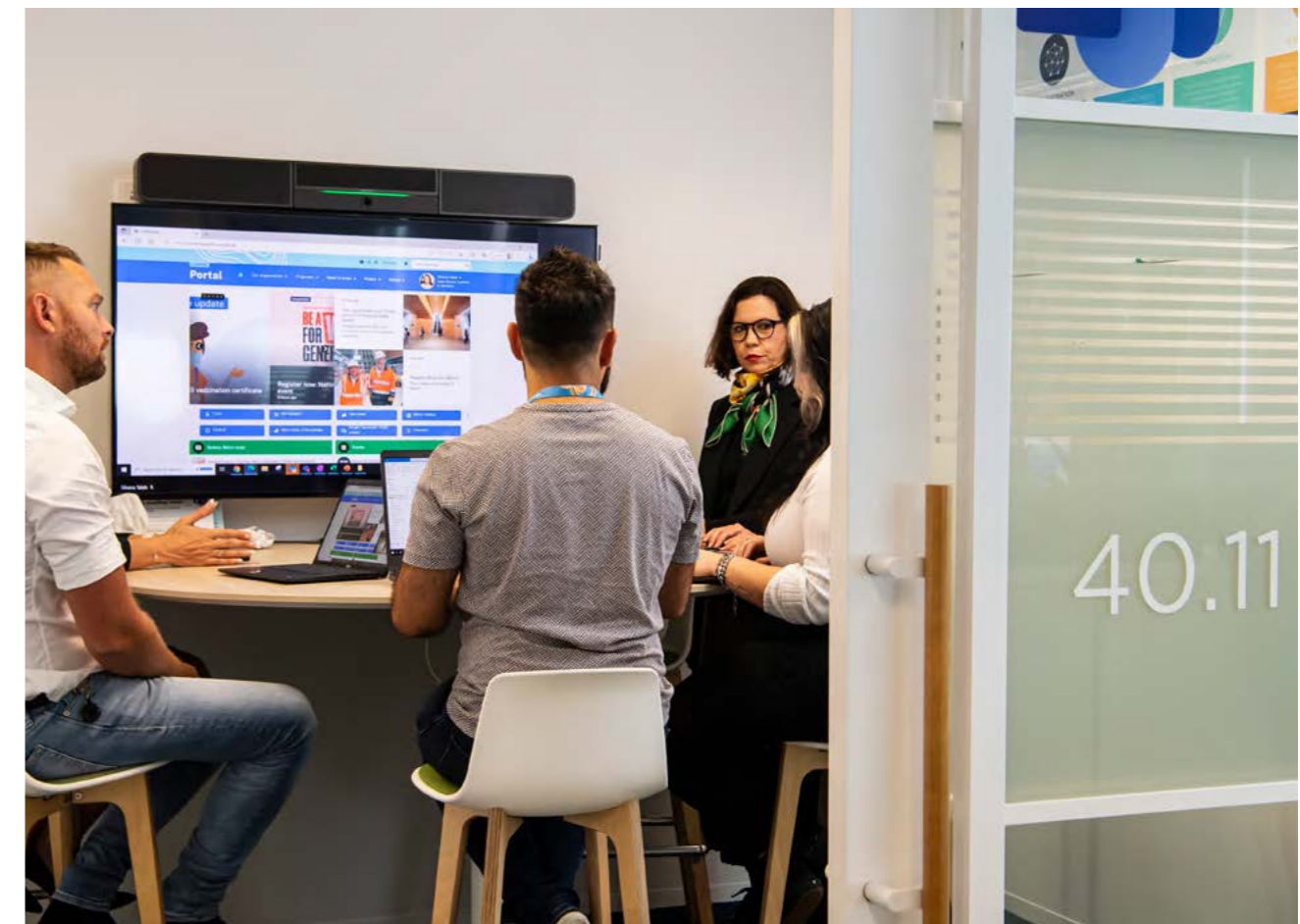


Image: Sydney Metro office.

Payments to consultants

Table 11: Engagements of \$50,000 and over

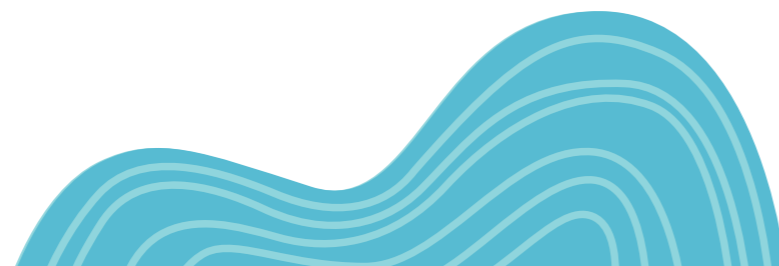
Consultant	Category	Project	2023–24 expenditure	Total actual cost
E3 Advisory Pty Ltd	Consultancy	Strategic Business Advisory Services, Western Sydney Airport (WSA)	\$450,450	\$491,010
Nation Partners Pty Ltd	Consultancy	Contaminated Land Advisory Services	\$343,089	\$343,089
LEK Consulting	Consultancy	Independent Review of Sydney Metro	\$240,000	\$240,000
O'Connor Marsden & Associates Pty Limited	Consultancy	Probity Advisory Services for Sydney Metro City & Southwest Project	\$163,986	\$163,986
Nous Group Pty Ltd	Consultancy	Specialist Advisory Services, People and Culture	\$128,920	\$303,900
Procure Group Pty Ltd	Consultancy	Probity Advisory Services for City & Southwest (CSW) Works Package	\$65,981	\$65,981
EY	Consultancy	Financial Reporting Advisory Services	\$60,170	\$60,170
Total			\$1,452,595	\$1,668,135

Table 12: Engagements/contracts less than \$50,000

Total number of engagements	2023–24 expenditure	Total actual cost
12	\$171,380	\$441,839

Overseas travel

No paid or partially paid overseas travel was taken by Sydney Metro employees or officers during 2023–24 financial year.



Legal change

Acts and regulations administered by the Minister for Transport

Legislation administered by the Minister for Transport is included in the annual report of TfNSW.

Changes in Acts and subordination legislation

Amendments (during the last Parliament) to legislation administered by the Minister for Transport, Minister for Roads, and Minister for Regional Transport and Roads are included in the annual report of TfNSW.

Significant Judicial Decisions affecting the agency or users of its services

Sydney Metro V G & J Drivas Pty Ltd [2024] NSWCA 5

This case concerned an appeal to the Court of Appeal from a judgment of Duggan J in the Land and Environment Court. The appeal primarily concerned:

- a. the proper application of the statutory disregard in section 56(1) of the *Land Acquisition (Just Terms Compensation) Act 1991* (Just Terms Act); and
- b. a claim for stamp duty and other costs of a replacement property under section 59(1) of the Just Terms Act.

In relation to (a), the decision has potentially narrowed the scope of what effects of the public purpose are to be disregarded in the assessment of market value under the Just Terms Act, and delineated between effects of the public purpose and effects of the acquisition on value.

In relation to (b), the decision has curtailed the ability of property developers to recover the cost of purchasing a replacement property (including stamp duty).

The proceedings related to Sydney Metro's compulsory acquisition of land in the Parramatta CBD comprising 220 and 222-230 Church Street and 48 Macquarie Street (Acquired Land) for the Sydney Metro West project, which, at the date of acquisition was improved by a two-storey mixed-use office/retail complex which was occupied by various tenants. A development

consent had been granted for the construction of a 25-storey tower (Development). The Applicants had also taken steps to prepare a further development application which, if approved, would have resulted in an increase in the building height and gross floor area of the Development (Combined Development).

The Applicants claimed that they had discontinued preparing detailed drawings for the Combined Development in March 2019 due to suspicions the Acquired Land would be acquired (Discontinue Decision) and decided in October 2019 to cease all work on the Development and Combined Development application when notified by Sydney Metro of the intended acquisition (Stop Work Decision). They contended that but for the proposed acquisition, they would have continued work such that by the date of acquisition, they would have obtained vacant possession, entered construction contracts, demolished the existing improvements and be well advanced on basement construction.

Section 56(1)(a) of the Just Terms Act provides that in assessing the market value of land which is acquired for a public purpose, any increase or decrease in the value of the land caused by "the carrying out of, or the proposal to carry out, the public purpose" is to be disregarded. The Applicants contended that the Acquired Land should be valued on its assumed development state rather than its actual physical state because s 56(1)(a) required their Discontinue Decision and Stop Work Decision to be disregarded.

The Applicants also claimed as compensation the cost of purchasing a replacement property (including stamp duty) under s59(1)(f) relying on the decision in *Blacktown City Council v Fitzpatrick [2001] NSWCA 259* on the basis that they were in the business of acquiring and developing property.

At first instance, Justice Duggan accepted that the Discontinue Decision and the Stop Work Decision caused a decrease in the value of the Acquired Land which was required to be disregarded for the purposes of determining market value. Consequently, compensation was awarded for the market value of the Acquired Land in a notional physical state as if the Combined Development had progressed. Duggan J also accepted that the Applicants had an actual use of the Acquired Land and were therefore entitled to stamp duty and other replacement costs under s 59(1)(f) consistent with the decision in *Fitzpatrick*.

Kirk JA (Payne JA and Griffiths AJA agreeing) held that Duggan J had erred in her construction of s 56(1)(a). Kirk JA held that s 56(1)(a) involves a causation inquiry whereby the court is to disregard any increase or decrease in the value of the land caused by the carrying out of, or the proposal to carry out, the public purpose. The causal question needs to be directed to the effects on the value of the land of the public purpose, rather than to the effects of the proposed acquisition of the particular land. This disregard does not include the free choices of an owner, responding to a proposed acquisition as opposed to the public purpose itself, such as the Stop Work Decision and the Discontinue Decision, even if they are reasonable choices made because of the possibility or certainty of the land being acquired. Kirk JA therefore upheld Sydney Metro's appeal relating to assessment of market value.

In relation to stamp duty and other property replacement costs, the Court also upheld Sydney Metro's appeal because:

- a. paragraph (f) of s 59(1) must be taken to add something to what is covered by paragraphs (a)-(e), otherwise it would be superfluous;
- b. as s 59(1)(d) provides for reimbursement of stamp duty costs based on the market value of the acquired land, this creates a negative implication that stamp duty could only be claimed in the circumstances set out in that paragraph; and
- c. adopting the construction put by Sydney Metro would not overrule the decision in *Fitzpatrick*.

This decision continues the narrowing of the scope of s 59(1)(f) and effectively limits landowners ability to claim stamp duty and replacement costs under section 59(1)(f), which frequently occurred where they were not in actual occupation of the acquired land.

Goldmate Property Luddenham No. 1 Pty Ltd v Transport for NSW [2024] NSWLEC 39

This case primarily concerned with the proper characterisation of the public purpose for which land is acquired. This is relevant for the assessment of compensation under the Just Terms Act as, in determining compensation for the market value of the acquired land, the effect of the public purpose on the value of the land is to be disregarded (s56(1)(a)), whereas when determining the effect on the value of any retained land of the same person, regard is to be had to the effect of the public purpose on that value (s55(f)).

The Applicant owned 31.79 hectares of land at 777-819 Luddenham Road, Luddenham that it had purchased in November 2020 for \$33,056,500. On 30 June 2021, TfNSW acquired 14.66 hectares "for the purposes of the Roads Act 1993 in connection with the construction, operation and maintenance of the M12 Motorway". The Applicant landowner retained 17.13 hectares of land.

As at the date of acquisition, the land was primarily zoned Enterprise (ENT) under the State Environmental Planning Policy (Western Sydney Aerotropolis) 2020, prior to which it had been zoned RU2 Rural Landscape. The primary issue in dispute was whether the public purpose had caused the change in zoning from RU2 to ENT and the consequent increase in market value. The Applicant contended that the public purpose was limited to the M12 Motorway Project which did not result any change in the zoning of the land, and claimed compensation in the amount of \$55,636,728. That is, the land was to be valued on the basis of its ENT zoning in both the pre-acquisition and post-acquisition scenarios. TfNSW contended that the M12 Motorway was part of a broader public purpose to provide the infrastructure necessary to service the Western Sydney Airport (WSA) and the Western Sydney Aerotropolis, and without that infrastructure, the land would not have been rezoned to the higher value ENT zone. Consequently, TfNSW contended that, applying the statutory disregard in s56(1)(a), the land should be valued based on an RU2 zoning, and any retained land valued based on the ENT zoning to give effect to s55(f), resulting in compensation in the amount of \$4,138,180, significantly less than that claimed by the Applicant.

Justice Duggan found that the public purpose was part of a coordinated NSW Government-wide project in delivering the WSA. Her Honour found that "the actions of TfNSW in acquiring the land for the purposes of the M12 was in the furtherance of that purpose. The goal for the acquisition of the M12 was not merely to provide vehicular movements to and from the WSA but also to make provision for transport related to the intended land use changes which would facilitate commercial, employment and industrial uses around the WSA to leverage the economic opportunities provided by the WSA. Each element had to work in concert, or the goal (the purpose of such works) would not be achieved..."Consequently, Justice Duggan found that the rezoning was a direct consequence of the public purpose, it needed to be disregarded when determining market value under s 56(1)(a). Adopting a "before and after" approach, Justice Duggan determined that the compensation for market value of the acquired land, offset by the increase in value of the retained land as a result of the ENT zoning, was \$9,523,500.

The judgment reinforces that there are no "clear rules" for characterising the relevant public purpose. While it is the public purpose of the acquiring authority that is relevant, that purpose may be associated with a coordinated cross-Government strategy. It is not necessary to confine the characterisation of the public purpose by reference to the legislation that gives the authority the power to acquire land.

The Goldmate decision is the first judgment in a series of proceedings concerning land acquisition near the WSA and is likely to set a useful precedent for those other cases, including cases involving acquisitions for the Sydney Metro-Western Sydney Airport. While each case must be determined on its facts, the finding of a coordinated public purpose in furtherance of the delivery of infrastructure required for the WSA and Aerotropolis is likely to be favourable to Sydney Metro and other acquiring authorities.

Sydney Metro v Expandamesh Pty Ltd [2023] NSWCA 2000

Sydney Metro compulsorily acquires substratum land for the construction of tunnels and caverns for the metro projects.

Clause 2(1) of schedule 6B of the *Transport Administration Act 1988* provides that:

No compensation for acquisition of land for underground rail facilities

- (1) If land under the surface is compulsorily acquired under the *Land Acquisition (Just Terms Compensation) Act 1991* for the purpose of underground rail facilities, compensation is not payable under that Act unless –
 - a. the surface of the overlying soil is disturbed, or
 - b. the support of that surface is destroyed or injuriously affected by the construction of those facilities, or
 - c. any mines or underground working in or adjacent to the land are thereby rendered unworkable or are injuriously affected.

The construction of tunnels can result in minor settlement (millimetres) at the surface of the land. In *Expandamesh*, Sydney Metro had compulsorily acquired land at Alexandria for the metro tunnel for City & Southwest. During construction the settlement at the surface was alleged to be in the order of 1-3mm. There was no observable damage or impact to the use of the land above the tunnel.

The owner of the land argued that the 1-3mm settlement amounted to the surface being "disturbed" and that paragraph (a) applied which would entitle the owner to compensation under the Just Terms Act for the acquisition of the substratum.

The Court of Appeal held that the minor settlement did not amount to "disturbance" of the surface and the paragraph (a) did not apply. Specifically, the Court of Appeal clarified that:

- (1) the notion of a "disturbance" was to be given its ordinary meaning. That meaning required a non-trivial interruption of order. The concept of "disturbed" for the purpose of paragraph (a) does not extend to an impact or effect which is objectively is "objectively trivial" and "of no practical significance"; and
- (2) whether or not a particular effect is non-trivial for the purposes of paragraph (a) will depend on the particular factual context. A settlement of 1.5mm might appropriately be described as trivial if a tunnel is constructed under land which has sheep grazing on it. This could be contrasted with the situation where settlement of that degree is caused by tunnelling under land on which is located a semiconductor factory or a chemical laboratory with sensitive equipment which is very susceptible to any form of settlement.

The judgment clarified that a few millimetres of settlement caused by tunnelling will not amount to "disturbance" and trigger the compensation requirement for substratum acquisition where the settlement is of no practical significance or is trivial.

Economic or other factors

Sydney Metro has a significant pipeline of capital works to achieve its strategic objectives across various major projects. The global economy has faced uncertain economic conditions since the COVID pandemic, with economic growth rebounding more strongly than expected. However, global supply chains have been slower to recover. High demand, coupled with disruptions in energy and food markets due to Russia's invasion of Ukraine, has driven inflation to multi-decade highs in many countries. Central banks, including Australia's, have responded by sharply raising interest rates to manage inflation but anticipate inflation and interest rates to gradually stabilise.

A sustained high level of infrastructure investment nationwide has posed challenges for project deliverability and affordability. Local and global supply constraints for key materials like timber, metals, and steel, along with high freight costs and skilled trade shortages, have increased competition for resources, driving cost escalation. In 2024, these pressures are easing as state and federal governments rebalance forward infrastructure programs by deferring lower priority projects.



Image: Sydney Metro's precast segment manufacturing plant at Eastern Creek.

Short-term mitigations have been developed collaboratively with delivery partners, including new risk-sharing mechanisms and early engagement with the industry to address risk allocation. Some of the short-term and package-level mitigations include:

- early engagement with the market to inform the procurement process
- detailed assessment of escalation risk driven by the economic environment for each package before contract award, with inputs from contractors during procurement
- assessing foreign currency exposure and hedging where appropriate
- seeking longer-term price validity from bidders during procurement
- reviewing contract models and updating contractual provisions as necessary
- developing and negotiating package-specific risk allocation regimes with contractors collaboratively before contract award
- implementing Infrastructure NSW supply chain escalation principles (including a Rise and Fall mechanism with a Cap and Collar approach, where appropriate)
- robust contract management during delivery to assess and substantiate additional risk and cost impacts.

Long-term initiatives are underway to support supply chain performance and offset rising costs, including:

- pursuing value engineering opportunities and innovations to reduce costs while balancing and prioritising the benefits of our projects
- standardisation of engineering and design standards
- standardisation of procurement and contract management processes
- development of collaborative performance management with industry partners
- engagement with industry to develop innovative approaches
- regular review of market volatility to assess price escalation risk and related impacts.

Sydney Metro has also seen more price hedging, longer tender validity periods on subcontract pricing, and ordering larger quantities of key materials to preserve pricing in the market.

Insurance activities

Sydney Metro is a member agency/authority of the NSW Treasury Managed Fund (TMF) for its direct insurance requirements (non-project related insurances) including workers' compensation, public liability, property, motor vehicle and miscellaneous items, including professional indemnity. In 2023-24, there were no material claims made against any of these insurance categories under the TMF.

Project specific insurances are procured in respect of the delivery of the Sydney Metro program of works. These insurances are procured from the commercial insurance market and/or Insurance and Care New South Wales (icare).

Delivery phase insurances procured by Sydney Metro, typically include:

- contract works: physical loss or damage to permanent or temporary works
- public and products liability: legal liability to third parties for personal injury or property damage arising out of the works and delivery phase activities
- project specific professional indemnity (on a case by case basis): civil liability of the contractor(s) arising out of the performance of professional activities and duties
- delay in start-up (on a case by case basis): loss of revenue following a delay to completion arising from damage insured under the contract works insurance. Purchased solely for contracts delivered through a PPP contract, over station developments.

Other project insurances such as plant and equipment, asbestos liability, workers' compensation, motor vehicle insurance, are typically procured by the appointed contractors or their subcontractors. These insurances cover the insurable interests of Sydney Metro as required by contract.

Operations phase insurances for the Metro Northwest Line are procured by, or on behalf of, the operator in accordance with the operations, trains and systems project deed and are consistent with projects of a similar size and nature, delivered through a PPP. These insurances include property damage, business interruption (loss of revenue), public and products liability, and professional indemnity insurance. Consistent with delivery phase insurances, Sydney Metro's insurable interests are maintained as required by contract.

Operations phase insurances for the Metro City Line will be procured by, or on behalf of, the operator effective from date of first passenger service in accordance with the relevant project deed and are consistent with Metro Northwest operations phase insurances and other PPP-delivered projects of a similar size and nature.

Contractors and operators are required to notify Sydney Metro of any circumstances which may lead to an insurance claim, particularly where Sydney Metro is included as an insured party under the relevant policy of insurance. In addition to this, insurers accept notifications of claims by contractors and operators as a notification by Sydney Metro, which ensures Sydney Metro is not in breach of the relevant insurance policy. In the event of an insurance claim under the project insurances, contractors and operators deal directly with insurers and loss adjusters and are required to keep Sydney Metro informed of all developments.

Image: Masks are a must when working below ground. Central team in the metro box, February 2021.



Audit and risk management

Risk management at Sydney Metro is a significant part of organisational governance. It drives business performance and delivery of project objectives safely and successfully. Sydney Metro is committed to continual improvement in our risk management practices, and to building a strong risk culture to support our projects and operational success.

Our risk management framework complies with the requirements set out in the NSW Treasury Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08) and conforms to the Australian Standard for Risk Management (AS ISO 31000:2018).

Risk management is embedded in planning, project development, and management.

Sydney Metro makes decisions and takes actions that are in accordance with the risk appetite set by the Board, and applies an enterprise wide structured and accountable approach to proactively identify and appropriately mitigate risk exposure.

Sydney Metro adopts the Institute of Internal Auditors Three Lines model to risk governance and oversight.

Sydney Metro's risk management is subject to oversight by the Board Risk Committee chaired by an independent non-executive member of the Board.

Internal audit and risk management attestation statement for the 2023-24 financial year for Sydney Metro

I, John Arthur am of the opinion that Sydney Metro has internal audit and risk management processes in operation that are, excluding the exemptions described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements

Risk Management Framework

Component No.	Requirements	Enterprise Risk Response
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant

Internal Audit Function

Component No.	Requirements	Internal Audit Response
2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant

Audit and Risk Committee

Component No.	Requirements	Management Response
3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Non-Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Non-Compliant

During the period September 2022 to 30 June 2024, Sydney Metro, with approval of the then Minister pursuant to the attached Ministerial Determination which expired on 30 June 2024 and was not renewed by the current Minister, did not operate an Audit and Risk Committee, but instead followed accepted best practice in these matters by operating separate Audit and Risk Committees which together, at a minimum, covered the scope contemplated for an Audit and Risk Committee under the Model Charter.

Membership

The independent chair and members of the Board Audit Committee were¹:

- Chairman, Bob McKinnon
- Member, John Arthur
- Member, Gail Pemberton.

The independent chair and members of the Board Risk Committee were:

- Chairman, Louise Thurgood from 1 July 2023 – 24 March 2024, Thao Oakey (interim) from 4 March 2024 – 30 June 2024
- Member, John Arthur
- Member, Bob McKinnon
- Member, John Barraclough
- Member, Thao Oakey from 1 July 2023 – 4 March 2024.



John Arthur

Chairman,
Sydney Metro Board in accordance with a resolution of the Sydney Metro Board.

25 September 2024

Departures from Core Requirements

I, John Arthur advise that, in the opinion of NSW Treasury, the internal audit and risk management processes for Sydney Metro departed from the following Core Requirements set out in the Internal Audit and Risk Management Policy for the General Government Sector.

The identified non-compliance includes:

- Sydney Metro not having a single Audit and Risk Committee and thus did not have an Audit and Risk Committee Charter that is consistent with the 'model charter'
- not all Sydney Metro Board Audit Committee and Board Risk Committee Members were registered with the Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members, although all were Ministerially approved members of the Sydney Metro Board.

In order to adhere to the Core Requirements, the Sydney Metro Board dissolved the Board Audit Committee and Board Risk Committee on 4 July 2024, and the Committees have been replaced by a single Audit and Risk Committee.

Notwithstanding the non-compliance described above, the Board of Sydney Metro is satisfied that at all relevant times Sydney Metro has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within Sydney Metro.

¹ The Sydney Metro Board dissolved the Board Audit Committee and Board Risk Committee on 4 July 2024. The committees have been replaced by a single Audit and Risk Committee.

Sydney Metro compliance with the Internal Audit and Risk Management Policy for the General Government Sector

I, David Elliott, Minister for Transport, am of the opinion that Sydney Metro has internal audit and risk management processes in operation that are, excluding the exemptions described below, compliant with the Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*.

I, David Elliott, Minister for Transport, understand that the following Core Requirements of Internal Audit and Risk Management Policy (TPP20-08) have not been met:

Core Requirement	Reason for non-compliance with the Core Requirement
Core Requirement 3.1 – The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency’s governance processes, risk management and control frameworks, and its external accountability obligations.	The requirement for a single Audit and Risk Committee places substantial structural constraints on the Sydney Metro Board, impacting its ability to ensure that the activities of Sydney Metro are carried out properly and efficiently.
Core Requirement 3.2 – The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the ‘model charter’.	As above.

I note that the following alternative arrangements have been implemented to achieve outcomes equivalent to the requirement(s):

Summary of alternative arrangements	How the alternative arrangements will achieve equivalent outcomes
Sydney Metro will establish two committees, an Audit Committee and a Risk Committee. Each Committee will have its own Charter.	In aggregate the roles and responsibilities of an Audit and Risk Committee, as set out in the model charter, will be transferred to the two new committees and reflected in their charters, consistent with the model charter.

I, David Elliott, Minister for Transport, am of the opinion that the practicable alternative measures implemented demonstrate that the Sydney Metro has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Sydney Metro.

This exemption to the Core Requirements of the Internal Audit and Risk Management Policy for the General Government Sector (TPP20-08) is valid for the financial year(s) (2022-2024).¹



David Elliott
Minister for Transport

19 September 2022

¹ Exemptions may be sought for a maximum of two financial years.

Compliance with the *Privacy and Personal Information Protection Act 1998*

Sydney Metro has a Privacy Management Plan (PMP) in compliance with section 33 of the *Privacy and Personal Information Protection Act 1998* (PPIP Act), which includes information about:

- the devising of policies and practices to ensure compliance with the requirements of the PPIP Act and the *Health Records and Information Privacy Act 2002* (NSW)
- the dissemination of those policies and practices to persons within Sydney Metro
- the procedures that Sydney Metro applies in relation to internal review under Part 5 of the PPIP Act.

The PMP is available on our website at transport.nsw.gov.au/about-us/transport-privacy#Privacy_Management_Plans

Sydney Metro did not receive any application for access to personal information under section 14 of the PPIP Act during 2023–24. Sydney Metro received one application for internal review under Part 5 of the PPIP Act during 2023–24.

Questions, compliments or complaints about the management of personal and health information should be directed to the Privacy Officer at Sydney Metro.

E sydneymetro.privacy@transport.nsw.gov.au

Post The Privacy Officer
Legal – Corporate
Sydney Metro
PO Box K659
Haymarket NSW 1240



Image: Community open day at Parramatta Station.

Access to government information

Government Information (Public Access) Act 2009

Review of the proactive release program

The Government Information (Public Access) Act 2009 (GIPA Act) provides an open and transparent process for giving the public access to information from NSW public sector agencies, and to encourage the proactive public release of government information.

Sydney Metro proactively releases information about current and planned projects and initiatives on our website. This ranges from media releases to detailed information about contracts and projects.

Sydney Metro works with TfNSW as it actively considers how to be more proactive and ensure greater access to information. Regular meetings with key stakeholders across the transport agencies discuss and consider opportunities for further proactive release of information, including consideration of recent access applications and trends in the types of requests received elsewhere in the agencies.

Further information about Sydney Metro's GIPA processes and the types of information held by the agency is available on the Sydney Metro website sydneymetro.info/access-information

Number of access applications received

Sydney Metro received 27 access applications (including withdrawn applications but not invalid applications) during 2023–24.

Number of refused applications for Schedule 1 information

Sydney Metro refused access to information in five access applications in 2023–24 because the requested information was information referred to in Schedule 1 of the GIPA Act.

Table A: Number of applications by type of applicant and outcome, 2023–24

Type of applicant	Access granted in full	Access granted in part	Access refused in full	Information not held
Media	0	1	3	0
Members of Parliament	0	0	0	0
Private sector business	4	0	0	0
Not-for-profit organisations or community groups	2	0	0	1
Members of the public (by legal representative)	0	1	0	1
Members of the public (other)	4	3	0	4

Type of applicant	Information already available	Refuse to deal with application	Refuse to confirm /deny whether information is held	Application on withdraw
Media	0	1	0	0
Members of Parliament	0	0	0	0
Private sector business	0	1	0	0
Not-for-profit organisations or community groups	0	0	0	0
Members of the public (by legal representative)	0	0	0	0
Members of the public (other)	1	1	0	0

Note: More than one decision can be made in respect to a particular access application. If so, a recording must be made in relation to each decision.

Table B: Number of applications by type of applicant and outcome, 2023–24

Type of information requested	Access granted in full	Access granted in part	Access refused in full	Information not held
Personal information applications	0	0	0	0
Access application (other than personal information applications)	8	4	3	5
Access application that are partly personal information application and partly other	2	1	0	1

Type of applicant	Information already available	Refuse to deal with application	Refuse to confirm /deny whether information is held	Application on withdraw
Personal information applications	0	0	0	0
Access application (other than personal information applications)	1	3	0	0
Access application that are partly personal information application and partly other	0	0	0	0

Note: More than one decision can be made in a particular access application. If this occurs, each decision must be recorded.

A 'personal information application' is a GIPA Act access application for personal information (as defined in clause 4 Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications 2023–24

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	4
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	4
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumptions of overriding public interest against disclosures: matters listed in Schedule 1 of the Act.

Consideration category/type	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	3
Executive Council information	0
Contempt	0
Legal professional privilege	2
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environment heritage	0
Privilege generally – Sch 1(5A)	0
Information provided to the High Risk Offenders Assessment Committee	0

* More than one public interest consideration may apply in relation to a particular access application and, if so, each consideration is to be recorded (but only once per application).

Table E: Conclusive presumptions of overriding public interest against disclosures: matters listed in Schedule 1 of the Act.

Consideration category/type	
Responsible and effective government	3
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

More than one public interest consideration may apply in relation to a particular access application and, if so, each consideration is to be recorded (but only once per application).

Table F: Timeliness 2023–24

Timeliness of decision	
Decided within the statutory timeframes (20 days plus any extensions)	22
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	1
Total	23

More than one public interest consideration may apply in relation to a particular access application and, if so, each consideration is to be recorded (but only once per application).

Table G: Number of applications reviewed under Part 5 of the Act (by type or review and outcome), 2023–24

Type of review	Decisions varied	Decisions upheld	Total
Internal review	0	1	1
Review by Information Commissioner	0	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	0	2	2

The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

Type of applicant	Number of applications for review
Applications by access applicants	3
Applications by persons to whom information on the subject of access application relates (see section 54 of the Act)	0

More than one public interest consideration may apply in relation to a particular access application and, if so, each consideration is to be recorded (but only once per application).

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

Type of transport	Number of applications transferred
Agency-initiated transfer	1
Applicant-initiated transfer	0

Exemptions

Sydney Metro has no exemption from including certain information in the 2023–24 Sydney Metro Annual Report.



05

Sustainability



Image: Grazing goats at Sydney Metro's precast facility at Eastern Creek.

Our approach to sustainability

Sydney Metro is committed to supporting NSW Government policy and the United Nations Sustainable Development Goals by working with our stakeholders to deliver environmental, social and economic benefits.

Sydney Metro's approach to sustainability is in accordance with the Transport Environment and Sustainability Policy, that commits to delivering transport that contributes to economic prosperity and social inclusion in an environmentally responsible and sustainable manner, consistent with the Future Transport Strategy.

The Sydney Metro Environment and Sustainability Statement of Commitment sets out our intent to:

- minimise our impacts and leave a positive environmental and social legacy
- deliver a resilient asset and service for our customers
- collaborate with stakeholders to innovate and drive sustainable outcomes
- embed sustainability into our activities.



Figure 5.2: United Nations Sustainable Development Goals that Sydney Metro is making a positive contribution to.

The Sydney Metro Sustainability Framework (2020–25) outlines our approach to delivering sustainable outcomes across the business and articulates six sustainability principles (refer to Figure 5.3) which align to the key areas of sustainability, risk and opportunity. The Statement of Commitment and Sustainability Framework are supported by project-specific sustainability strategies and plans.



Figure 5.3: Sydney Metro Sustainability Principles.

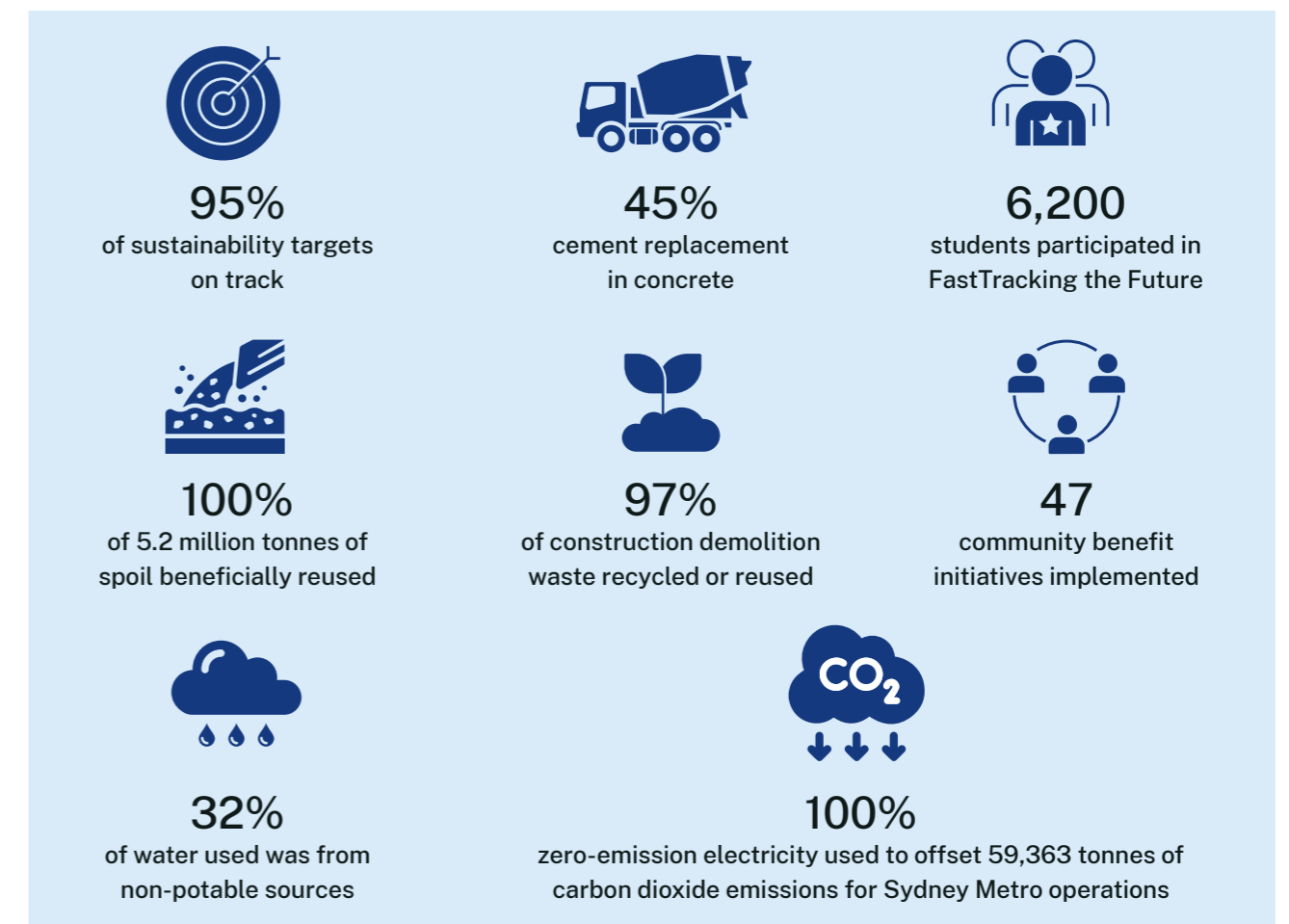


Figure 5.4: Key sustainability outcomes 2023-24.

Demonstrate leadership

Sustainability targets

Each Sydney Metro project has a sustainability plan or strategy which outlines our targets for both construction and operation. Our targets and initiatives are embedded into contractual documents to drive sustainable environmental and socio-economic outcomes, with performance reported publicly.

Examples of at-risk targets include those relating to recycling of construction office waste, and achievement of sustainability ratings, which are being addressed through collaboration with delivery partners. More detail is provided on the sustainability performance of our projects for 2023–24 at Appendix 2 and our progress against our sustainability targets at Appendix 3.

We are currently on track to achieve 95 per cent of our construction sustainability targets.

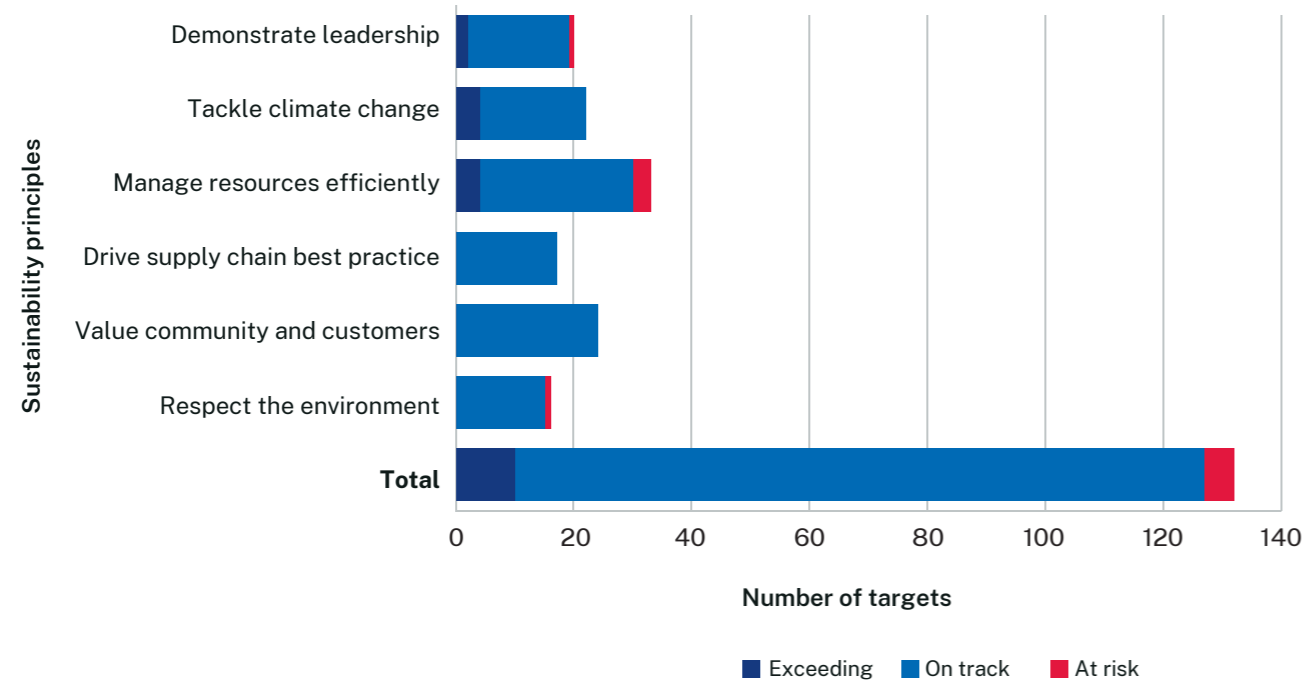


Figure 5.5: 2023–24 performance against our sustainability targets.

Measuring our achievements

Using nationally recognised accreditation tools, we measure and verify the sustainability performance of our projects against best-practice industry standards for both construction and operations stages.

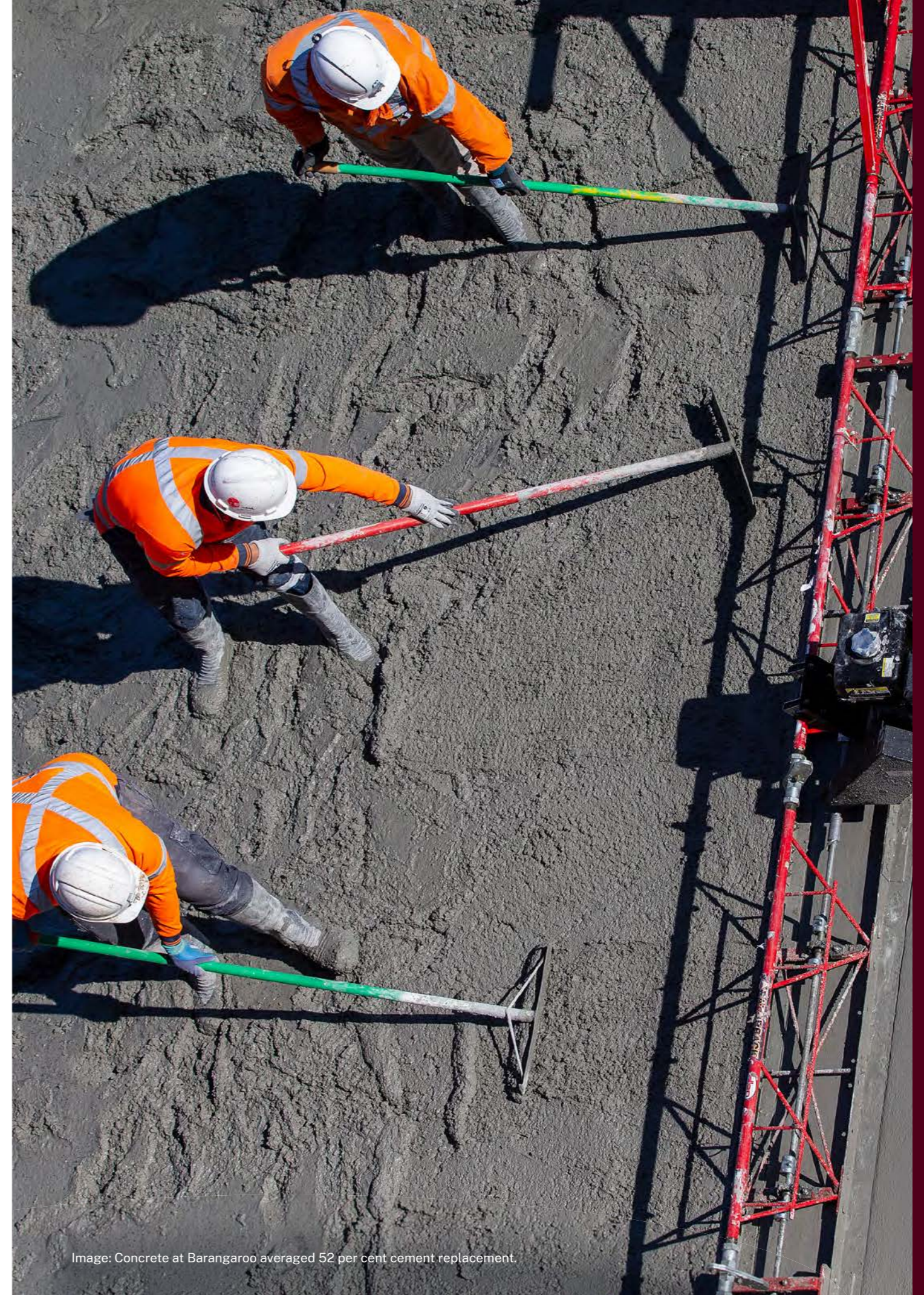


Image: Concrete at Barangaroo averaged 52 per cent cement replacement.

Ratings achieved in the 2023–24 financial year

Sydney Metro City & Southwest project

- Central Station achieved a 'Leading' Infrastructure Sustainability As-Built rating (84 points), and a 6-star Green Star (Custom) As Built rating.
- The Linewise Package achieved a 'Leading' Infrastructure Sustainability Design rating (86 points).
- Southwest Metro Packages 4, 5 and 6 achieved a 'Platinum' rating under TfNSW's Sustainable Design Guidelines.

Sydney Metro – Western Sydney Airport

- The Station Boxes & Tunnelling package achieved an 'Excellent' Infrastructure Sustainability Design Rating (73 points). A 'Leading' rating of minimum 75 points is being targeted for achievement at the As Built stage.

Sydney Metro West

- The Central Tunnelling Package achieved a 'Leading' Infrastructure Sustainability Council Design rating (80 points).



Image: The renewable energy generated from the 664 solar panels at Central Station will power lights across three platforms and will lower the electricity demand at the station by 10 per cent.

Sydney Metro Central Station: World leadership in sustainable building design

Sydney Metro Central Station achieved a 6-star Green Star (Custom) As-Built rating from the Green Building Council of Australia, representing world leadership in sustainable building design. The project also achieved the highest possible level Infrastructure Sustainability Rating (v1.2) for the Sydney Trains Central Station asset areas, reaching a leading rating level of 85 points. All project assets now have achieved the highest possible sustainability rating levels for their respective rating, reflecting the project's commitment to industry excellence, innovation and environmentally responsible practices.

The project demonstrated exceptional leadership in the achievement of both ratings, delivering a number of innovations, including the contribution to the delivery partner's reconciliation action plan, local workforce targets and certifying its waste provider to the new Good Environmental Choice Australia (GECA) standard. The project focused on reduction of carbon throughout both assessments, reducing cement content in ready-mix concrete by 50 per cent, installing 664 solar photovoltaic (PV) panels, maximising environmental product declarations (EPD) of major materials and reducing the overall predicted carbon footprint during construction by 21 per cent.

The ratings also recognise the project's commitment to social sustainability, with a total of 1100 hours volunteered in the local community, 86.6 per cent of the workforce employed in local jobs and 113 Australian and New Zealand small to medium enterprises in the supply chain. The project's deep level of understanding of the sensitive heritage status of Central Station and the surrounding buildings and archaeology was recognised, specifically in the Infrastructure Sustainability Council assessment. In particular, the level of heritage interpretation provided to enhance the values of the site, further adding to the positive community experience at the station.

Collaboration for industry improvement

We seek to encourage collaboration and knowledge-sharing internally, as well as between our delivery partners, industry and the wider community. During 2023–24, Sydney Metro hosted:

- sustainability forums: Four forums were held that provided an opportunity for our delivery partners to collaborate, share lessons learned and discuss challenges to support best practice
- the Aboriginal Business Forum: The annual forum provides opportunities for Aboriginal businesses to gain insights from Sydney Metro delivery partners and their supply chain on upcoming procurement opportunities and key contacts within the projects
- The Skills and Employment Advisory Group (SEAG): Established in 2014, members of SEAG include Sydney Metro delivery partners, along with Australian and NSW government agencies. SEAG's purpose is to support and drive skills, diversity jobs and industry capacity through infrastructure projects
- the Diversity and Employment Pathways Group: The group focuses on the collaborative delivery of the Sydney Metro Pre-Employment Program and other initiatives which increase the representation of diversity groups on Sydney Metro projects.

Industry innovation

At Sydney Metro we value innovation to drive sustainability and improve outcomes. In addition to others highlighted throughout this report, key initiatives this year included:

- the application of an accelerated program through the continuous advance mode on the tunnel boring machines used by the station box and tunnelling contractor on Sydney Metro – Western Sydney Airport. This Australian first technology has resulted in tunnelling being completed approximately 20 per cent faster resulting in a three per cent reduction in fuel, five per cent reduction in electricity and 15 per cent reduction in water.
- A NSW first by the station box and tunnelling contractor on Sydney Metro – Western Sydney Airport was establishing a permeable reactive barrier to retard contaminated groundwater migration towards St Marys Station. This will reduce the spread of hydrocarbons contamination from a former dry cleaning site into uncontaminated areas.
- Purchase and use of a 100 per cent battery operated 250t crawler crane by the Station box and tunnelling contractor on Sydney Metro – Western Sydney Airport. This produces no Scope 1 carbon emissions due to the absence of a diesel engine. Other benefits include reduced noise impacts on nearby sensitive receivers and reduced maintenance and operating costs.
- Use of B5 biodiesel across all diesel operated plant and vehicles on the Sydney Metro – Western Sydney Airport surface civil and alignment works, resulting in emission reductions equivalent to taking approximately 450 Australian cars off the road for one year.
- Achievement of a world leading production rate of precast concrete tunnel segments (1750 segments over a 120 hour period) at the Sydney Metro West, Central Tunnel Package facility. An efficient running plant provides the sustainability benefit of using less resources per segment unit produced.

Project office built for disassembly

December 2023 marked the completion of the St Marys project office (SPO), established to provide a connected space for all parties working on the Sydney Metro – Western Sydney Airport project. Part of the delivery of this office by our contractor was the development of a disassembly plan. The disassembly plan outlines opportunities for building component reuse at the end of the building's initial life at St Marys, promoting circular economy principles by identifying materials in the building that can be disassembled. The plan also helped inform the development of the **How to write a Building Disassembly Plan guide and templates**.

Additional key sustainability initiatives implemented across the delivery of the SPO included:

- 39.5 kilowatts of on site solar PV installed
- Over 240m³ of Cross laminated timber used as structural floor panels and stairs (reducing the carbon footprint of the building and saving 49 per cent of structural material cost)
- a 39.5 per cent reduction in annual energy consumption (including on site PV) compared to the National Construction Code
- 91.4 per cent of construction and demolition waste diverted from landfill
- 10kL rainwater tank and flow restrictors on taps and showerheads to improve water efficiency
- a multipurpose wellness room that functions as a first aid room, prayer room and parent room.



Image: Cross laminated timber used in floor panels to reduce structural steel at the St Marys Project Office.

Treated ground water used in tunnel boring

During the year, 77,000kL of Sydney's drinking water was saved through the treatment and use of groundwater to operate the TBMs on the Sydney Metro West Western Tunnelling Package. The delivery partner worked with other industry leaders to design and install a treatment plant at Rosehill. The plant delivers treated groundwater at the quality needed to operate a TBM as well as returning water back to the environment to the standards set by the NSW Environment Protection Authority. All TBMs operated within the contract package are now being supplied with treated ground water rather than the typical approach in Australia to draw from the drinking water supply.



Image: The purpose-built water treatment plant at Rosehill that supplies all Tunnel Boring Machine operations with treated groundwater.

Tackle climate change

Embedding climate change resilience

Sydney Metro is aligned with the NSW Government's commitment to taking effective action on climate change and making NSW more resilient to a changing climate. Climate related risk assessments are carried out for all Sydney Metro projects, and findings are integrated into the design and construction of all new assets.

These assessments include:

- requirements to adopt, develop and address risks in pre-developed climate change risk registers
- integration of future climate tolerances into design specifications
- requirements to mitigate our contribution to climate change through efficient design, construction and operation.

Climate-related risks are proactively managed during operations through ongoing risk assessment reviews and the implementation of a severe weather response plan, which sets out clear procedures for before, during and after a severe weather event.

To deliver assets that are resilient to the increased shocks and stresses associated with climate change, we have adopted a high-carbon trajectory (representative concentration pathway 8.5) for climate change model projections. This means that the design will consider the impacts of climate change in a high-emissions scenario, helping to futureproof these assets.



Figure 5.6: Sydney Metro's approach to addressing climate change.

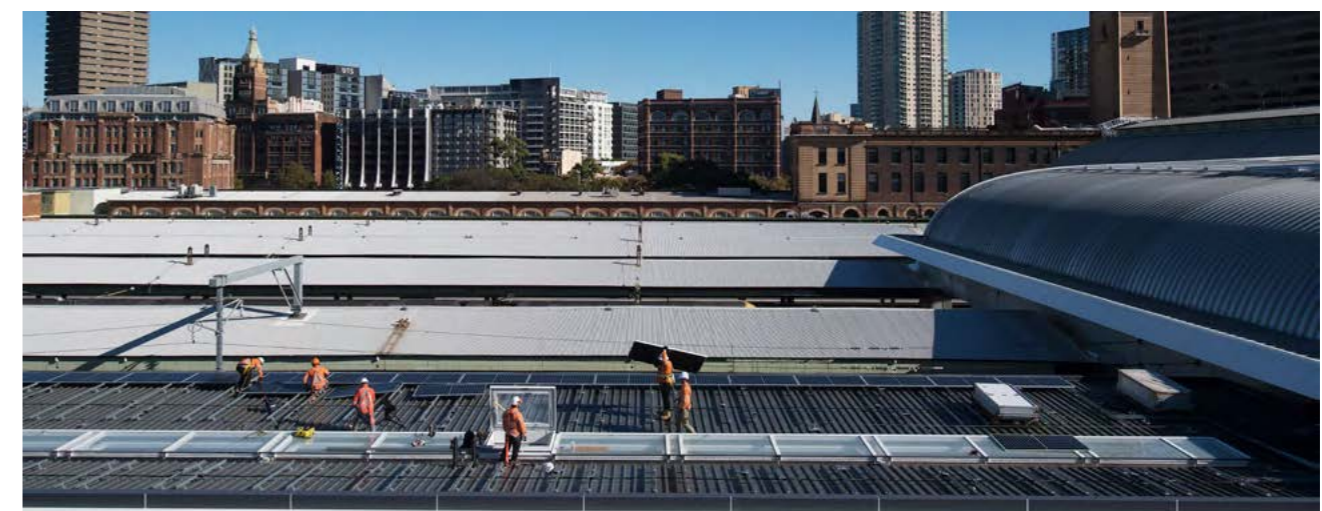


Image: Solar panels are being installed as part of Sydney Metro's major upgrade of Central Station.

Reducing carbon emissions

Sydney Metro has committed to reducing its carbon emissions during construction by using energy-efficient designs and low-carbon materials where possible, as well as using zero-emission electricity for operations.

To effectively monitor and reduce our embodied and construction carbon, emissions are tracked against carbon targets and are recorded monthly during project delivery. These include:

- Scope 1 (direct) emissions – for example, fuel use on site
- Scope 2 (indirect) emissions from the generation of purchased electricity
- Scope 3 (indirect) emissions, including embodied carbon in the extraction manufacture and transport of materials, and the transport and disposal of waste.

Energy use in operations

Sydney Metro uses zero-emission electricity for 100 per cent of operational activities including operation of trains, the powering of stations and maintenance facility through the purchase and retirement of large-scale generation certificates (LGCs) on a calendar-year basis.

In the reporting period, Sydney Metro procured LGCs under a long-term green products purchase Agreement with the Beryl Solar Farm in regional NSW and retired 84,001 LGCs equivalent to 100 per cent of 2023 operational electricity consumption. This covered the North West Line operations as well as testing and commissioning on the city section of the Sydney Metro City & Southwest project.

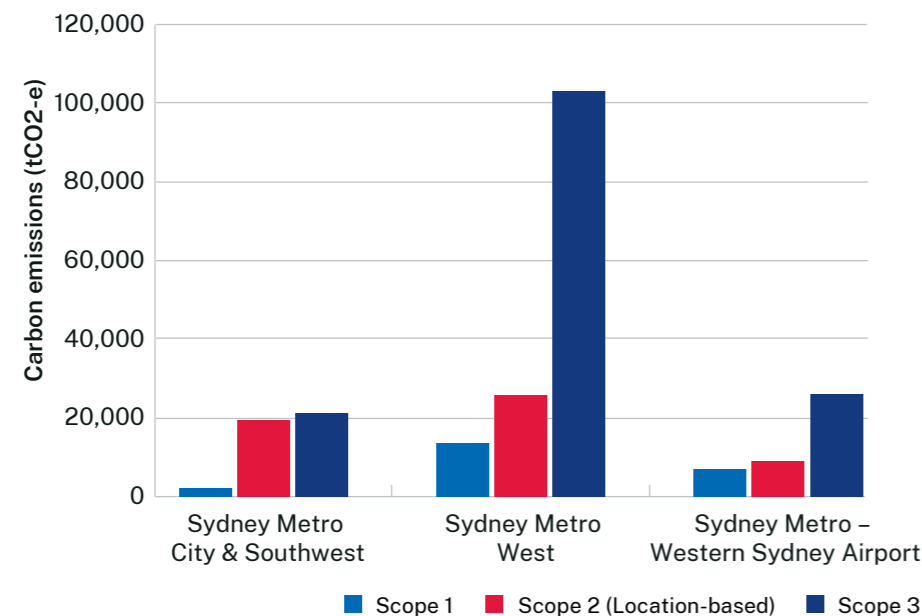


Figure 5.7: Total carbon emissions by each construction project in 2023-24.

Significant carbon reductions realised in the Sydney Metro City & Southwest project

During the construction period of the Sydney Metro City stations and line-wide packages our contractors have achieved well beyond the Sydney Metro carbon reduction targets, achieving a total 294,894 tonnes of carbon dioxide equivalent emissions against our baseline.* This equates to a 29.5 per cent reduction, which is a significant reduction compared to the 20 per cent goal set in the Sydney Metro City & Southwest Sustainability Strategy. This has been achieved by targeting scope 1, 2 and 3 emissions during construction, focusing on reducing embodied carbon in material choice, sourcing zero carbon electricity, diverting waste from landfill and procuring locally sourced materials.

Our delivery partners have poured 958,101m³ of concrete with an average supplementary cementitious material replacement of 38 per cent which has far exceeded our 25 per cent target, equating to a reduction of 120,000 tonnes of carbon dioxide equivalent emissions against our baseline. Steel represented our second largest scope 3 contribution, accounting for 142,950 tonnes of carbon dioxide equivalent emissions with 86 per cent of this steel sourced in Australia, most of which was from New South Wales. The project has also far exceeded the 25 per cent construction electricity offset target, achieving 45 per cent at construction completion, which includes testing and commissioning of the City Line. This was achieved through a combination of onsite renewables, green power purchase agreements and offsetting through certified Australian Carbon Credit Units or Large-Scale Generation Certificates, with some of our delivery partners now committing to 100 per cent offset on all future projects.

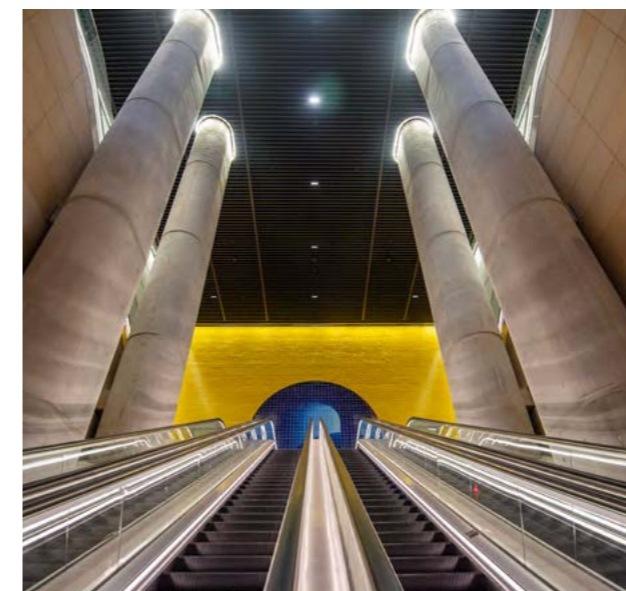


Image: Concrete used in the stations from Chatswood to Sydenham have an average supplementary cementitious material replacement component of 38 per cent.

Solar power in construction

In a groundbreaking move towards sustainable construction practices, our delivery partner on the Sydney Metro West Western Tunnelling Package installed one of the largest, rapidly deployable solar hybrid systems in Australia on a construction project. This industry-first advanced mobile solar farm is installed at Rosehill where the system powers the project's Tunnelling Infrastructure Academy, a state-of-the-art training facility. The portable solar farm offers a versatile and efficient solution that can be reused across sites and on future projects. The solar farm features Australian-manufactured Black Stump Solarator technology. The system consists of 240 kilowatts (kW) rapidly deployable solar arrays and has supplied 32,200 kilowatt hours (kWh) of clean, green electricity to the Tunnelling Infrastructure Academy since it went online in July 2023. This mobile system includes solar panels, an energy management system, battery banks, and backup diesel generators, offering a fail-safe power solution independent of grid connections.

On the Sydney Metro - Western Sydney Airport project, 191kW of solar PV were installed by our delivery partners during the reporting period, adding to the 92kW which were transferred between delivery partners upon site handovers. The power generated by the solar PV systems is used for onsite electricity consumption during the construction period and, like the rapidly deployable solar farm at Rosehill, reduces Scope 2 emissions that would otherwise be generated.



Image: A rapidly deployed mobile solar farm powers the Tunnelling Infrastructure Academy at Rosehill.

Manage resources efficiently

Efficient use of water

As part of the Sydney Metro – Western Sydney Airport Sustainability Plan, we committed to exploring the goal of net zero water, with the initial objectives to preserve the quantity and quality of natural water resources with minimal deterioration, depletion and rerouting by using potential alternative water sources and water efficiency measures to minimise the use of supplied fresh water.

This year, we engaged civil and structural designers to explore net zero water, to ensure the Sydney Metro – Western Sydney Airport project supports an efficient and resilient water cycle. This will manage the flow and benefits of water within the landscape and support upstream and downstream ecosystems with healthy waterways and groundwater. It will drive co-benefits including enabling tree canopy cover and vegetation to manage urban heat, biodiversity and green community spaces.

This work has gone on to validate targets and inform the design of stations and precincts, including:

- minimum 80kL rainwater tanks at all stations and the Stabling & Maintenance Facility, which will be used for toilet flushing, cooling water top up and irrigation, supporting 33 per cent non-potable water reuse across the construction and operational lifecycle
- reuse at least 80 per cent of train wash water
- enabling infrastructure for a future recycled water connection when available
- minimum 40 per cent surface area around stations and corridor (excluding track) to be permeable
- best practice water quality treatment requirements
- design of roads and public areas to ensure adequate natural funnelling of water to tree pits and swales, whilst balancing the unique geological conditions of the area including shrink/swell characteristics of the soil.

Growth and development

- Western Sydney Airport Rail project introduces 12.6 ha of effective impervious area.

Recreation and liveability

- Canopy cover.
- On-site waterways.
- Green corridors.

Receiving environments

- Sensitive waterways and groundwater conditions.

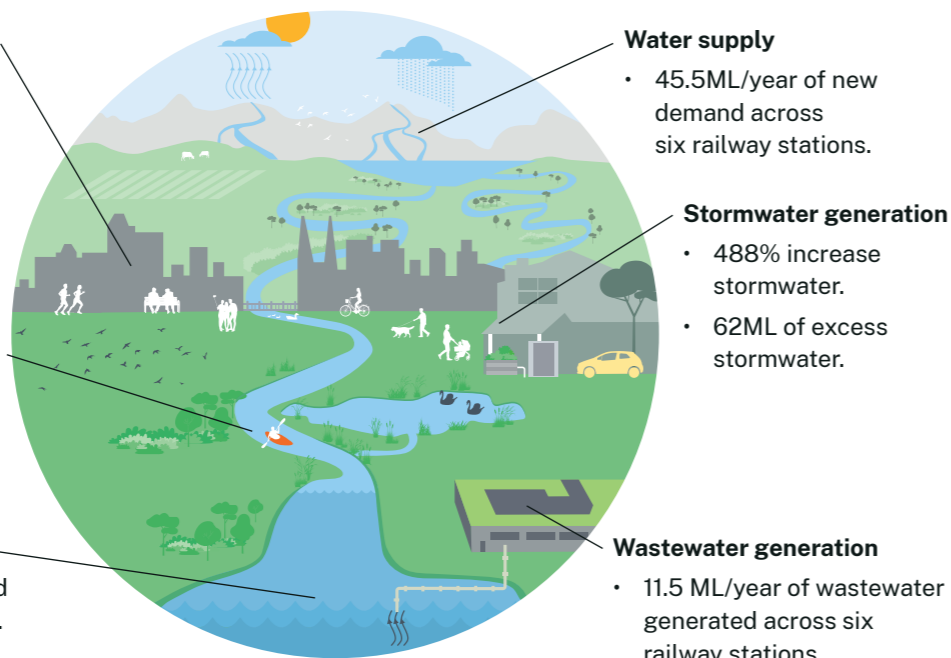


Figure 5.8: Key drivers for integrated water management in Western Sydney. Image source: Based on image from Melbourne Water.

Efficient use of materials

We continually work with our delivery partners to identify opportunities to reduce material quantities through lean design and to specify environmental performance of products. This is reflected in our sustainability targets, including for the use of steel and concrete, which are significant contributors to our construction carbon emissions.

Table 13: Australian steel used in construction to 30 June 2024

Australian steel	% total steel used in projects
Sydney Metro City & Southwest	86%
Sydney Metro West	85%
Sydney Metro Western Sydney Airport	89%
All projects in construction phase	86%

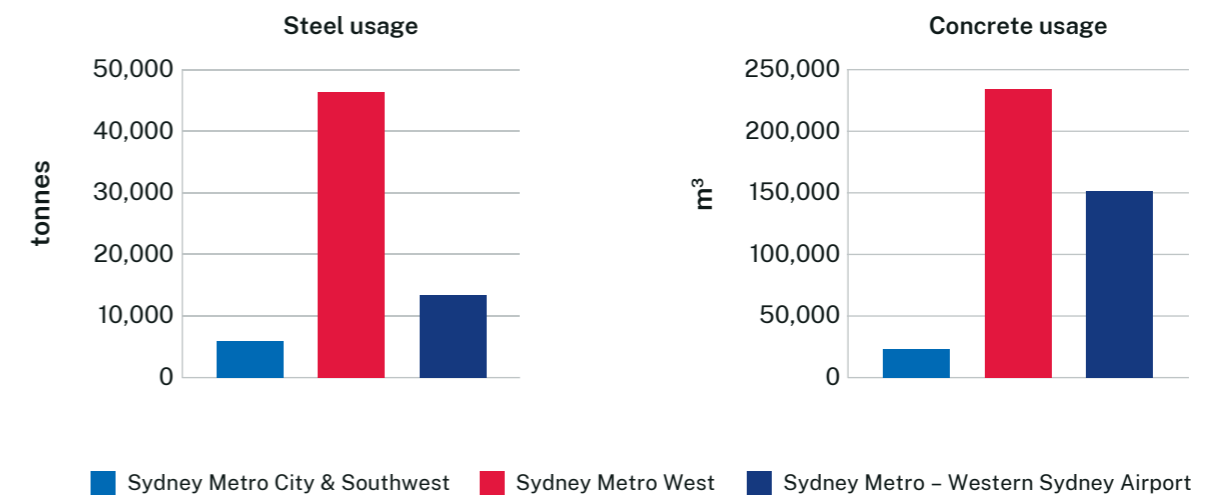


Figure 5.9: Steel and concrete usage, 2023–24 financial year.

Innovative material use

In December 2023, we hosted an event to showcase recycled content products and materials to our designers, engineers and delivery partners. While many of the products were new to Sydney Metro they have been trialled, tested and used elsewhere in similar applications to reduce upfront carbon emissions. More than 50 contractors, Sydney Metro staff and suppliers attended to hear about and handle the products.

Across our projects we continue to use innovative recycled products. An example during the year was the use of 73,724 recycled plastic segment guidance rods to correct the positioning of tunnel precast segments on the Sydney Metro – Western Sydney Airport project.



Image: Attendees at the Sydney Metro Recycled Content Supplier Showcase.

Salvaged and reused materials

Sydney Metro continued to explore opportunities to reuse material from building sites. In 2023–24 this included reuse of original sandstone from a seawall of the former Cuthbert's Wharf at Barangaroo Station.



Image: Original sandstone from Cuthbert's Wharf has been reinstated where it was found next to the Barangaroo boat.

Where we cannot find a use on our projects, useful materials are offered to local councils and charities for reuse. In this reporting period, two hundred linear metres (almost 18 tonnes) of sandstone salvaged from stations on the Sydney Metro City & Southwest project

found a new home in Brooklyn's Salt Pan Reserve, in Sydney's north. Hornsby Shire Council has used the sandstone to create an amphitheatre, stepping stones and seating as part of a landscaping and community works program to revegetate part of the reserve.



Image: Transformation of station curbing into a bushland amphitheatre in Brooklyn.

Drive supply chain best practice

Integration of sustainability during procurement

The Sydney Metro City & Southwest project incorporated a range of sustainability initiatives within its contracts, aiming to reduce greenhouse gas emissions and promote low-carbon construction practices and technologies.

Incentives within contracts

To encourage contractors to meet or exceed the 20 per cent greenhouse gas reduction target compared to a business as usual approach, Sydney Metro implemented incentives within its contracts through tender criteria and key performance criteria for sustainability and innovation.

Carbon reporting requirements within contracts

In addition to the incentives, Sydney Metro required contractors to report on their emissions reduction progress, promoting transparency and accountability. This approach allowed for the monitoring of contractors' performance against the targets and helped ensure the adoption of low-carbon practices throughout the project.

Minimum specifications within contracts

Sydney Metro also established minimum specifications within its contracts to guide contractors towards sustainable practices. These specifications set clear expectations regarding the use of energy efficient equipment, low carbon materials and innovative construction methodologies. By incorporating these requirements into contracts, the project emphasised the importance of reducing greenhouse gas emissions while fostering a culture of innovation and sustainability.

Tender alternatives and bid-backs

The tendering process invited contractors to bid back on key targets in the contract related to carbon emissions, such as minimum supplementary cementitious replacement in concrete, and commitments to offset construction electricity. This mechanism allowed contractors to clearly demonstrate how their offers can provide additional value to Sydney Metro's sustainability targets and objectives. The contracts also allowed for contractors to propose value add alternatives during the tendering process, whereby the benefits of the alternatives proposed were to be clearly communicated alongside any impact on other criteria for example program, cost, risk, environmental and social outcomes.

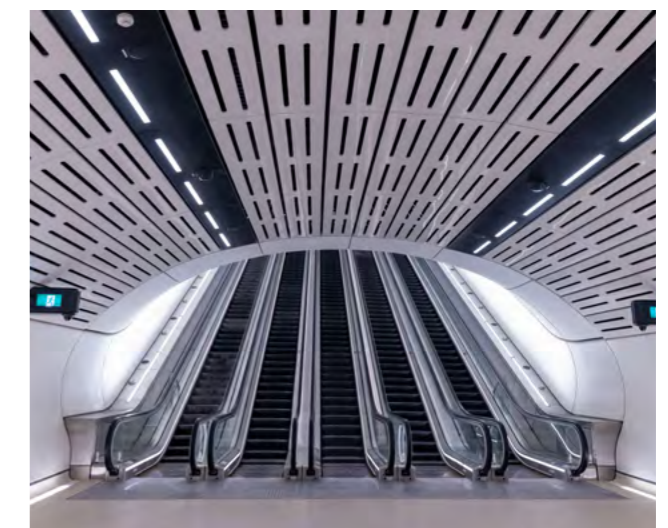


Image: The internal acoustic insulation at Victoria Cross station is made from up to 80 per cent recycled PET plastic packaging such as drinking water bottles.

Value community and customers

Promoting walking and cycling

Sydney Metro is committed to deliver an integrated and robust walking and cycling network in its station precincts. During 2023–24 the Sydney Metro – Western Sydney Airport Stations Systems Trains Operations and Maintenance (SSTOM) Package developed precinct designs for footpaths, and bicycle infrastructure around metro stations.

Frank Channon Walk extension, Chatswood

In March 2024, Sydney Metro opened a connecting extension to the Frank Channon Walk next to the metro maintenance facility in Chatswood. The shared path supports active transport connectivity between Chatswood and Artarmon and provides a key link for active transport journeys on the north shore.



Image: Frank Channon Walk extension next to the Sydney Metro Chatswood maintenance facility.



Image: Students from year 5 and 6 at Newington Public School present their final projects from Sydney Metro's inquiry based learning program.

FastTracking the Future

FastTracking the Future is Sydney Metro's innovative education program, which connects school communities, teachers and students with Sydney Metro projects through its curriculum-aligned activities from Kindergarten to Year 10. In 2023–24, we delivered 40 school visits and connected with more than 6200 students through the Metro Minds STEAM Challenge, inquiry-based teacher development, Fun with Robots incursions and school holiday programs.

Metro Minds STEAM Challenge

The Metro Minds STEAM Challenge invites students from years 7 to 10 to come up with an innovative solution to an authentic Sydney Metro challenge or opportunity. A unique part of the challenge is the opportunity for students to connect with people working on the Sydney Metro project – Metro Minds ambassadors – which allows students to share their ideas using the design thinking process. Students also receive additional support through virtual classroom webinars. In 2023, more than 360 students across 17 schools participated in the competition.

On 25 August 2023, five finalist teams from Catherine McAuley Westmead, North Sydney Boys High School, Riverside Girls High School, Sydney Secondary College Leichhardt Campus and Xavier College were invited to pitch their innovations to a judging panel and live audience. The winning team from Riverside Girls High School presented an innovative idea called User Personalised Integrated Carriages (UPIC), which includes customisable seating configurations based on short, medium and long commutes. UPIC also includes panels on carriages showing carriage capacity in real time to address the accessibility and convenience associated with riding the metro.

Inquiry-based learning

Sydney Metro delivered Phase 3 of its professional learning program for teachers on inquiry-based learning in 2023. The program, in partnership with Western Sydney University, continues to receive positive feedback from teachers, students and school leaders, indicating high levels of student engagement, motivation and interest in learning about real-life projects. In 2023, 24 teachers from 13 schools and more than 850 students took part in the program.

Fun with Robots incursion program

Sydney Metro designed a classroom-ready, syllabus-aligned workshop for stage 2 and 3 students. Students work in small groups to explore a series of challenges relating to Sydney Metro. This self-paced program provides students with a hands-on experience to use programming and test the functionality of

“automated trains” using Dash robots and the Blockly application. Students identify, organise and perform strategic roles within a group to solve a program with resources provided by Sydney Metro. In 2023, more than 200 stage 3 students at Tempe Public School took part in the incursion program as part of Science Week.



Image: Students at Tempe Public School take part in a Sydney Metro robotics pilot program.

Delivery partner social outcomes and community benefits

In 2023–24 our delivery partners supported local communities by implementing and maintaining 47 community initiatives as part of their work with Sydney Metro:

- A Christmas Toy Drive for The Haven (Nepean Women’s Refuge)
- An ongoing partnership with Assistance Dogs Australia who are setting up new operational facilities in Western Sydney
- Sponsorship of the Penrith Valley Chamber of Commerce 2024 Visitor Economy Forum, which was aimed at attracting investment and collaboration for sustainable economic growth and was attended by more than 220 participants
- A furniture upgrade, fundraising and awareness raising of the services and support provided by WASH House, a community-based resource centre for women. Catherine White, a community advocate and former longstanding employee of the WASH House, was also recognised through the naming of a tunnel boring machine in her honour
- Community snake awareness training to educate the community and school children of Mulgoa and Bringelly about snake safety
- Native bush regeneration undertaken in partnership with IndigiGrow in La Perouse to contribute to the restoration of the Eastern Suburbs Banksia Scrub, a critically endangered ecosystem
- Donation of non-perishable food items and winter clothing, blankets and sleeping bags to more than 350 local residents in partnership with “One Meal – It makes a difference”, and volunteering to assist at its weekly community meal services
- Provision of complementary labour and materials to upgrade the facilities at ‘The Station Ltd’, a drop-in centre for men and women experiencing homelessness in the Sydney CBD
- Eben Coffee Cart, a partnership with Ebenezer Mission, which provided seven barista training and working experience opportunities to support young people with disabilities to develop work skills
- A partnership with Our Lady of the Assumption to enable a low-fee school to upgrade their kindergarten sandpit deck and provide a safe area, promoting their physical and mental health through exercise and social interaction with other children of same age
- A partnership with The Station Ltd to help improve its laundry service through the purchase of an industrial washing machine. This initiative is expected to deliver benefit to people who are having difficulty attaining and sustaining adequate and secure accommodation, health status, personal autonomy and dignity.

Helping to clean up Werrington Creek

In mid-August 2023, volunteers from Sydney Metro and our delivery partners on Sydney Metro–Western Sydney Airport Station Boxes and Tunnelling rolled up their sleeves in the woodland and reserve next to Werrington Creek as part of the Penrith City Council’s Bushcare program.



Image: Volunteers lending a hand to help clean up the local bushland and waterway at Werrington Creek.

Concord Community Garden's new shed

The Sydney Metro West Central Tunnelling Package delivery partner partnered with the Concord Community Garden to build a new weatherproof and secured garden shed for tools and equipment and a surrounding paved area. This volunteer organisation provides an enjoyable learning environment that encourages fitness, sharing of healthy food, increased social interaction and a sense of community belonging.



Image: The new garden shed at the Concord Community Garden.

Respect the environment

Our approach to environmental management

Environmental performance across the Sydney Metro program of works is monitored using environmental compliance monitoring software. Sydney Metro records, tracks and reports on environmental performance, including environmental incidents, compliance with planning approvals, site inspections and associated corrective and preventative actions. Sydney Metro can identify performance trends and identify where surveillance activities and training are best directed to enable continual improvement across our sites.

Environmental Management System (EMS) certification

Sydney Metro has an EMS that is externally certified to international standard ISO 14001:2015 – Environmental Management Systems through Intertek SAI Global. Sydney Metro is committed to regularly reviewing its EMS and ensuring actions are taken to continually improve processes and performance. Throughout 2023–24 various actions were taken to improve the EMS, including commencing the development of:

- new documents to better articulate the structure and framework of the EMS
- templates to improve the consistency of EMS documents
- updates to various documents to ensure they reflect Sydney Metro’s current operational context.



Our project environmental performance 2023–24

2281

Planning approval requirements



2281 planning approval conditions and mitigation measures were managed across Sydney Metro projects.

>96%

Compliance with planning approvals



81 non-compliances were reported resulting in > 96 per cent compliance with planning approvals.

177

Environmental incidents



98 per cent of environmental incidents were categorised as Class 3 incidents as they caused no material harm to the environment.

494

Environmental site inspections



494 site inspections were undertaken across Sydney Metro’s program of works, an increase from the 446 inspections completed in 2022–23. An average 2.2 issues were raised per inspection.

Grazing goats weed control

The Sydney Metro West Eastern Tunnelling Package welcomed 20 goats for three weeks to provide weed control at the Eastern Creek Precast Facility for Sydney Metro West. The goats helped minimise the environmental impacts of using pesticides, prevent weeds from flowering and eliminate noise and emissions from having to use machinery to manage the grass.



Image: Grazing goats for natural weed control at Eastern Creek Precast Facility.

Work health and safety performance

Health and safety performance

Our highest priority is to protect the health, safety and wellbeing of our workforce, our delivery partners, our supply chain, and the community. Safety and wellbeing is one of our six values that guide the way we work and we continually strive to create a culture that embraces health, safety and wellbeing as the foundation to achieving our outcomes.

Table 14: Summary of health and safety performance for Sydney Metro, 2023–24

Measure	2021–22	2022–23	2023–24
Number of incidents reported (Sydney Metro Head Office)	3	5	9
Number of events reported to Office of the National Rail Safety Regulator (Sydney Metro as Rail Infrastructure Manager) *	87	15	7
Number of Lost Time Injuries due to workplace-related injury or illness	3	3	13
Prosecutions reported	0	0	0

*Only Category A & B events included (excludes Cat C), noting as of 1 July 2022 the Office of the National Rail Safety Regulator (ONRSR) revised the reporting criteria for Category A and B events across all Occurrence Types.

Table 15: Summary of health and safety performance for Sydney Metro’s principal contractors, 2023–24 update table with 23/24 data

Measure	2021–22	2022–23	2023–24
Number of Significant Incidents reported**	118	226	235
Number of Lost Time Injuries due to workplace-related injury or illness	22	24	25
Prosecutions reported	0	0	0

**Note: Number includes events resulting in actual significant consequence as well as incidents with potential for significant consequence.

Health and safety strategy

Our commitment

We maintain our commitment to eliminate fatalities and reduce the likelihood of permanent impairment, injuries and illness. Our key focus areas include:

- leading authentically and embracing a culture of care and trust, to make it feel safe for everyone to speak up
- reinforcing through our actions that health, safety and wellbeing comes before delivery
- continued focus on preventing repeat control failures.
- verifying the adequacy of control implementation and effectiveness
- sharing and learning from events, especially those with the potential for fatal outcomes
- quality leadership engagements via meaningful conversations
- quality investigations so that we optimise our ability to learn and improve
- management of our highest health, safety, and wellbeing risks.

Our approach

The health, safety and wellbeing of our people, our delivery partners, our supply chain and the community must always come first and is fundamental to the way we conduct our business. Inherently, our working environments potentially expose people to risks. Therefore, our objective is to identify those risks and implement controls to prevent or mitigate the potential impacts.

We continue to engage with our workforce and key stakeholders to learn and improve as we believe they are instrumental in helping us to achieve better health, safety and wellbeing outcomes and overall performance.

Our priorities

We have a sustained focus on managing our health, safety, and wellbeing risks through new and existing programs of work, including:

Health and safety risk management – We implement, evaluate, and improve systems that ensure enterprise health, safety and wellbeing risks are systematically managed and prevent harm to all persons.

Health and safety risk assurance – We embed assurance requirements across the life cycle of each project to ensure the achievement of rail safety accreditation conditions.

Health and safety risk governance – We apply standardised governance systems to ensure our delivery partners achieve contractual health and safety performance conditions.

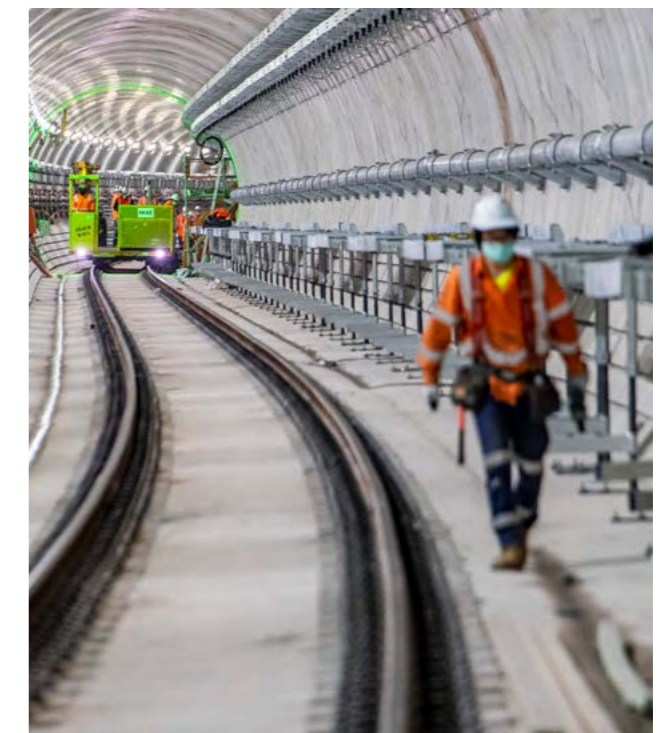
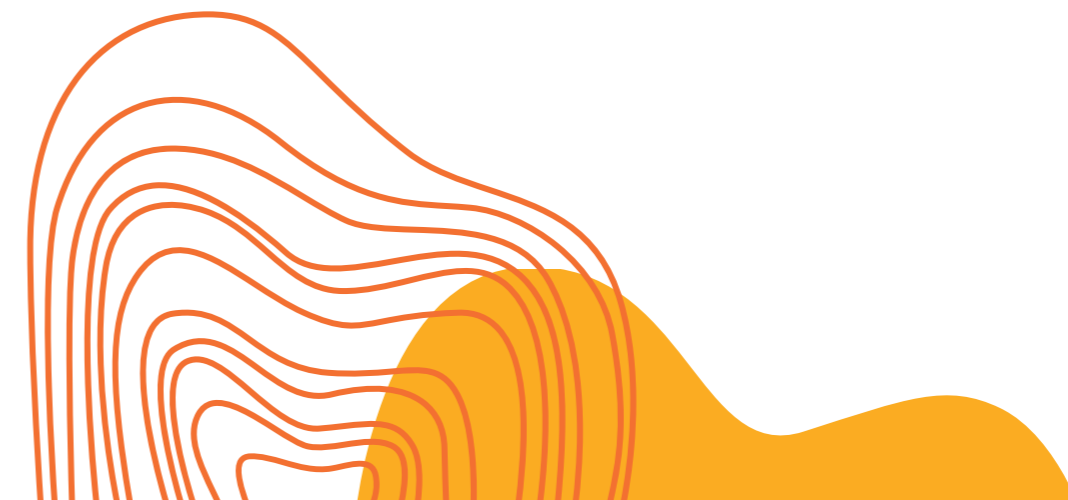


Image: A safety walkway is installed inside the Sydney Metro tunnels. The safety walkway will allow passengers and metro staff safe access to the cross passages and exits from the tunnel.



Workforce diversity

We value and remain committed to having a workforce that represents the customers and community we serve.

The table below shows our trends in the representation of equal employment opportunity groups, as a portion of our workforce.

Table 16: Summary of health and safety performance for Sydney Metro, 2023–24

Workforce diversity group	Benchmark (by 2025)	2020–21	2021–22	2022–23	2023–24
Women	50%	29%	47%	47.9%	47.9%
Women in leadership	40%	38.6%	39.8%	39.8%	39.6%
Aboriginal and Torres Strait Islander peoples	3.0	2.6%	2.2%	2.3%	2.5%
People with a disability	5.6%	1.3%	2.3%	3.7%	3.9%
People with a disability requiring work-related adjustment	N/A	4.7%	0.0%	0.0%	4.1%

Empowering women in leadership

At Sydney Metro, diversity is a strength of our organisation and we are committed to gender equity and its benefits. We are committed to our contribution to increase gender balance across Transport, including in specialist roles, with targeted initiatives to promote Sydney Metro as an attractive career option for women.

Aligned with Sydney Metro’s commitment to achieving 40 per cent women in leadership positions by 2025, we are proud to report that 39.6 per cent of our leadership positions are held by women. During 2023–24 we continued to provide an environment that fosters growth and development by:

- **NAWIC (National Association for Women in Construction):** sponsoring corporate membership for Sydney Metro employees, enabling access to NAWIC activities, programs and initiatives.

- **International Women’s Day:** introducing a Q&A panel with future female leaders in science, technology, engineering, mathematics and computer science where inspiring women spoke about why Sydney Metro should continue supporting women and investing in them.
- **International Women in Engineering Day:** a female senior project manager spoke about the value of diversity in engineering and the future of the industry.
- **Parents and Carers Network:** in May 2024, Sydney Metro’s Chief Executive became an executive sponsor of the Transport wide network for all parents, carers and their allies and advocates.

Championing Aboriginal employment

We aspire to achieve an overall representation target of three per cent Aboriginal employees at each Award grade by 2025, in line with the target set out in the TfNSW Stretch Reconciliation Action Plan. At 30 June 2024, 2.5 per cent of award grade staff are Aboriginal and Torres Strait Islander employees.

We are committed to working towards achieving TfNSW’s goal to increase the number of Aboriginal people in leadership roles and achieve or exceed a minimum of three per cent representation of Transport’s overall workforce by 2025. Although we have made great progress in representation and have achieved a small increase on the previous year, we acknowledge that we have a lot of work to do and remain committed to increasing representation of Aboriginal and Torres Strait Islander employees within our workforce.

As part of National NAIDOC Week in 2023, Metro’s Reconciliation Action Plan Implementation Group and reconciliation advocates across the business attended Acknowledge This! training to learn how to give an authentic Acknowledgement of Country. Sydney Metro also marked the celebration by holding an agency-wide event with a special violin performance by Ngiyampaa, Yuin, Bundjalung and Gumbayngii artists which referenced Aboriginal custodial songs.

Advocating for employees with disabilities

This reporting year Sydney Metro saw the highest levels of representation recorded to date for employees with disabilities, with representation being 3.9 per cent of our workforce.

Our success continues to result from targeted initiatives, such as identifying roles that may be suitable for disability employment, using ‘tailored talent’ programs including for people with autism, increasing Public Service Commission Disability Awareness training and employee diversity data completion rates.

In December 2023, Sydney Metro launched Transport’s Hidden Disabilities Sunflower program on the Metro Northwest Line. Customers can now wear a sunflower lanyard as a visual cue that they may need extra help, understanding or more time when travelling.

Our aim is to continue to create an environment that not only embraces diversity but also empowers everyone to thrive and contribute their unique perspectives. Outside of our three prioritised focus areas, Sydney Metro continues to champion diversity through the celebration of significant events and dates throughout the year, including Mardi Gras, International Day for the Elimination of Racial Discrimination, International Women’s Day, Autism Awareness Month, National Reconciliation Week, International Women in Engineering Day, NAIDOC Week, Wear it Purple Day and International Day for People with Disability.

Celebration of these events is supported by the ongoing commitment of the Empower network, a group of Sydney Metro employees drawn from across the organisation who are passionate champions and advocates of inclusion and diversity.



Image: Uncle Allen Madden delivering Welcome to Country at Sydney Metro’s NAIDOC week event.

Ensuring sustainable procurement practices – Modern Slavery Act 2018

In accordance with the *Modern Slavery Act 2018*, the following provides an outline of steps taken in the last 12 months to ensure that goods and services procured by and for Sydney Metro were not the product of modern slavery. No instances of unethical procurement were identified in the reporting period.

Annual Modern Slavery Reporting

Significant operational issues (section 31(1)(a) of the *Modern Slavery Act 2018*)

None identified.

Reasonable steps

Reasonable steps taken	
1 Commit	
1.1 Stakeholder Engagement	
What steps did your entity take to engage with stakeholders during this reporting period in relation to modern slavery?	<p>Internal stakeholders: Internal Sydney Metro stakeholders were engaged via:</p> <ul style="list-style-type: none"> the internal Modern Slavery Prevention Working Group. Update of the Procurement and Contract Management Standard and related documents. Review and endorsement of our Modern Slavery Action Plan FY 2024/ 2025. <p>Office of the Anti-Slavery Commissioner (OASC): Regular attendance at briefing sessions related to the development and finalisation of the OASCs Guidance on Reasonable Steps (GRS), and provision of feedback.</p> <p>TfNSW stakeholders: Regular attendance at working groups and information sharing sessions, to develop joint approaches to the prevention of modern slavery.</p> <p>Major construction contractors: Regular discussion of sustainable procurement practices, including modern slavery prevention practices where relevant, at progress meetings.</p>
Did you engage with external stakeholders on modern slavery risks in this reporting period?	Yes, as noted above

Reasonable steps taken	
1.2 Identify salient risks at the organisational level	
What steps did your entity take to identify salient modern slavery risks at the organisational level (i.e. across all operational and procurement activities) during this reporting period?	<p>Modern Slavery Statements (prepared by major construction and operations contractors in accordance with the Commonwealth Modern Slavery Act) were reviewed to identify potential new risks associated with their activities.</p> <p>Reviewed procurement mapping to ensure it still reflects our activities and the types of goods and services we procure.</p> <p>Conducted an initial review using the Inherent Risk Identification Tool to identify the inherent modern slavery risk level associated with typical procurements.</p>
Did you conduct or update a Salient Modern Slavery Risk Assessment in this reporting period?	No.
1.3 Modern Slavery Policy	
What steps did your entity take to adopt a Modern Slavery Policy during this reporting period?	Engagement with TfNSW in the development of a portfolio-wide Modern Slavery Policy and consideration of its potential application for Sydney Metro.
Do you have a modern slavery policy, approved by your senior governing body (e.g. Agency Head/Secretary), in place?	As above. Our Chief Executive-approved Environment & Sustainability Statement of Commitment includes a commitment to the prevention of instances of modern slavery in our operations and supply chain.
1.4 Modern Slavery Risk Management Plan	
What steps did your entity take to adopt a Modern Slavery Risk Management Plan during this reporting period?	Our Modern Slavery Action Plan FY 2024/2025 has been developed to identify appropriate actions to manage modern slavery risks. The plan documents responsibilities and accountabilities within the organisation, along with timing. The Action Plan has been endorsed by our Senior Management Committee. It will form the basis of a Modern Slavery Risk Management Plan, which will be developed in the next reporting period.
Do you have a modern slavery risk management plan, approved by your senior management, in place?	No.
2. Plan	
2.1 Identify and map your supply chain risks for each procurement	
What steps did your entity take to identify and map your modern slavery risks at the supply-chain level during this reporting period?	<p>Reviewed procurement mapping to ensure it still reflects our activities and the types of goods and services we procure.</p> <p>Conducted an initial review using the Inherent Risk Identification Tool to identify the inherent modern slavery risk level associated with typical procurements.</p>
2.2 Develop a risk-reducing sourcing strategy	
What steps did your entity take to develop a modern slavery risk-reducing sourcing strategy during this reporting period?	<p>For procurement of professional services:</p> <ul style="list-style-type: none"> Updates to the Procurement Plan/Strategy and Services Brief Templates, to include modern slavery prevention considerations, have commenced. Modern Slavery is included as a factor assessed in the Procurement Complexity Assessment Tool. Modern Slavery clauses are included in the Professional Services Contract L1, L2 and L3 templates.

Reasonable steps taken	
3. Source	
3.1 Select appropriate suppliers	
What steps did your entity take to address modern slavery risks when selecting suppliers during this reporting period?	<p>Requests for tender (RFT):</p> <ul style="list-style-type: none"> • Work has commenced to update the RFT template for procurement of professional services. • Work has commenced to update documents in Sydney Metro's Commercial Management Framework for major construction procurements greater than \$20 million (or greater than \$10 million for High Profile High Risk (HPR) procurements), including the tender evaluation procedure, tender templates and Baseline General Specification. • RFTs for major construction contracts include a modern slavery questionnaire and a requirement for tenderers to submit a Modern Slavery Compliance Declaration with their tenders. The Declaration confirms that tenderers will take reasonable steps to prevent modern slavery, comply with legislation, keep appropriate records and provide reporting, and do not have a record of modern slavery issues. The RFT clauses are generally consistent with the GRS Model Tender Clauses.
3.2 Adopt a shared responsibility approach to contracting	
What steps did your entity take to adopt a shared responsibility approach to modern slavery risks, in contracting during this reporting period?	<ul style="list-style-type: none"> • For major construction contracts yet to be awarded, contract clauses partially adopt a shared responsibility approach. • Since the publication of the GRS, the model contract and tender clauses have been reviewed and adopted, as appropriate, where the existing major construction contract clauses did not already address the intent of the model contract or tender clauses. Any departures from the model clauses are supported by reasons and advice as to how the alternative achieves equal or better outcomes.
4. Manage	
4.1 Monitor and evaluate supplier performance	
What steps did your entity take to monitor and evaluate supplier performance relating to modern slavery, during this reporting period?	<p>For major construction contracts:</p> <ul style="list-style-type: none"> • Reviewed the corporate Modern Slavery Statements of our major delivery and operating partners • Reviewed sustainability and sustainable procurement management plans prepared by our delivery partners, which describe how they intend to prevent instances of modern slavery on projects • Reviewed quarterly sustainability progress reports prepared by delivery partners which periodically document how they are managing modern slavery risks • Periodic discussion of modern slavery issues with delivery partners in regular progress meetings.
Has your entity required any of your Tier 1 suppliers to undergo an audit addressing modern slavery risks in this reporting period?	No.

Reasonable steps taken	
4.2 Develop supplier capabilities	
What steps did your entity take to develop supplier capabilities relating to modern slavery risks during this reporting period?	<p>For major construction contracts:</p> <ul style="list-style-type: none"> • Periodic discussion of modern slavery issues with delivery partners in regular progress meetings.
5 Remedy	
5.1 Provide or enable access to effective grievance mechanisms	
What steps did your entity take to provide or enable access to effective modern slavery grievance mechanisms during this reporting period?	<ul style="list-style-type: none"> • Reviewed existing Sydney Metro grievance mechanisms to determine whether the same could be used for modern slavery issues. • Consultation with TfNSW to identify opportunities to use a co-ordinated approach (in progress).
5.2 Take safe immediate steps to remedy harm	
What steps did your entity take to develop supplier capabilities relating to modern slavery risks during this reporting period?	No instances of 'modern slavery harms' connected to Sydney Metro were brought to our attention during the reporting period. No remedy actions were undertaken.
5.3 Use leverage to remediate deficient practices	
What steps did your entity take to use leverage to remediate deficient modern slavery risk management practices during this reporting period?	No deficient modern slavery risk management practices were identified or remediated.
5.4 Withdraw responsibly	
What steps did your entity take to withdraw responsibly during this reporting period, in connection to modern slavery risks?	No modern slavery risks were identified which necessitated withdrawal.
6 Report	
6.1 Establish a victim-centred reporting protocol	
What steps did your entity take to establish a victim-centred modern slavery reporting protocol during this reporting period?	Sought guidance from the OASC and awaiting the GRS Resource: Establishing a Victim-Centred Reporting Protocol, due for publication in March 2025.
Do you have a modern slavery reporting protocol in place that prioritises the interests of the victim/survivor?	No.

Reasonable steps taken

7 Improve

7.1 Learn lessons from your performance and others'

What steps did your entity take to learn lessons from your modern slavery performance and others' during this reporting period?

Lessons learned from the following initiatives have been used to inform Sydney Metro's Modern Slavery Action Plan:

- Review of major construction and operator contractors' Modern Slavery Statements
- Participation in the 2024 Anti-Slavery Forum and attendance at the modern slavery portion of the Infrastructure Sustainability Council's 2023 Connect conference.
- Engagement with TfNSW Modern Slavery working group.

Has your entity updated its modern slavery policies or procedures based on stakeholder feedback or lessons from a grievance mechanism during this period?

Sydney Metro is currently developing its policy in collaboration with TfNSW and considering grievance mechanism arrangements. These are being informed by engagement with stakeholders.

7.2 Train your workforce

What steps did your entity take to train your workforce during this reporting period?

Mandated that Procurement and Contract Management team members complete the NSW Procurement *Modern Slavery in Procurement* training module. Other Sydney Metro team members have also completed this module.

Other staff have completed the OASC's online course *Introduction to Modern Slavery and your obligations*.

What percentage of your workforce received modern slavery training in the period?

1.3 per cent

7.3 Cooperate with the Anti-slavery Commissioner

What steps did your entity take to cooperate with the Anti-slavery Commissioner during this reporting period?

- Regular attendance at OASC briefings.
- Representatives attended Day 2 of the NSW Anti-Slavery Forum (21–22 May 2024).
- Subscribed to regular updates – News from the NSW Anti-slavery Commissioner.

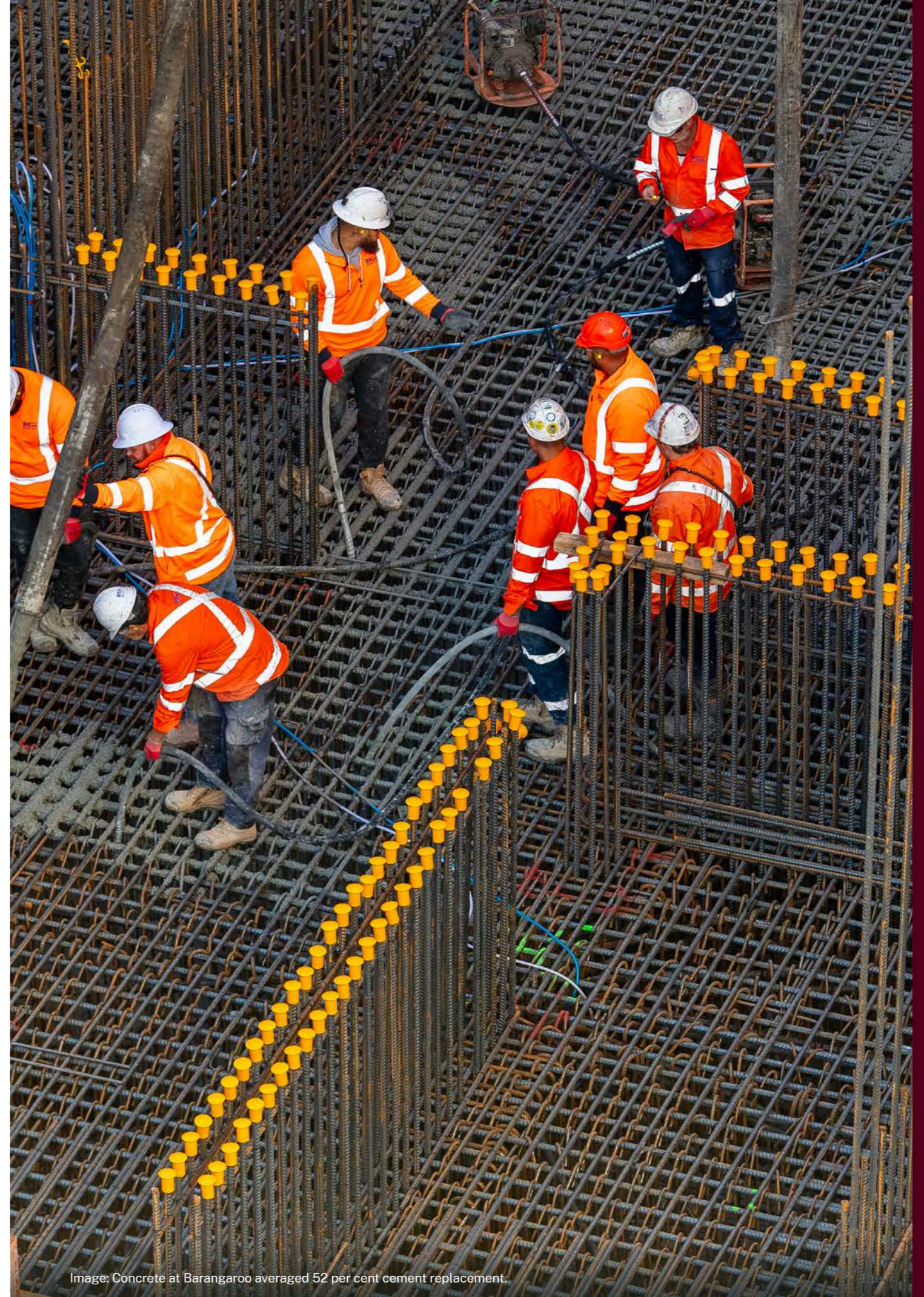


Image: Concrete at Barangaroo averaged 52 per cent cement replacement.

Appendix 1

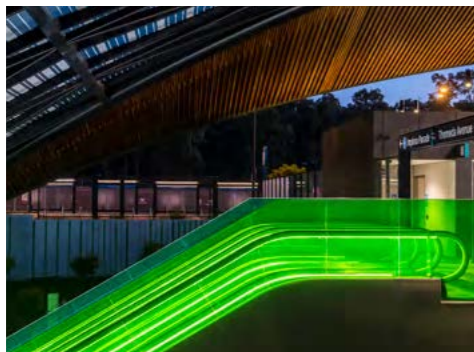
Sydney Metro public art installations

Light Line Social Square – 2019

Artists: **Michaelie Crawford**, (Turpin Crawford Studio) **Peter McGregor** (McGregor Westlake Architecture), in collaboration with Hassel

Locations: **Tallawong, Rouse Hill, Kellyville, Bella Vista, Norwest, Hills Showground, Castle Hill, Cherrybrook**

Light Line Social Square, is playful, poetic and immersive artwork of regional scale. It creates unique, ever-changing environments for customers to enter into, and travel through, across eight stations and plazas. The artwork is embedded into the design of each station and is made up of artful landscapes; sculptural furniture; transparent coloured glazing in skylight lanterns, station facades, lifts, stairs and escalators; train activated platform lighting; glazed tiled walls; playful paving and cooling mist installations.



Location: Tallawong Station.



Location: Norwest Station.



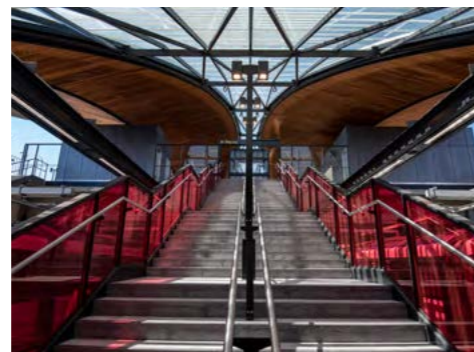
Location: Hills Showground Station.



Location: Hills Showground Station Plaza.



Location: Cherrybrook Station Plaza.



Location: Cherrybrook Station.

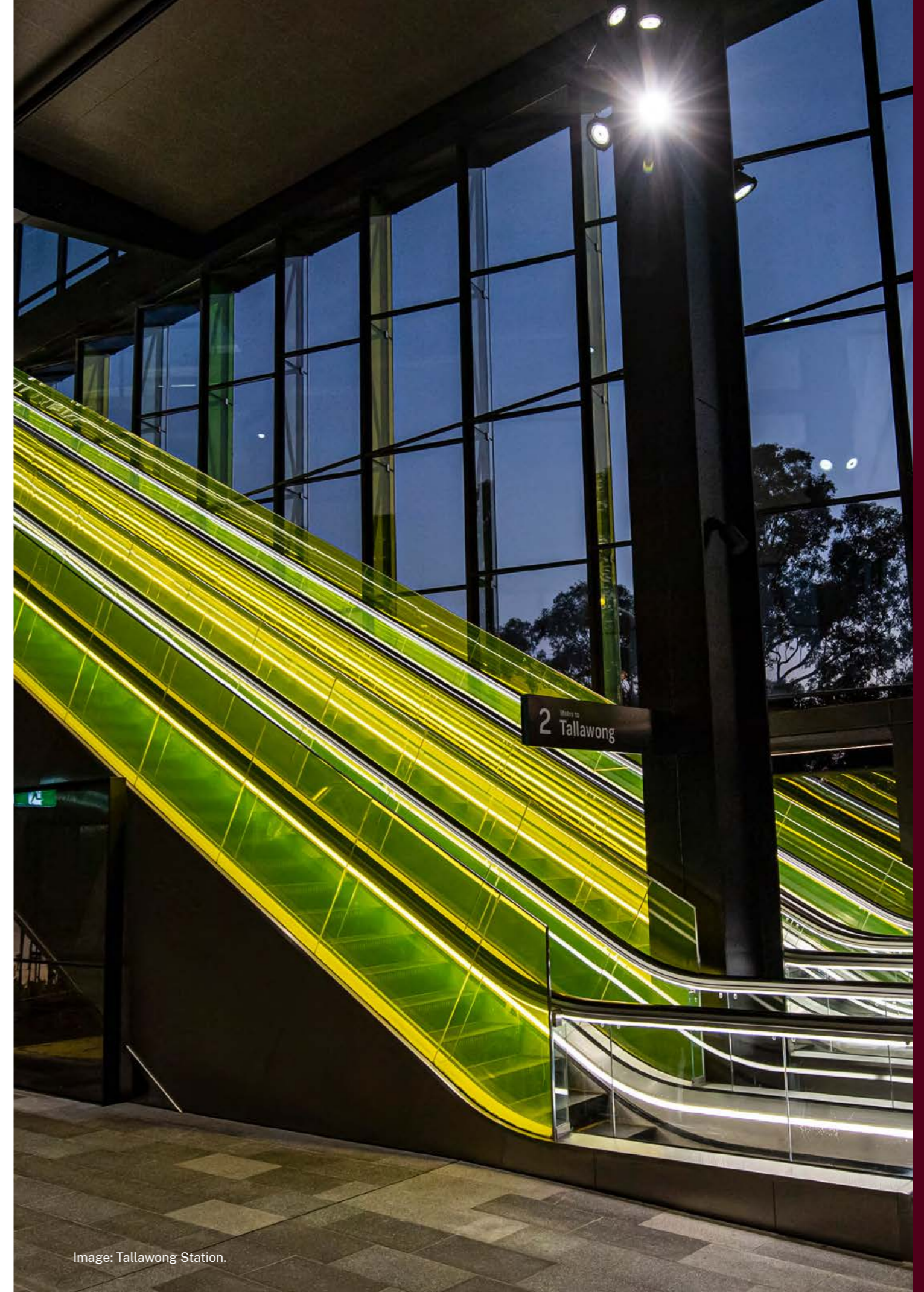


Image: Tallawong Station.

Sydney Metro public art installations



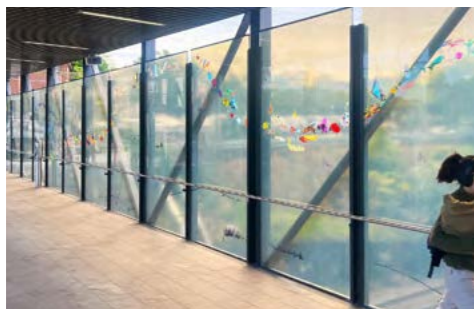
Notes on Sydenham – 2021
 Artist: **Agatha Gothe Snape**
 Location: **Sydenham**

Across the two plazas at Sydenham Station, 32 cast bronze drawings, each inscribed with the notes of conversations between artist Agatha Gothe-Snape and Sydenham locals. The artwork is positioned as if blown about in the wind.



The Avatars – 2022
 Artist: **Ramesh Mario Nithiyendran**
 Completed with Technical Support by X2 Design
 Location: **Marrickville**

Meet The Avatars, Marrickville Station's part-human part-animal sentinels. The clay figures in the public artwork mix history, mythology, nature and culture.



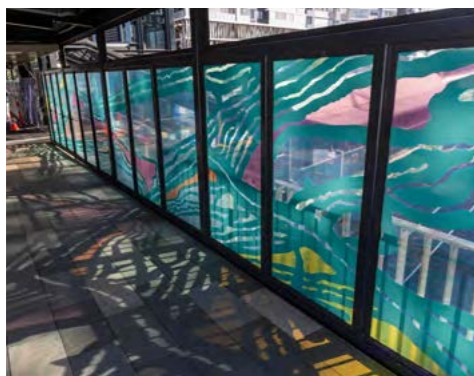
Desire Line – 2022
 Artist: **Claire Healy and Sean Cordeiro**
 Completed with Technical Support by X2 Design
 Location: **Dulwich Hill**

A procession of hand drawn, native Australian insects traces the route of Sydney Metro from Marrickville to Bankstown. The playful insect drawings were created in collaboration with students from Dulwich Hill School of Visual Arts and Design.



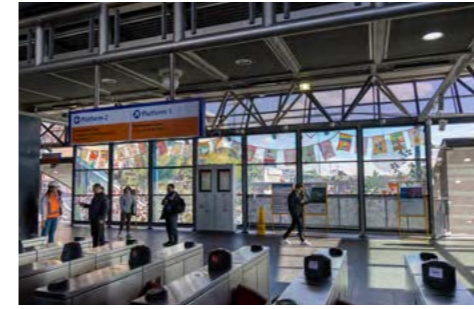
A Possum is Watching – 2022
 Artist: **Emily Crockford**
 Supported by Studio A and completed with Technical Support by X2 Design
 Location: **Hurlstone Park**

The dancing possum in the tree watches as the passers go by, watching from the possum zoo. There is green to make you feel good. To make you feel happy, joy and safe. Happy, joy, tall and fun possum tree love.



Tracks – 2022
 Artist: **Maddison Gibbs**
 Completed with Technical Support by X2 Design
 Location: **Canterbury**

Abstract lines flow across this artwork to trace the rivers and routes, walking tracks and railway lines that are entwined, overlaid and obscured in the coming together of Aboriginal and non-Aboriginal histories. Artist and Barkindji woman, Maddison Gibbs, consulted with the Canterbury Bankstown Aboriginal Reference Group in the development of this work that centres on the local Cooks River system.



Welcome Home to Beamish Street – 2022
 Artist: **Raquel Ormella**
 Completed with Technical Support by X2 Design
 Location: **Campsie**

A vibrant glass collage welcomes all and celebrates diversity and belonging in Campsie communities. Filled with plants, fabric patterns and flags drawn by local kids, this artwork welcomes one and all to Campsie.



Cosmic Trip – 2022
 Artist: **Adam Norton**
 Developed in collaboration with Claire Taylor, Greyspace.
 This artwork was completed with Technical Support by X2 Design
 Location: **Marrickville**

Cosmic Trip celebrates the possibilities of what we can see now through our telescopes, and what might we discover in our future.



We Are All Like Birds – 2022
 Artist: **Hannah Lily, Vijaya Sen, Paul Vonwiller and Jeff McCann – Roomies Artists.**
 This artwork was developed in collaboration with Gemma Deacon, Anne Kwasner and completed with technical support by X2 Design.
 Location: **Wiley Park**

This is an act of kindness from the artists to the Wiley Park community.



Life Blood Resistance and Resilience – 2022
 Artist: **Lucy Simpson**
 In collaboration with the local Aboriginal and Torres Strait Islander community of Southwestern Sydney as part of the Koorie Youth Forum run by the Bankstown Aboriginal Education Consultative Group in 2021.
 Location: **Punchbowl**

The dancing possum in the tree watches as the passers go by, watching from the possum zoo. There is green to make you feel good. To make you feel happy, joy and safe. Happy, joy, tall and fun possum tree love.



All Alongside of Each Other – 2023
 Artist: **Rose Nolan**
 This artwork was developed with the assistance of Woods Bagot, John McAslan + Partners, Laing O'Rourke, Pebblecrete, The Blueprint, Creative Road, and Anna Schwartz Gallery.
 Location: **Central 1**

All Alongside of Each Other celebrates the daily passage of people as they move through Central Station. Using the strong graphic form of the athletics track, it marks time and place as commuters actively follow parallel paths to reach their destination.



Sydney Metro public art installations



Time Travellers – 2023
 Artist: **Bronwyn Bancroft**
 Supported by Woods Bagot Architects.
 (This work and artist were selected through the HI Program)
 Location: **Central 2** (Artwork commissioned for Heritage Interpretation)

Eclectic patterning and electric imagery create a visual emblem of one of many creation stories handed down over time, honoring the DNA of ancient Aboriginal Australia.



Ceramic Wall Relief – 2024
 Artist: **Esther Stewart**
 Made with the assistance of Bendigo Pottery, Murray Barker, Event Engineering, Sarah Cottier Gallery and Station Gallery.
 Location: **Crows Nest**

Richly detailed wall-mounted collages made of bespoke handmade ceramic tiles celebrate Crows Nest's unique heritage with colour, patterns, moulding and relief.



Sundial – 2024
 Artist: **Indigo Hanlee and Michael Thomas Hill**, Lightwell
 Location: **Victoria Cross**

Sundial is both a digital sundial that indicates the hours and seasons, and a video art piece that draws the viewer into an endless journey through North Sydney's remnant bushland.



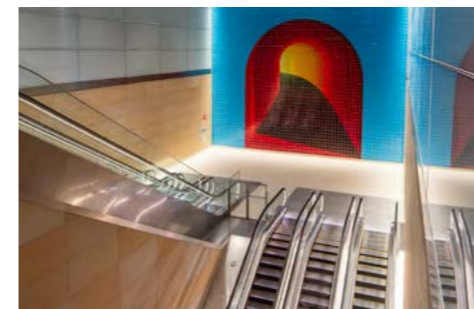
In Time We Shall – 2024
 Artist: **Khaled Sabsabi**
 With thanks to Yamane Fayed, Walid Sabsabi, Haneen Sabsabi, Yasma Sabsabi, Kon Gouriotis, Josh Milani, Danielle Milani, Douglas Knox, Lily Shearer, Gabriele Ulacco, Susan Conroy, UAP, Daniel Tobin, Bibi Barba, Peter White, Nathan Moran and the Metropolitan Local Aboriginal Land Council. Commissioned by Transport for NSW.
 Location: **Barangaroo**

Inspired by timeless, universal and cross-cultural philosophies, In Time We Shall connects customers at the new Sydney Metro Barangaroo Station to ancient, shared symbols and the spiritual significance of the tree of life.



Continuum – 2024
 Artist: **Mikala Dwyer**
 This artwork was developed with the assistance of Event Engineering.
 Commissioned by Transport for NSW.
 Location: **Martin Place**

Continuum is a work across two entrances to the new Sydney Metro Martin Place Station. Artist Mikala Dwyer intended it to be experienced like a journey that shapes in the mind, a succession of unfolding encounters that parallels the experience of travel.



The Underneath – 2024
 Artist: **Callum Morton** – This artwork was developed with the assistance of Monash University and Monash Art Projects.
 Location: **Gadigal**

Underneath takes us on a journey of ambiguity—are these giant tiled tunnels exits or entrances, real or imaginary portals to the unknown.



Footprints on Gadigal Land – 2024
 Artist: **Nicole Monks**
 Special thanks to Colin Ryan, cultural advisor Bibi Barba, Jenine Boeree, Lottie Hilder, Coby Edgar, and the local Aboriginal Custodians and Community that are connected to this place and have created a culturally vibrant Community, here on Gadigal Nura.
 Location: **Waterloo**

Footprints on Gadigal Nura comprises three wall-mounted sculptures, developed collaboratively with the Continuing Custodians and the Aboriginal Community who live, work, and visit the Redfern-Waterloo area. The footprints of the past, the footprints of the present and the footprints of the future walk together and connect us with this land, Gadigal Land.

1. Collaboration with Uncle Charles Madden and Aunty Joanne Timbery. The word Nura refers to Country in The Sydney Language by Jakelin Troy.
2. Cast aluminium footprint sculptures with electroplated finish mounted on concrete, 16 x 24 meters. Special thanks to Aboriginal Community Workshop participants: Jarad, Taleena, Eli, Pamela, Melisha, Nikita, Donna, Kenisha, Kiarna, Tanya, Alkira, Mervyn, Gail, Isarika, Gregory, Yarra, Latai, Taiahmi, Amiera, Makeedi, Nyurah, Tracey, Noah, Albert, Yileen, Maudie, Jo-Anna, Nattai, Dawn, Natalie, Joanne, Isaac, Ann, Lottie, Marlon, Kim, Tshintia, Thene, Tarhnay, Isaiah, Peta-Joy, Skyanne, Jason, Cynthia and Coby. Youth dance workshop (concourse wall): Collaboration with Jodie Choolburra-Welsh and Wayne Quilliam. Photographic image in perforated aluminium panel, 9.7 x 9.7 meters.

Image 1: Handwriting by Elders (entrance wall).

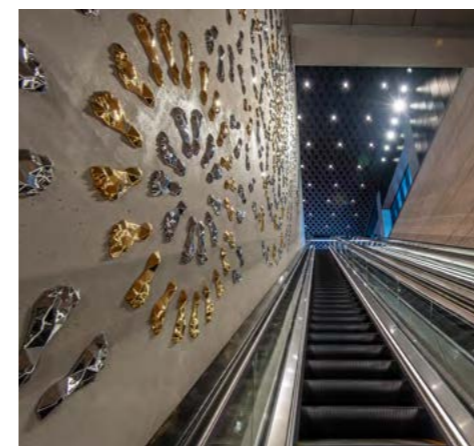


Image 2: Community footprints (escalator wall).

Appendix 2

Sustainability data

Data ^[1]	Unit of measure	Sydney Metro City & Southwest project			Sydney Metro West		
		Target	FY 2023-24	Cumulative to date	Target	FY 2023-24	Cumulative to date
Scope 1 construction carbon emissions	Tonnes CO2-e		2230	55,128		13,490	28,567
Scope 2 (location based) construction carbon emissions ^[2]	Tonnes CO2-e		19,488	119,225		25,687	29,409
Scope 2 (market based) construction carbon emissions ^[2]	Tonnes CO2-e		123	55,272		11,052	13,361
Scope 3 construction carbon emissions ^[3]	Tonnes CO2-e		21,098	579,503		102,994	159,972
Total construction carbon emissions (using location based scope 2)	Tonnes CO2-e		42,816	753,856		142,171	217,948
Renewable construction electricity or offsets ^[4]	% of construction electricity offset for completed contracts	25%	97%	46%	25%	47% ^[5]	43% ^[5]
Renewable construction fuel or offsets	% of construction fuel offset	N/A	N/A	N/A	25%	1% ^[5]	2% ^[5]
Total construction and demolition waste generated	Tonnes		16,299	270,243		33,468	157,330
Construction and demolition waste reused/ recycled	Tonnes		15,518	260,199		32,802	153,734
	% of total waste generated	90%	95%	96%	95%	98%	98%
Usable spoil generated	Tonnes		5,860	5,119,078		2,605,494	4,367,440
	Tonnes reused		5,860	5,118,984		2,605,494	4,367,440
Usable soil beneficially reused	% of usable spoil generated	100%	100%	100%	100%	100%	100%
Total water consumption	kL		42,420	1,508,265		539,047	659,345
Water sourced from non-potable sources ^[5]	kL		9,761	522,357		127,449	135,476
	% of total water consumption	33%	23%	35%	33%	24%	21%
Steel use	Tonnes		5,885	102,953		46,410	73,425
Concrete use	Cubic metres		23,070	761,707		234,396	365,048
% Cement replacement	% replaced using supplementary cementitious materials (SCM)	25%	42%	38%	35%	44%	45%
Major pollution incidents	No. of major (Class 1) pollution incidents	0	0	0	0	0	0

Data ^[1]	Unit of measure	Sydney Metro – Western Sydney Airport		Metro North West Line	Sydney Metro		
		In construction	Construction complete	Construction complete	Construction complete		
Scope 1 construction carbon emissions	Tonnes CO2-e		6,958	13,068	–	N/A	
Scope 2 (location based) construction carbon emissions ^[2]	Tonnes CO2-e		9,105	9,670	–	N/A	
Scope 2 (market based) construction carbon emissions ^[2]	Tonnes CO2-e		8,952	9,465	–	N/A	
Scope 3 construction carbon emissions ^[3]	Tonnes CO2-e		25,982	101,858	–	N/A	
Total construction carbon emissions (using location based scope 2)	Tonnes CO2-e		42,046	124,596	536,667	1,633,067	
Renewable construction electricity or offsets ^[4]	% of construction electricity offset for completed contracts	25%	100% ^[6]	100% ^[6]	20%	20%	N/A
Renewable construction fuel or offsets	% of construction fuel offset	25%	100% ^[6]	100% ^[6]	N/A	N/A	N/A
Total construction and demolition waste generated	Tonnes		6,214	38,607	134,924	601,104	
Construction and demolition waste reused/ recycled	Tonnes		5,811	37,744	128,518	580,195	
	% of total waste generated	95%	94%	98%	95%	95%	97%
Usable spoil generated	Tonnes		2,595,360	4,555,772	6,416,099	20,458,389	
	Tonnes reused		2,595,360	4,555,772	6,416,099	20,458,295	
Usable soil beneficially reused	% of usable spoil generated	100%	100%	100%	100%	100%	100%
Total water consumption	kL		619,776	739,451	889,283	3,796,344	
Water sourced from non-potable sources ^[5]	kL		244,602	326,636	227,738	1,212,207	
	% of total water consumption	33%	39%	44%	26%	32%	
Steel use	Tonnes		13,341	22,471	60,308	259,157	
Concrete use	Cubic metres		151,307	294,856	613,592	2,035,203	
% Cement replacement	% replaced using supplementary cementitious materials (SCM)	35%	48%	49%	25%	38%	41%
Major pollution incidents	No. of major (Class 1) pollution incidents	0	0	0	0	0	0

Operational data

Data	Unit of measure	Metro North West Line			Sydney Metro
		Target	FY 2023-24	Cumulative to date	Cumulative to date
Operational electricity consumption	kWh		87,299,110	430,723,009	430,723,009
Operational zero emission electricity	kWh		87,299,110	430,723,009	430,723,009
	% of total operational electricity consumption	100%	100%	100%	100%
Carbon emissions savings ^[7]	Tonnes CO ₂ -e		63,728	349,252	349,252

[1] Data is correct at time of publication. Some historical (before 2023) data (including carbon emissions) has been refined following data reconciliation exercises and other updates have occurred since publication of the 2023 Sydney Metro Sustainability Report.

[2] Scope 2 emissions associated with electricity use are presented using both the location-based electricity accounting method, which reflects the average emissions intensity of grids on which energy consumption occurs, and the market based methods aligned with the Climate Active Electricity Accounting Rules and the Greenhouse Gas (GHG) Protocol Scope 2 Guidance. Market-based calculated emissions reflect emissions from electricity that companies have purposefully chosen and capture the use of voluntary purchases of renewable energy such as GreenPower and large-scale generation certificates (LGCs). Dual reporting with both market-

based and location-based methods is considered current best practice and has been provided for all current projects in construction. Scope 2 emissions data for the Metro North West Line is only reported using the location based method. This was common practice at the time of construction and, while market-based emissions data is not available, carbon emissions were partially mitigated using both GreenPower and LGCs.

[3] From an organisational perspective for Sydney Metro as defined by the GHG Protocol, all of the emissions associated with the construction of projects which are undertaken by third party contractors would generally be seen as Scope 3 emissions. It is common practice, however, for the definition of emissions scopes for an individual project to be defined with a view of the proponent and its contractors as equivalent to a single organisation, to better distinguish between

emissions sources and the relative level of influence and control. This approach has been adopted when referring to Scope 1, 2 and 3 sources herein.

[4] Offsets are only purchased and retired if projects are not powered by renewable electricity to the extent required by the target.

[5] Scope 2 offset percentages are much higher than Scope 1 offset percentages due to projects currently utilising GreenPower; however, they have not yet purchased Scope 1 offsets.

[6] Sydney Metro – Western Sydney Airport is committed to offsetting 100 per cent of Scope 1 and 2 emissions resulting from on-site energy consumption in line with the Carbon Neutral Commitment.

[7] These figures are inclusive of Scope 2 and Scope 3 emissions.

Appendix 3

Performance against sustainability targets







Sydney Metro City & Southwest targets

Demonstrate leadership		Tackle climate change		Manage resources efficiently		Drive supply chain best practice		Value community and customers		Respect the environment	
Target performance											
Exceeding		Exceeding		Exceeding		On track		On track		On track	
<ul style="list-style-type: none"> A high level of attainment (minimum ISCA IS Rating of 65 'Excellent') for relevant infrastructure. 5-star Green Star ratings for relevant buildings. 		<ul style="list-style-type: none"> Offset 25 per cent of the electricity needs for the construction phase of the project. Mitigate a minimum of 25 per cent of medium-level risks. 		<ul style="list-style-type: none"> Use concrete which has an average cement replacement level of more than 25 per cent. Recycle or reuse 90 per cent of recyclable construction and demolition waste. 		<ul style="list-style-type: none"> All principal contractors develop and implement sustainable procurement strategies. Increase opportunities for employment of local people, participation of local businesses and participation of SMEs. Enable targeted and transferable skills development, which resolves local and national skills shortages, supports industry to compete in home and global markets, end embeds a health and safety culture within all induction and training activities, promoting continuous improvement. Increase workforce diversity and inclusion: <ul style="list-style-type: none"> Target Aboriginal workers and businesses. Target female representation in non-traditional trades. Target long-term unemployed people. Inspire future talent and develop capacity in the sector: <ul style="list-style-type: none"> Engage young people via education and work experience. Collaborate with higher education institutions to provide programs responding to rapid transit and other infrastructure requirements. Support vocational career development through apprenticeships and traineeships. 		<ul style="list-style-type: none"> Prepare a Heritage Strategy, including stakeholder engagement with relevant stakeholders. Implement the Heritage Strategy during design and delivery, to conserve and activate. Maximise opportunities for archaeological research and future interpretation of archaeological finds. Opportunities for heritage interpretation identified and implemented at appropriate station precincts. Station interchanges designed in accordance with the Interchange Access Plans and modal hierarchy. Stations and precincts designed in accordance with the Sydney Metro Design Guidelines. Promote access by cycling, through provision of bicycle parking, and safeguard for future expansion of bicycle facilities. Implement initiatives that will provide tangible benefits to local community groups during the construction period. Implement initiatives that will provide tangible benefits to the broader local community beyond the construction period. Identify key drivers for affordable housing and work with other lead agencies to identify opportunities and develop an appropriate response. 		<ul style="list-style-type: none"> Minimise vegetation clearing. Native landscaping targets to be established. Zero major pollution incidents. 	
On track		On track		On track		On track		On track		At risk	
<ul style="list-style-type: none"> Align with a high rating using the TfNSW Sustainable Design Guidelines. Consider adopting a whole-of-life costing model to maximise sustainability benefits. Optimise development opportunities for residual land. Capture sustainability benefits in the business case for the projects. 		<ul style="list-style-type: none"> Achieve at least a 20 per cent reduction in carbon emissions associated with construction, when compared to business as usual.ⁱ Maximise the capture and reuse of energy generated from braking trains. Design buildings (stations and stabling buildings) to achieve at least a 15 per cent improvement over performance requirements set out in Section J of the National Construction Code. Mitigate all extreme and high-level risks. Source 5 to 20 per cent of the low voltage electricity required at above-ground stations from on-site renewable energy sources where feasible. 		<ul style="list-style-type: none"> Reduce the environmental footprint of materials used on the project by at least 15 per cent compared to business as usual.ⁱ 100 per cent beneficial reuse of usable spoil. 60 per cent of reinforcing steel is produced using energy-reducing processes in its manufacture. Source 100 per cent reused, recycled timber or responsibly sourced timber.ⁱⁱ Reduce water use by at least 10 per cent compared to business as usual.ⁱ Source at least 33 per cent of the water used in construction from non-potable sources. Implement rainwater harvesting and reuse systems at construction sites and feasible above-ground stations. Source at least 33 per cent of the water used in operations from non-potable sources. 		<ul style="list-style-type: none"> Recycle or reuse 60 per cent of office waste during the construction phase. 		<ul style="list-style-type: none"> Recycle or reuse 80 per cent of the waste generated during operations. Recycle or reuse 65 per cent of office waste during operations. 		<ul style="list-style-type: none"> New emission standards will be identified and applied to diesel equipment and vehicles during construction. 	
		N/A Operational commitments									
		<ul style="list-style-type: none"> Offset 100 per cent of the electricity needs for the operational phase of the project. Achieve at least a 20 per cent reduction in carbon emissions associated with operations, when compared to business as usual.ⁱ 									

ⁱ 'Business as usual' (BAU) is defined as that which is used in the applicable rating scheme for the respective target (for example, IS Ratings, Green Star Ratings and TfNSW Carbon Estimate and Reporting Tool (CERT)).

ⁱⁱ 2020 Sustainability Report reported one non-compliance in relation to timber, with one contractor being unable to confirm compliance for a small quantity of timber used on site. The timber was from an Australian sustainability managed forest; however, the chain of custody was incomplete. This accounts for <1% of total timber used to date.







Sydney Metro West targets

 Demonstrate leadership	 Tackle climate change	 Manage resources efficiently	 Drive supply chain best practice	 Value community and customers	 Respect the environment
Target performance					
On track	Exceeding	Exceeding	On track	On track	On track
<ul style="list-style-type: none"> Publish performance benchmarks. Publicly report on performance against targets. Deliver sustainability-related knowledge-sharing sessions on a quarterly basis. Obtain an Infrastructure Sustainability v1.2 'Leading' Design and As-Built rating for relevant infrastructure or equivalent Engage and collaborate with stakeholders on sustainability-related matters on a biannual basis. Obtain at least a 5-star Green Star rating for stations and relevant buildings or equivalent. Deliver at least five industry-recognised innovations. 	<ul style="list-style-type: none"> Offset at least 25 per cent of the greenhouse gas emissions associated with consumption of fuel and electricity during construction, through the purchase of approved offsets or renewable energy.ⁱ 	<ul style="list-style-type: none"> Minimise the embodied impacts of concrete through the use of at least 35 per cent supplementary cementitious materials project-wide and prioritise the use of alternative binder systems on non-structural elements. 	<ul style="list-style-type: none"> All reported instances of actual or potential environmental or social risk in the supply chain will be investigated. Support the delivery of the Sydney Metro West Workforce Development and Industry Participation Plan, and the Sydney Metro West Aboriginal Participation Plan. Provide sustainability training to high-impact suppliers (those that potentially have significant environmental, social or socio-economic impacts). Require environmental product declarations for trains. Support the delivery of the Sydney Metro West Workforce Development and Industry Participation Plan, and Sydney Metro West Aboriginal Participation Plan. Engage at least 100 social enterprises or social benefit organisations during construction and operations. Deliver at least 50 initiatives that continue to benefit local communities and provide positive social outcomes beyond the project's construction phase. Require environmental product declarations for trains. 	<ul style="list-style-type: none"> Each station to include Heritage Interpretation. Develop a line-wide Heritage Interpretation Strategy. Prepare archival recording of all heritage items within our construction sites. Report on customer-centric design at the completion of each design phase for stations. Each station to include safe and, where possible, weather-protected access to bicycle parking and safeguard for future expansion. Deliver at least 100 initiatives that benefit local communities and provide positive social outcomes during the project's construction phase. Deliver at least 50 initiatives that continue to benefit local communities and provide positive social outcomes beyond the project's construction phase. 	<ul style="list-style-type: none"> Restore and regenerate the ecological function of Duck and A'Becketts Creeks within the project boundary. Plant two trees for every tree removed by the project. Provide a net increase in canopy cover. Ensure environmental management plans are established, and demonstrate that works are in compliance with the plans. Target zero major pollution incidents.
<p>N/A Operational commitments</p> <ul style="list-style-type: none"> Obtain an Infrastructure Sustainability Operations rating or equivalent. 	<p>On track</p> <ul style="list-style-type: none"> Identify and implement adaptation measures to reduce 100 per cent of all very high and high climate risks (to at least medium). Identify and implement adaptation measures to reduce all medium climate risks as low as reasonably practicable, with at least 50 per cent reduced to low. Capture data on the impacts of, and response to, climate-related events on customers, staff, service and infrastructure. Achieve at least 20 per cent improvement on the minimum performance requirements stipulated in the National Construction Code (NCC) for stations and relevant buildings. Achieve at least a 20 per cent reduction in carbon emissions across the infrastructure life cycle, when compared to business as usual.ⁱⁱ Source at least 10 per cent of the low-voltage electricity required from on-site renewable energy sources. 	<p>On track</p> <ul style="list-style-type: none"> Reduce potable water use by at least 10 per cent compared to business as usual and monitor consumption throughout construction and operations. Demonstrate a minimum 33 per cent of water used in construction is from non-potable sources and maximise non-potable water use in operations. Reuse at least 80 per cent of concrete production operation water in concrete production at on-site and off-site batching plants. Reuse at least 85 per cent of 'train wash' water at the stabling facility. Beneficially reuse 100 per cent of reusable spoil, in accordance with the Spoil Management Hierarchy. Recycle or beneficially reuse at least 95 per cent of construction and demolition waste. Prioritise products made from recycled content with a minimum of six products used in the construction phase. Minimise the embodied impacts of steel manufacture through the use of at least 50 per cent Australian manufactured steel, including concrete reinforcing and structural steel in stations. Use at least 20 per cent recycled steel across the project during the construction phase. Source 100 per cent of all timber products from either reused timber, post-consumer recycled timber, Forest Stewardship Council, or Programme for the Endorsement of Forest Certification certified sources. 	<p>N/A Operational commitments</p>	<p>N/A Operational commitments</p> <ul style="list-style-type: none"> Use Opal data to monitor metro usage associated with activation approach. 	
	<p>N/A Operational commitments</p> <ul style="list-style-type: none"> Report on operational electricity consumption. Offset 100 per cent of the greenhouse gas emissions associated with consumption of electricity during operation. 	<p>At risk</p> <ul style="list-style-type: none"> Recycle or beneficially reuse at least 60 per cent of office waste. 			
		<p>N/A Operational commitments</p> <ul style="list-style-type: none"> Recycle or beneficially reuse at least 80 per cent of operational maintenance waste. Recycle or beneficially reuse at least 40 per cent of customer waste. 			

ⁱ Sydney Metro West is committed to purchasing offsets for at least 25% Scope 1 and Scope 2 emissions across all projects. This target is currently being exceeded as some contract packages are committed to and achieving greater than 25%.

ⁱⁱ 'Business as usual' (BAU) is defined as that which is used in the applicable rating scheme for the respective target (for example, IS Ratings, Green Star Ratings and TfNSW CERT).

Sydney Metro – Western Sydney Airport targets

 Demonstrate leadership	 Tackle climate change	 Manage resources efficiently	 Drive supply chain best practice	 Value community and customers	 Respect the environment
Target performance					
On track	Exceeding	Exceeding	On track	On track	On track
<ul style="list-style-type: none"> • Publish performance benchmarks. • Publicly report on performance against targets. • Obtain at least a 5 Star Green Star rating for relevant buildings and precincts. • Deliver at least five industry recognised innovations. • Sydney Metro to facilitate sustainability-related knowledge share sessions within the Project on a quarterly basis. • Engage and collaborate with stakeholders (e.g. other local projects, councils, industry bodies) on sustainability-related matters on a bi-annual basis. 	<ul style="list-style-type: none"> • Offset at least 25 per cent of the carbon emissions associated with consumption of fuel and electricity during construction through the purchase of approved offsets or renewable energy. 	<ul style="list-style-type: none"> • Minimise the embodied impacts of steel through the use of at least 50 per cent Australian steel, including concrete reinforcing and structural steel. 	<ul style="list-style-type: none"> • Provide sustainability training to all high impact suppliers (those that potentially have significant environmental, social or socio-economic impacts). • Investigate all reported instances of actual or potential environmental or social risk in the supply chain. • Require environmental product declarations for trains. • Engage at least 15 social enterprises or social benefit organisations during construction and operations. 	<ul style="list-style-type: none"> • Each station to include heritage interpretation. • Engage with Aboriginal knowledge holders to develop corridor landscaping approach. • Report on customer centric design at the completion of each design phase for stations, validating that the design meets customer needs, delivers an easy travel experience and addresses each of the nine Transport for NSW satisfaction drivers: timeliness, comfort, ticketing, convenience, accessibility, cleanliness, safety & security, information and customer service. • Target 75 per cent of the project surface area (excluding track) to comprise elements which reduce the Urban Heat Island effect, including vegetation and permeable or lighter coloured surfaces. • Deliver at least 20 initiatives that benefit local communities and provide positive social outcomes during the Project's construction phase. • Deliver at least 20 initiatives that continue to benefit local communities and provide positive social outcomes beyond the Project's construction phase. • Each station to include safe and, where possible, weather protected access to bicycle parking and safeguard for future expansion. 	<ul style="list-style-type: none"> • Demonstrate a minimum 5 per cent improvement in ecological value in the corridor area. • Target at least 25 per cent tree canopy cover in precinct areas, and aspire to 40 per cent canopy cover across the project areaⁱⁱ • At least 50 per cent of station and plaza landscaping to use Australian native species.ⁱⁱ • At least 90 per cent and aspiring to 100 per cent of corridor landscaping to use Australian native species, prioritising endemic plants to preserve Cumberland Plains identity in the Western Sydney regionⁱⁱ • Integrate water-sensitive urban design solutions, including the provision of vegetated swales where feasible, and at least 40 per cent surface area around stations and corridor (excluding track) to be permeable. • Ensure environmental management plans are established, and demonstrate works compliant with these plans. • Target zero major pollution incidents.
At risk	On track	On track	On track	On track	On track
<ul style="list-style-type: none"> • Obtain an Infrastructure Sustainability rating for relevant infrastructure; “Leading” for design and as-built, “Excellent” for operations. 	<ul style="list-style-type: none"> • Identify and implement adaptation measures to reduce 100 per cent of all very high and high climate risks (to at least medium). • Identify and implement adaptation measures to reduce all medium climate risks as low as reasonably practicable, with at least 50 per cent reduced to low. • Achieve third party net zero carbon emissions certification. • Achieve at least a 20 per cent reduction in carbon emissions across the infrastructure life cycle, when compared to business as usual.ⁱ • Source at least 10 per cent of the low-voltage electricity required at stations and the stabling facility from on-site renewable energy sources. • Target minimum 20 per cent of parking spots safeguarded for electric vehicle (EV) charging points and provision for electric bus charging in suitable locations. • Report on carbon emissions from construction and operations. • Achieve at least 20 per cent improvement on the minimum performance requirements stipulated in the National Construction Code (NCC) for stations and relevant buildings. 	<ul style="list-style-type: none"> • Reduce potable water use by at least 10 per cent compared to business-as-usual, and monitor consumption throughout construction and operations. • Demonstrate at least 33 per cent of water used is from non-potable sources throughout construction and operations. • Reuse at least 80 per cent of concrete production operation water in concrete production at on-site and off-site batching plants. • Beneficially reuse 100 per cent of reusable spoil, in accordance with the Spoil Management Hierarchy. • Recycle or beneficially reuse at least 95 per cent of construction and demolition waste. • Minimise the embodied impacts of concrete through the use of at least 35 per cent supplementary cementitious materials project-wide and prioritise the use of alternate binder systems on non-structural elements. • Prioritise products made from recycled content, with a minimum of six products used in the construction phase. • Source 100 per cent of all timber products from either reused timber, post-consumer recycled timber, Forest Stewardship Council or Programme for the Endorsement of Forest Certification certified sources. 	On track	On track	On track
N/A Operational commitments	N/A Operational commitments	At risk	At risk	N/A Operational commitments	N/A Operational commitments
<ul style="list-style-type: none"> • Offset 100 per cent of the carbon emissions associated with consumption of electricity during operation. • Report on operational electricity consumption. • Capture data on the impacts of, and response to, climate-related events on customers, staff, service and infrastructure to enable continuous improvement. 	<ul style="list-style-type: none"> • Offset 100 per cent of the carbon emissions associated with consumption of electricity during operation. • Report on operational electricity consumption. • Capture data on the impacts of, and response to, climate-related events on customers, staff, service and infrastructure to enable continuous improvement. 	<ul style="list-style-type: none"> • Recycle or beneficially reuse at least 60 per cent of office waste. 	At risk	<ul style="list-style-type: none"> • Use Opal data to monitor Metro usage associated with precinct activation approaches. • Ensure delivery of at least 5 per cent affordable housing at precincts with residential development. 	N/A Operational commitments
N/A Operational commitments	N/A Operational commitments	N/A Operational commitments	N/A Operational commitments	N/A Operational commitments	N/A Operational commitments
<ul style="list-style-type: none"> • Reuse at least 80 per cent of train wash water at the stabling facility. • Recycle or beneficially reuse at least 40 per cent of customer waste. • Recycle or beneficially reuse at least 80 per cent of maintenance waste. 	<ul style="list-style-type: none"> • Reuse at least 80 per cent of train wash water at the stabling facility. • Recycle or beneficially reuse at least 40 per cent of customer waste. • Recycle or beneficially reuse at least 80 per cent of maintenance waste. 	<ul style="list-style-type: none"> • Reuse at least 80 per cent of train wash water at the stabling facility. • Recycle or beneficially reuse at least 40 per cent of customer waste. • Recycle or beneficially reuse at least 80 per cent of maintenance waste. 	N/A Operational commitments	N/A Operational commitments	N/A Operational commitments

ⁱ 'Business as usual' (BAU) is defined as that which is used in the applicable rating scheme for the respective target (for example, IS Ratings, Green Star Ratings and TfNSW CERT).

ⁱⁱ Landscaping must comply with Western Sydney International Airport wildlife hazard and landscaping requirements where relevant.

Sydney Metro Annual Report

Volume 1
2023–24

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Volume 2

2023-24

Sydney Metro Annual Report





INDEPENDENT AUDITOR'S REPORT

Sydney Metro

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Sydney Metro, which comprises the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement of Material Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2024 (GSF Regulation) and the Treasurer's Directions
- presents fairly the Sydney Metro's financial position, financial performance and cash flows

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of Sydney Metro in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

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

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Board's responsibility also includes such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board are responsible for assessing the Sydney Metro's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

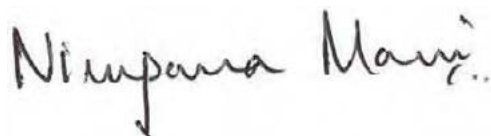
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that Sydney Metro carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

26 September 2024
SYDNEY

2023-24

Sydney Metro

Annual Financial Statements
for the year ended 30 June 2024

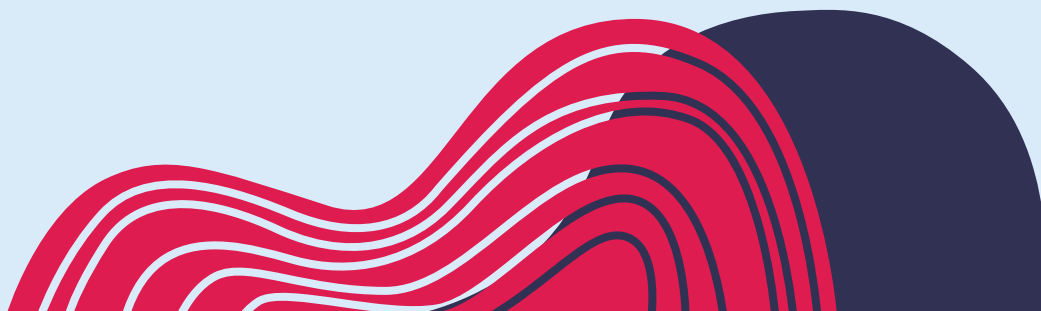


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Sydney Metro
Statement by the Accountable Authority
for the year ended 30 June 2024

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), on behalf of the Board we state that:

- (a) The accompanying financial statements have been prepared in accordance with:
- Applicable Australian Accounting Standards including Australian Accounting Interpretations;
 - The applicable requirements of the Act and Government Sector Finance Regulation 2024; and
 - Treasurer's Directions issued under this Act;
- (b) These financial statements present fairly the financial position of Sydney Metro as at 30 June 2024, and of its financial performance and cash flows for the year then ended.



John Arthur
Chairman

Date: 25 September 2024



Bob McKinnon
Director

Date: 25 September 2024

Sydney Metro

Statement of comprehensive income

for the year ended 30 June 2024

	Notes	Budget 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Expenses excluding losses				
Personnel services expenses	2(a)	38,937	53,172	46,706
Operating expenses	2(b)	139,548	97,750	152,688
Major rail project expenses	2(c)	-	48,201	212,319
Depreciation and amortisation	2(d)	438,248	282,858	233,071
Grants and subsidies	2(e)	250,715	147,450	128,243
Finance costs	2(f)	180,256	180,518	90,887
Other expenses	2(g)	171,583	180,347	109,312
Total expenses excluding losses		1,219,287	957,296	973,226
Revenue				
Sale of goods and services from contracts with customers	3(a)	48,394	42,863	7,846
Investment revenue	3(b)	12,463	26,379	13,611
Grants and other contributions	3(c)	7,446,059	6,968,003	6,266,651
Major rail project revenue	3(d)	-	48,201	212,319
Other income	3(e)	-	726	3,082
Total revenue		7,506,916	7,086,172	6,503,509
Operating result				
Gains on disposal	4	737,501	28,000	49,672
Other gains/(losses)	5	-	(43,174)	(998,479)
Net result		7,025,130	6,113,702	4,581,476
Other comprehensive income				
<i>Items that will not be reclassified to net result in subsequent periods</i>				
Changes in revaluation surplus of property, plant and equipment	11(a)	-	605,612	2,342,334
Total other comprehensive income		-	605,612	2,342,334
Total comprehensive income		7,025,130	6,719,314	6,923,810

The accompanying notes form part of these financial statements.

Sydney Metro

Statement of financial position

as at 30 June 2024

	Notes	Budget 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	6	1,879,402	1,784,523	547,878
Receivables	7	576,570	659,400	632,735
Financial assets at fair value	8	9,502	-	9,502
Non-current assets held for sale	10	58,358	174,208	58,358
Other financial assets	9	9,429	10,760	9,429
Total current assets		2,533,261	2,628,891	1,257,902
Non-current assets				
Receivables	7	381,754	591,918	997,297
Financial assets at fair value	8	43,991	43,223	43,991
Property, plant and equipment				
Land and buildings	11	1,502,426	1,470,259	1,502,422
Plant and equipment	11	1,760,681	1,721,088	1,767,469
Infrastructure systems	11	38,276,137	37,511,424	31,253,625
Total property, plant and equipment		41,539,244	40,702,771	34,523,516
Right-of-use assets	12	40,192	34,086	41,396
Intangible assets	13	8,220	7,520	8,220
Total non-current assets		42,013,401	41,379,518	35,614,420
Total assets		44,546,662	44,008,409	36,872,322
LIABILITIES				
Current liabilities				
Payables	15	555,375	554,647	555,375
Contract liabilities	16		2,383	-
Borrowings	17	47,982	95,118	656,116
Provisions	18	203,137	327,082	228,607
Other liabilities	19	660	14,221	660
Total current liabilities		807,154	993,451	1,440,758
Non-current liabilities				
Contract liabilities	16	20,000	20,971	20,000
Borrowings	17	3,192,735	2,839,714	2,014,071
Provisions	18	21,921	40,805	21,921
Other liabilities	19	13,378	9,417	17,089
Total non-current liabilities		3,248,034	2,910,907	2,073,081
Total liabilities		4,055,188	3,904,358	3,513,839
Net-assets		40,491,474	40,104,051	33,358,483
EQUITY				
Accumulated funds		34,730,119	33,848,926	27,704,990
Reserves		5,761,355	6,255,125	5,653,493
Total equity		40,491,474	40,104,051	33,358,483

The accompanying notes form part of these financial statements.

Sydney Metro

Statement of changes in equity

for the year ended 30 June 2024

	Notes	Accumulated funds \$ '000	Asset revaluation surplus \$ '000	Other reserves \$ '000	Total \$ '000
Balance at 1 July 2023		27,704,990	5,653,493	-	33,358,483
Net result for the year		6,113,702	-	-	6,113,702
Other comprehensive income					
Net change in revaluation surplus of property, plant and equipment	11(a)	-	605,612	-	605,612
Total other comprehensive income		-	605,612	-	605,612
Total comprehensive income for the year		6,113,702	605,612	-	6,719,314
Transfers to/(from) reserves to accumulated funds		3,980	(3,980)	-	-
Transactions with owners in their capacity as owners					
Increase/(decrease) in net assets from equity transfers	20(d)	26,254	-	-	26,254
Balance at 30 June 2024		33,848,926	6,255,125	-	40,104,051
Balance at 1 July 2022		23,116,021	3,321,557	11,063	26,448,641
Net result for the year		4,581,476	-	-	4,581,476
Other comprehensive income					
Net change in revaluation surplus of property, plant and equipment		-	2,342,334	-	2,342,334
Total other comprehensive income		-	2,342,334	-	2,342,334
Total comprehensive income for the year		4,581,476	2,342,334	-	6,923,810
Hedging gains and losses and costs of hedging transferred to property, plant and equipment during the year		-	-	(11,063)	(11,063)
Transfers to/(from) reserves to accumulated funds		10,398	(10,398)	-	-
Transactions with owners in their capacity as owners					
Increase/(decrease) in net assets from equity transfers		(2,905)	-	-	(2,905)
Balance at 30 June 2023		27,704,990	5,653,493	-	33,358,483

The accompanying notes form part of these financial statements.

Sydney Metro

Statement of cash flows

for the year ended 30 June 2024

	Notes	Budget 2024 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Cash flows from operating activities				
Payments				
Personnel services		(38,937)	(51,260)	(42,302)
Finance costs		(120,284)	(15,627)	(15,124)
Service contract payments		-	(170,038)	(109,312)
Grants and subsidies		-	(62,371)	-
Payment to suppliers		(833,573)	(714,490)	(1,004,792)
Total payments		(992,794)	(1,013,786)	(1,171,530)
Receipts				
Sale of goods and services		96,220	164,246	511,834
Interest received		-	5,537	2,316
Grants and contributions		7,446,059	6,972,982	6,250,000
Other		728,164	585,048	613,591
Total receipts		8,270,443	7,727,813	7,377,741
Net cash flows from/ (used in) operating activities	21	7,277,649	6,714,027	6,206,211
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		1,365,506	288,788	52,720
Purchases of property, plant and equipment and intangible assets		(5,306,662)	(5,076,785)	(7,156,568)
Other		-	8,216	3,455
Net cash flows from/ (used in) investing activities		(3,941,156)	(4,779,781)	(7,100,393)
Cash flows from financing activities				
Proceeds from borrowings and advances		77,764	-	-
Repayment of borrowings and advances		(2,082,733)	(689,045)	(82,680)
Payment of principal portion of finance lease liabilities		-	(8,556)	(9,434)
Net cash flows from/ (used in) financing activities		(2,004,969)	(697,601)	(92,114)
Net (decrease)/ increase in cash and cash equivalents		1,331,524	1,236,645	(986,296)
Opening cash and cash equivalents		547,878	547,878	1,534,174
Closing cash and cash equivalents	6	1,879,402	1,784,523	547,878

The accompanying notes form part of these financial statements.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

1. Statement of material accounting policy information

(a) Sydney Metro - Reporting Entity

Sydney Metro (the Entity) is a statutory corporation established on 1 July 2018 under the *Transport Administration Act 1988*. The Entity is a statutory authority for the purposes of the *Government Sector Finance Act 2018 (GSF Act)*. It is domiciled in Australia and its principal office is at 680 George Street Sydney, NSW 2000.

The Entity is a not-for-profit entity for accounting purposes (as profit is not its principal objective) and it has no cash generating units. The Entity's principal objectives are to:

- deliver safe and reliable metro passenger services in an efficient, effective and financially responsible manner; and
- facilitate and carry out the orderly and efficient development of land in the locality of metro stations, depots and stabling yards, and proposed metro stations.

The Entity is a controlled entity of Transport for NSW. Transport for NSW is a controlled entity of the Department of Transport which is controlled by the State of New South Wales (ultimate parent).

These financial statements for the year ended 30 June 2024 have been authorised for issue by the Board on the date the accompanying Statement by the Accountable Authority was signed.

(b) Basis of preparation

The Entity's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
- the requirements of *Government Sector Finance Act 2018 (GSF Act)* and Government Sector Finance Regulation 2024; and
- NSW Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and certain financial assets and liabilities are measured using the fair value basis. Assets held for sale are measured at the lower of carrying amount and fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the Entity's presentation and functional currency.

The financial statements have been prepared on a going concern basis. The Entity is expected to be able to pay its debts as and when they fall due and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations. This is supported by the Entity continuing to receive grants from Transport for NSW which in turn receives grants from the Department of Transport. The Department of Transport receives appropriations from the Consolidated Fund through the Annual Appropriations Act. Therefore, there is no risk for the Entity to continue to operate as a going concern after 30 June 2024.

(c) Critical accounting estimates, judgement and assumptions

In the application of AAS and NSW Treasurer's Directions issued under the GSF Act, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the current set of circumstances. Actual results may differ from these estimates.

Management evaluates these judgements, estimates and assumptions on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1. Statement of material accounting policy information (continued)

(c) Critical accounting estimates, judgements and assumptions (continued)

Significant judgements, estimates and assumptions made by management in the preparation of the consolidated financial statements are disclosed in the relevant notes to the financial statements outlined below:

- Property, plant and equipment – Note 11
- Leases – Note 12
- Borrowings – Service concession financial liabilities – Note 17
- Provisions – Note 18

The Board's approval of these financial statements constitutes its endorsement of the judgements referred to above.

(d) Statement of compliance

The financial statements and notes comply with AAS, which include Australian Accounting Interpretations.

(e) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of GST, except where:

- the amount of GST incurred by the consolidated entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(f) Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

There were no changes in the application of accounting policies and accounting estimates in 2023-24 by the Entity. However, the Entity has reclassified the transactions representing the acceptance by The Crown in right of the State of New South Wales (Crown) of personnel services benefits and other liabilities received from 'Resources received free of charge' to 'Grants and other contributions' (Note 3(c)). The reclassification provides a better reflection of the nature of the transactions and has resulted in the restatement of 2022-23 comparative in the Statement of comprehensive income for consistency purpose.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

1. Statement of material accounting policy information (continued)

(g) Changes in accounting policies, including new or revised AAS

(i) Effective for the first time in 2023-24

The accounting policies applied in 2023-24 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time in 2023-24. The application of these standards did not have a material impact to the Entity.

Standard	Applicable to annual reporting periods beginning on or after
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023
AASB 2022-1 Amendments to the Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 Comparative Information	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standard	1 January 2023
AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 January 2023

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities (AASB 2022-10)

AASB 2022-10 is effective prospectively for financial reporting periods commencing on or after 1 January 2024. Therefore, AASB 2022-10 will be effective from 1 July 2024 for the Entity.

This Standard amends AASB 13 Fair Value Measurement (AASB 13) for non-financial assets of not-for-profit public sector. For these assets, AASB 2022-10 clarifies when an entity is required to consider whether the asset's highest and best use differs from its current use, under what circumstances the asset's use is considered 'financially feasible', and when an entity should use its own assumptions as a starting point in developing unobservable inputs. AASB 2022-10 also provides guidance on how the cost approach is to be applied to measure the asset's fair value. The impact of the standard is yet to be determined by the Entity.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

1. Statement of material accounting policy information (continued)

(g) Changes in accounting policies, including new or revised AAS (continued)

(ii) Issued but not yet effective (continued)

Other standards whose impact on initial application is not expected to be significant or material

The impact of the following standards in the period of initial application are not expected to be significant.

The following new AAS have not been applied and are not yet effective	Applicable to annual reporting periods beginning on or after
AASB 17 Insurance Contracts	1 July 2026
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2024
AASB 2021-7a, 7b and 7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	1 January 2024
AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1 January 2024
AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 July 2026
AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements	1 January 2024
AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability	1 January 2025
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2028

(h) Superannuation on annual leave loading

Transport Service of New South Wales, which provides personnel services to Sydney Metro has determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

(i) Impact of climate-related matters on financial reporting for 2024

The impact of climate-related matters on financial reporting has been considered and is not material to the financial statements of the entity.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

2. Expenses excluding losses

(a) Personnel services expenses

	2024 \$'000	2023 \$'000
Salaries and wages (including annual leave)	40,019	35,177
Superannuation - defined benefit plans	12	117
Superannuation - defined contribution plans	4,828	3,919
Long service leave	5,033	4,060
Workers compensation insurance	238	229
Payroll tax and fringe benefits tax	2,806	2,435
Redundancy payments	236	769
Personnel services expenses	53,172	46,706

In addition to the above, \$220.9 million (2023: \$204.9 million) has been capitalised in property, plant and equipment.

Recognition and measurement

Personnel services are provided by the Transport Service of New South Wales. Personnel services expenses include salaries, wages, leave entitlements, superannuation, workers' compensation insurance premium, payroll tax, fringe benefits tax and redundancies. Some personnel services expenses are included in the construction costs of property, plant and equipment assets and are, therefore, not included in personnel services expenses.

(b) Operating expenses

	2024 \$'000	2023 \$'000
Auditors remuneration - audit of financial statements	358	275
Advertising and marketing	287	201
Communications	64	89
Electricity, gas and water	16,149	14,218
Fleet hire and leasing charges	20	22
General expenses	881	13,868
Information technology	1,819	1,827
Insurance	1,388	399
Internal audit fees	70	-
Legal services	1,758	7,171
Office expenses	302	374
Consultants and other contractors	68,426	98,345
Property charges ¹	1,203	10,400
Travel expenses	13	39
Shared service charges	4,735	4,414
Training and development	277	1,046
Operating expenses	97,750	152,688

¹ Property charges in 2024 and 2023 includes expenses relating to short term and low value leases excluding motor vehicle leases. Refer Note 12 for details.

Recognition and measurement

Other operating expenses generally represent the day-to-day running costs incurred in the normal operations of the Entity. These costs are recognised as expenses when incurred.

Insurance

The Entity arranges insurance cover through the NSW Treasury Managed Fund Scheme; apart from construction project cover, which is arranged through a private insurance provider, and insurance for the Northwest operation, which is arranged separately and paid for by the Entity.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

2. Expenses excluding losses (continued)

(c) Major rail project expenses

	Notes	2024 \$'000	2023 \$'000
Other contractors	3(d)	48,201	212,319
Major rail project expenses		48,201	212,319

Gross amount due from/(to) Transport Asset Holding Entity (TAHE) and billing to date are as follows:

	2024 \$'000	2023 \$'000
Costs incurred	48,201	212,319
Billings to date	(48,201)	(212,319)
Accumulated gross amount due from TAHE	-	-

Recognition and measurement

The Entity manages the design and construction of certain major rail projects on behalf of TAHE. Under this arrangement, TAHE reimburses Sydney Metro for construction costs incurred. The arrangement is considered to be in the nature of construction contracts and is recognised in accordance with *AASB 15 Revenue from Contracts with Customers*. These expenses are recovered through major rail project revenue.

(d) Depreciation and amortisation

	Notes	2024 \$'000	2023 \$'000
Infrastructure systems			
Rail infrastructure systems		223,731	195,696
Buildings			
Buildings		3,452	1,895
Plant and equipment			
Rolling stock		53,310	31,591
Plant and equipment		2,299	3,875
Depreciation - property, plant and equipment	11	282,792	233,057
Depreciation - right-of-use assets	12	66	14
Depreciation		282,858	233,071

Please refer to Notes 11, 12 and 13 for recognition and measurement policies on depreciation and amortisation.

Reconciliation to Note 12 - Depreciation of right-of-use assets

	2024 \$'000	2023 \$'000
Depreciation of operational and property assets	8,801	7,744
Right-of-use depreciation capitalised to infrastructure	(8,735)	(7,730)
Total	66	14

Depreciation of right-of-use assets is capitalised to infrastructure assets to the extent the leases are directly attributable costs of the infrastructure asset.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

2. Expenses excluding losses (continued)

(e) Grants and subsidies

	2024 \$'000	2023 \$'000
Grants to local councils	5,639	24,126
Grants to other external parties	141,811	104,117
Grants and subsidies	147,450	128,243

As part of project delivery, the Entity is required to undertake works to build assets and make cash contributions to third parties such as councils, utility providers and other Government agencies. The transferred assets are measured at their fair value and transferred for nil consideration.

Recognition and measurement

Grants and subsidies generally comprise contributions in cash or in kind to various local government authorities and other organisations. The contributions include transfers of assets for nil consideration. The grants and subsidies are expensed on the transfer of the cash or assets.

(f) Finance costs

	2024 \$'000	2023 \$'000
Interest expense from financial liabilities at amortised cost ¹	143,716	89,300
Interest expense - lease liabilities	1,482	1,225
Unwinding of discount on liabilities/receivables	2,320	362
Finance costs	147,518	90,887

¹ Interest expense from financial liabilities at amortised cost relate to interest expense from financial liabilities for service concession arrangements. Refer to Note 11 for further details on service concession arrangements.

Recognition and measurement

Finance costs comprise mainly of interest charges associated with the lease liabilities, service concession financial liabilities and unwinding of discount of non-current receivables and non-current liabilities recorded at present value. In accordance with Treasury's mandate for not-for-profit general government sector agencies, finance costs are expensed and recognised in the Statement of comprehensive income in the period they are incurred.

(g) Other expenses

	2024 \$'000	2023 \$'000
Bus replacement services	33,628	18,376
Metro service contract payments	146,719	90,936
Other expenses	180,347	109,312

Recognition and measurement

Other expenses include payments to metro operator for the provision of Northwest metro services and payments to bus operators for the provision of bus services as an alternative public transportation. These payments are made at the end of the month for services provided in that month and are expensed as incurred.

The Entity is identified as acting as an agent for the purpose of collecting passenger service revenue under AASB 15 *Revenue from Contracts with Customers*, while the private sector operator is considered the party that is providing passenger service for the purpose of recognising farebox revenue. As such, revenue from passenger services is not recognised by the Entity, instead it is applied to offset metro service expenses.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

3. Revenue

(a) Sale of goods and services from contracts with customers

	2024 \$'000	2023 \$'000
Recoupment of project costs	42,781	7,766
Other	82	80
Sale of goods and services from contracts with customers	42,863	7,846

Recognition and measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* (AASB 15) or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15. Comments regarding the accounting policies for the recognition of income are discussed below.

Income is recognised and measured at the fair value of the consideration or contribution received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured.

Rendering of services

Revenue from the provision of services is recognised when the Entity satisfies the performance obligation by transferring the promised services. These services include passenger transport services and recoupable project delivery services for other agencies. The Entity typically satisfies its performance obligations when the promised service has been provided.

Recoupable project revenue is recognised over time as the services are provided, and the stage of completion for determining the amount of revenue to recognise is assessed based on the work performed and therefore entitles the Entity to raise an invoice. The related costs are recognised in profit or loss when they are incurred.

The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as payments are due when service is provided.

(b) Investment revenue

	2024 \$'000	2023 \$'000
Rental income	2,048	10,127
Interest income from financial assets at amortised cost	24,331	3,484
Investment revenue	26,379	13,611

Recognition and measurement

Interest income from financial assets at amortised cost is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e., after deducting the loss allowance for expected credit losses).

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

3. Revenue (continued)

(c) Grants and other contributions

	2024 \$'000	2023 \$'000
Grants from Transport for NSW ¹	6,957,753	6,250,000
Contributions from local councils	3,800	-
Contribution from other government agencies	1,400	12,469
Personnel services benefit ²		
Superannuation - defined benefit	12	118
Long service leave	5,033	4,059
Payroll tax	5	5
Grants and other contributions	6,968,003	6,266,651

¹The Entity receives its grant funding from Transport for NSW which in turn receives funding from the Department of Transport. The Department of Transport receives appropriations from the Consolidated Fund. Grant funding for each financial year is set out in the Budget Paper for that year.

²Personnel services benefit represents acceptance by The Crown in right of the State of New South Wales (Crown) of personnel services benefits and other liabilities.

Recognition and measurement

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Entity is recognised when it satisfies its obligations under the transfer. The Entity satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The cost incurred is used to recognise income, because this most closely reflects the progress to completion.

Revenue from grants with sufficiently specific performance obligations is recognised as when the Entity satisfies a performance obligation by transferring the promised goods or services. The Entity typically satisfies its performance obligations when the corresponding costs are incurred. The payments are typically due when the performance obligation is satisfied or in accordance with the funding agreement.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer to Note 16 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations is recognised when the Entity obtains control over the granted assets (e.g., cash).

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

3. Revenue (continued)

(d) Major rail project revenue

	Notes	2024 \$'000	2023 \$'000
Major rail project revenue	2(c)	48,201	212,319
Major rail project revenue		48,201	212,319

Recognition and measurement

Major rail project revenue is recognised in the Statement of comprehensive income in proportion to the stage of completion of these TAHE funded construction activities at the reporting date. The value of work performed is measured at the value of the progressive costs incurred during the reporting period for each project. Major rail project expense is recognised in the Statement of comprehensive income as incurred. Amounts due from TAHE for these rail projects are disclosed as a contract asset, and the amounts due to TAHE are disclosed as a contract liability.

(e) Other income

	2024 \$'000	2023 \$'000
Other income	726	3,082
Other income	726	3,082

Other income includes redundancy costs funded by NSW Treasury via Transport for NSW for the Entity, cost reimbursement from external parties and insurer.

4. Gains on disposal

	2024 \$'000	2023 \$'000
Net gains on disposal of property, plant and equipment ¹	28,000	11,725
Gains on disposal of non - current assets held for sale ²	-	37,947
Gains/(losses) on disposal	28,000	49,672

¹During the year, the Entity has finalised its agreement with the Victoria Cross Over-Station Development (OSD) developer which entitled the entity to receive \$28.0 million from the developer after the completion of the project. In 2023, the Entity entered into OSD agreements with external parties for the construction of the over-station development. The transaction involves the transfer of development rights from the Entity to the external parties that are treated as asset sales for accounting purposes. The majority of sales proceeds are expected to be received by the Entity in the future and are recorded at present value and/or fair value as other receivables (refer to Note 7).

²In 2023, the Entity disposed a parcel of land in Tallawong site which had been held-for-sale.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

5. Other gains/(losses)

	Notes	2024 \$'000	2023 \$'000
Net revaluation decrement recognised in net result ¹		(61,099)	(1,014,746)
Property, plant and equipment		(61,099)	(1,014,746)
Realised and unrealised gains/(losses) on derivatives		(2,054)	13,792
Realised and unrealised gains/(losses) on financial liability at amortised cost ²		19,979	2,475
Other		17,925	16,267
Other gains/(losses)		(43,174)	(998,479)

¹ Net revaluation decrement recognised as a loss is in relation to properties acquired and used for the metro infrastructure projects that are currently in progress and sufficient credit balance does not exist in the asset revaluation surplus in respect of the same class of assets. The fair value of these properties are significantly reduced to reflect their current restricted use for metro infrastructure projects as there are no feasible alternative uses available. Please refer to Note 11 for further details.

² The gains on financial liability at amortised cost are related to the modification and remeasurement of the Metro Northwest, Western Sydney Airport and City and Southwest service concession financial liabilities due to changes in the estimated cash flows. Refer to Note 17 for further details on the measurement of the service concession financial liability.

6. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Cash at bank	1,784,523	547,878
Cash and cash equivalents	1,784,523	547,878

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

Of the total cash and cash equivalents, \$64.2 million (2023: \$61.5 million) is restricted for contingency fund as part of a project deed.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

	2024 \$'000	2023 \$'000
Cash and cash equivalents	1,784,523	547,878
Closing cash and cash equivalents (per Statement of cash flows)	1,784,523	547,878

Refer to Note 25 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

7. Receivables

	2024 \$'000	2023 \$'000
Current receivables		
Trade receivables from contracts with customers	6,492	72,107
Retained taxes, fees and fines	90,002	102,018
Prepayments	99,685	118,604
Other receivables ¹	462,831	339,104
Investment income receivable	390	902
Total current receivables excluding impairment	659,400	632,735
Current receivables	659,400	632,735
Non-Current receivables		
Other receivables ¹	389,515	758,913
Prepayments	202,403	238,384
Non-current receivables	591,918	997,297

¹ Other receivables include proceeds receivable from external parties under the Integrated Station Development arrangements of \$832.9 million (2023: \$1,074.6 million). These receivables are recorded at present value of future cash flows.

The Entity did not recognise Expected Credit Losses at 30 June 2024 (2023: Nil).

Details regarding credit risk, liquidity risk and market risk, including financial assets that are neither past due or impaired, are disclosed in Note 25.

Recognition and measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

Receivables held by the Entity with the objective to collect the contractual cash flows are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Receivables held by the Entity that are linked to the fair value of the underlying assets are measured at fair value through profit or loss. Accordingly, these receivables are re-measured at fair value at each reporting date until receipt, and the movement in fair value is recognised in the profit or loss.

Impairment

The Entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the Entity applies a simplified approach in calculating ECLs. The Entity recognises a loss allowance based on lifetime ECLs at each reporting date. At reporting date, the entity did not recognise any allowance for ECL.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

8. Financial assets at fair value

	2024 \$'000	2023 \$'000
Financial assets held for trading		
Interest rate swap derivative	-	9,502
Current financial assets at fair value	-	9,502
Energy derivative	17,740	19,253
Interest rate swap derivative	25,483	24,738
Non-current financial assets as fair value	43,223	43,991

Refer to Note 25 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Recognition and measurement

The Entity recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. To determine when the entity becomes a party to the contractual provisions of the instrument, the entity considers:

- Whether the entity has a legal right to receive cash (financial asset) or a legal obligation to pay cash (financial liability); or
- Whether at least one of the parties has performed under the agreement.

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification and measurement

The Entity's financial assets are classified at fair value at initial recognition and subsequently measured at fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net result.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value under AASB 9 *Financial Instruments*.

Financial assets are held for trading if acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria to be classified at amortised cost or at fair value through other comprehensive income, financial assets may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in net result and presented net within other gains/(losses).

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

8. Financial assets at fair value (continued)

Recognition and measurement (continued)

(b) Derivative financial instruments

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Specific accounting treatment is required for derivatives designated as hedging instruments. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. All other derivative financial instruments are accounted for at fair value through profit or loss. Changes in the fair value of derivative instruments that are not designated in a hedge relationship are recognised immediately in profit or loss as part of gain/(loss) in fair value of financial instruments.

Interest rate swap derivative

The Entity holds interest rate swap derivatives to manage its interest rate risk exposure arising from public-private partnership payment commitments, which are not designated in an accounting hedge relationship. The derivatives are categorised as held for trading and presented in the Statement of financial position.

Energy derivative

The Entity is exposed to electricity price risk associated with the purchase of electricity to operate Metro services. The exposure to fluctuations in wholesale market prices is managed by entering into fixed price supply arrangements with retailers or to hedge forecast exposure on a portion of the consolidated Entity's energy load. The Entity has in place an electricity derivative financial instrument and is not designated in a hedge relationship under *AASB 9 Financial Instruments*. This derivative is classified as held for trading and presented in the Statement of financial position.

9. Other financial assets

	2024 \$'000	2023 \$'000
Energy Certificate at cost ¹	10,760	9,429
Current other financial assets	10,760	9,429

¹Energy certificates of \$10.8 million (2023: \$9.4 million) relate to large-scale generation certificates (LGCs). The entity acquires LGCs under the provisions of the Large-Scale Renewable Energy Target (LRET) scheme that mandates retailers and large customers purchase a share of their electricity supply requirements from renewable energy resources; and surrenders the required amount volume of LGCs to meet its target. The LGCs are acquired solely to satisfy these obligations.

Refer to Note 25 for further information regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Recognition and measurement

LGCs are used solely to satisfy the Entity's retail sales commitments and surrender obligations are measured at cost.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

10. Non-current assets held for sale

	2024 \$'000	2023 \$'000
Land and buildings held for sale	174,208	58,358
Non-current assets held for sale	174,208	58,358

Recognition and measurement

The Entity has certain non-current assets classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell. These assets are not depreciated while they are classified as held-for-sale.

Non-current assets held for sale include:

- parcels of land around Metro Northwest stations being developed with Landcom where efforts to sell the properties have started; and
- a parcel of non-operational land not part of the Landcom development agreement, was reclassified from property, plant and equipment to assets held for sale in this financial year as the sale is now highly probable and the Entity expects the sale to be settled within the next reporting period.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment

(a) Total property, plant and equipment

The Entity's asset classes are:

- land and buildings;
- infrastructure systems;
- plant and equipment; and
- rolling stock.

	Land and Buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment
	Land and Buildings	Assets under construction ¹	Total	Rail systems	Assets under Construction ¹	Total	Plant and equipment	Rolling Stock	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2023										
At fair value - gross carrying amount	1,045,590	459,480	1,505,070	11,161,953	20,999,362	32,161,315	33,331	1,863,863	1,897,194	35,563,579
Less: Accumulated depreciation and impairment	(2,648)	-	(2,648)	(907,690)	-	(907,690)	(15,653)	(114,072)	(129,725)	(1,040,063)
Net carrying amount as at 1 July 2023	1,042,942	459,480	1,502,422	10,254,263	20,999,362	31,253,625	17,678	1,749,791	1,767,469	34,523,516
As at 30 June 2024										
At fair value - gross carrying amount	978,783	493,134	1,471,917	11,229,197	27,414,253	38,643,450	32,927	1,873,971	1,906,898	42,022,265
Less: Accumulated depreciation and impairment	(1,658)	-	(1,658)	(1,132,026)	-	(1,132,026)	(17,460)	(168,350)	(185,810)	(1,319,494)
Net carrying amount as at 30 June 2024	977,125	493,134	1,470,259	10,097,171	27,414,253	37,511,424	15,467	1,705,621	1,721,088	40,702,771
As at 1 July 2022										
At fair value - gross carrying amount	1,168,389	561,811	1,730,200	10,200,594	14,333,454	24,534,048	33,025	863,889	896,914	27,161,162
Less: Accumulated depreciation and impairment	(1,252)	-	(1,252)	(789,523)	-	(789,523)	(11,550)	(77,919)	(89,469)	(880,244)
Net carrying amount as at 1 July 2022	1,167,137	561,811	1,728,948	9,411,071	14,333,454	23,744,525	21,475	785,970	807,445	26,280,918
As at 30 June 2023										
At fair value - gross carrying amount	1,045,590	459,480	1,505,070	11,161,953	20,999,362	32,161,315	33,331	1,863,863	1,897,194	35,563,579
Less: Accumulated depreciation and impairment	(2,648)	-	(2,648)	(907,690)	-	(907,690)	(15,653)	(114,072)	(129,725)	(1,040,063)
Net carrying amount as at 30 June 2023	1,042,942	459,480	1,502,422	10,254,263	20,999,362	31,253,625	17,678	1,749,791	1,767,469	34,523,516

¹ Assets under construction is considered to be a subclass of the related asset class.

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(a) Total property, plant and equipment (continued)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below:

	Land and Buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment	
	Land and Buildings	Assets under construction ¹	Total	Rail Systems	Assets under construction ¹	Total	Plant and equipment	Rolling stock	Total		
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Net carrying amount at start of year		1,042,942	459,480	1,502,422	10,254,263	20,999,362	31,253,625	17,678	1,749,791	1,767,469	34,523,516
Additions		2,814	121,984	124,798	-	5,961,512	5,961,512	-	-	-	6,086,310
Revaluation increment/(decrement) recognised in equity		-	-	-	64,010	532,374	596,384	88	9,140	9,228	605,612
Revaluation increment/(decrement) recognised in net result	5	50,766	(111,865)	(61,099)	-	-	-	-	-	-	(61,099)
Assets transferred (to)/from non-current assets held for sale		(115,850)	-	(115,850)	-	-	-	-	-	-	(115,850)
Reclassification between PPE classes		-	-	-	90,620	(90,620)	-	-	-	-	-
Reclassifications (to)/from intangible assets		-	-	-	-	700	700	-	-	-	700
Depreciation expense	2(d)	(3,452)	-	(3,452)	(223,731)	-	(223,731)	(2,299)	(53,310)	(55,609)	(282,792)
Increase/(decrease) in net assets from equity transfer		(95)	18,335	18,240	(2,911)	10,925	8,014	-	-	-	26,254
Transfer (to)/from councils, NSW government agencies & other parties		-	5,200	5,200	(85,080)	-	(85,080)	-	-	-	(79,880)
Net carrying amount as at 30 June 2024		977,125	493,134	1,470,259	10,097,171	27,414,253	37,511,424	15,467	1,705,621	1,721,088	40,702,771

¹ Assets under construction is considered to be a subclass of the related asset class.

The net carrying amount of service concession assets included in property, plant and equipment is \$15.2 billion as at 30 June 2024 (30 June 2023: \$14.0 billion). Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 14.

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(a) Total property, plant and equipment (continued)

Reconciliation (continued)

	Land and buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment \$'000	
	Notes	Land and buildings \$'000	Assets under construction ¹ \$'000	Total \$'000	Rail systems \$'000	Assets under construction ¹ \$'000	Total \$'000	Plant and equipment \$'000	Rolling stock \$'000		Total \$'000
Net carrying amount at start of year		1,167,137	561,811	1,728,948	9,411,071	14,333,454	23,744,525	21,475	785,970	807,445	26,280,918
Additions		934	935,223	936,157	-	6,485,339	6,485,339	-	-	-	7,421,496
Revaluation increment/(decrement) recognised in equity		-	-	-	982,108	1,074,999	2,057,107	(658)	285,885	285,227	2,342,334
Revaluation increment/(decrement) recognised in net result	5	(64,902)	(949,844)	(1,014,746)	-	-	-	-	-	-	(1,014,746)
Disposals/Write-off	4	-	(90,000)	(90,000)	-	-	-	-	-	-	(90,000)
Assets transferred (to)/from non-current assets held for sale		(58,358)	-	(58,358)	-	-	-	-	-	-	(58,358)
Reclassification between PPE classes		26	-	26	185,023	(897,479)	(712,456)	2,903	709,527	712,430	-
Reclassifications (to)/from intangible assets		-	-	-	-	3,049	3,049	736	-	736	3,785
Depreciation expense	2(d)	(1,895)	-	(1,895)	(195,696)	-	(195,696)	(3,875)	(31,591)	(35,466)	(233,057)
Increase/(decrease) in net assets from equity transfer		-	-	-	-	-	-	(2,903)	-	(2,903)	(2,903)
Transfer (to)/from councils, NSW government agencies & other parties		-	2,290	2,290	(128,243)	-	(128,243)	-	-	-	(125,953)
Net carrying amount at 30 June 2023		1,042,942	459,480	1,502,422	10,254,263	20,999,362	31,253,625	17,678	1,749,791	1,767,469	34,523,516

¹ Assets under construction is considered to be a subclass of the related asset class.

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by the Entity

	Land and Buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment
	Land and Buildings	Assets under construction ¹	Total	Rail systems	Assets under construction ¹	Total	Plant and equipment	Rolling Stock	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
As at 1 July 2023										
At fair value - gross carrying amount	1,008,326	440,191	1,448,517	11,159,119	20,999,362	32,158,481	33,331	1,863,863	1,897,194	35,504,192
Less: Accumulated depreciation and impairment	(1,583)	-	(1,583)	(907,690)	-	(907,690)	(15,653)	(114,072)	(129,725)	(1,038,998)
Net carrying amount at 1 July 2023	1,006,743	440,191	1,446,934	10,251,429	20,999,362	31,250,791	17,678	1,749,791	1,767,469	34,465,194
At 30 June 2024										
At fair value - gross carrying amount	943,547	473,452	1,416,999	11,226,044	27,414,253	38,640,297	32,925	1,873,970	1,906,895	41,964,191
Less: Accumulated depreciation and impairment	(630)	-	(630)	(1,131,701)	-	(1,131,701)	(17,458)	(168,349)	(185,807)	(1,318,138)
Net carrying amount	942,917	473,452	1,416,369	10,094,343	27,414,253	37,508,596	15,467	1,705,621	1,721,088	40,646,053
As at 1 July 2022										
At fair value - gross carrying amount	1,140,627	544,390	1,685,017	10,200,593	14,333,454	24,534,047	33,025	863,889	896,914	27,115,978
Less: Accumulated depreciation and impairment	(1,252)	-	(1,252)	(789,522)	-	(789,522)	(11,550)	(77,919)	(89,469)	(880,243)
Net carrying amount at 1 July 2022	1,139,375	544,390	1,683,765	9,411,071	14,333,454	23,744,525	21,475	785,970	807,445	26,235,735
At 30 June 2023										
At fair value - gross carrying amount	1,008,326	440,191	1,448,517	11,159,119	20,999,362	32,158,481	33,331	1,863,863	1,897,194	35,504,192
Less: Accumulated depreciation and impairment	(1,583)	-	(1,583)	(907,690)	-	(907,690)	(15,653)	(114,072)	(129,725)	(1,038,998)
Net carrying amount	1,006,743	440,191	1,446,934	10,251,429	20,999,362	31,250,791	17,678	1,749,791	1,767,469	34,465,194

¹ Assets under construction is considered a subclass of the related asset class.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by the Entity (continued)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment held and used by the Entity at the beginning and end of the current reporting period is set out below:

Notes	Land and buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment
	Land and buildings	Assets under construction ⁿ¹	Total	Rail systems	Assets under construction ⁿ¹	Total	Plant and equipment	Rolling stock	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Net carrying amount at start of year	1,006,743	440,191	1,446,934	10,251,429	20,999,362	31,250,791	17,678	1,749,791	1,767,469	34,465,194
Additions	2,814	121,984	124,798	-	5,961,512	5,961,512	-	-	-	6,086,310
Revaluation increment/(decrement) recognised in equity	-	-	-	63,952	532,374	596,326	88	9,140	9,228	605,554
Revaluation increment/(decrement) recognised in net result	5	52,027	(112,258)	(60,231)	-	-	-	-	-	(60,231)
Assets transferred (to)/from non-current assets held for sale	(115,850)	-	(115,850)	-	-	-	-	-	-	(115,850)
Reclassification between PPE classes	-	-	-	90,620	(90,620)	-	-	-	-	-
Reclassifications (to)/from intangible assets	-	-	-	-	700	700	-	-	-	700
Depreciation expense	2(d)	(2,722)	(2,722)	(223,667)	-	(223,667)	(2,299)	(53,310)	(55,609)	(281,998)
Increase/(decrease) in net assets from equity transfer	(95)	18,335	18,240	(2,911)	10,925	8,014	-	-	-	26,254
Transfer (to)/from councils, NSW government agencies & other parties	-	5,200	5,200	(85,080)	-	(85,080)	-	-	-	(79,880)
Net carrying amount at 30 June 2024	942,917	473,452	1,416,369	10,094,343	27,414,253	37,508,596	15,467	1,705,621	1,721,088	40,646,053

¹ Assets under construction is considered to be a subclass of the related asset class.

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(b) Property, plant and equipment held and used by the Entity (continued)

	Land and buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment \$'000
	Land and buildings	Assets under construction ¹	Land and buildings	Rail systems	Assets under construction ¹	Total	Plant and equipment	Rolling stock	Total	
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at start of year	1,139,375	544,390	1,683,765	9,411,071	14,333,454	23,744,525	21,475	785,970	807,445	26,235,735
Additions	934	935,223	936,157	-	6,485,339	6,485,339	-	-	-	7,421,496
Revaluation increment/(decrement) recognised in equity	-	-	-	982,108	1,074,999	2,057,107	(658)	285,885	285,227	2,342,334
Revaluation increment/(decrement) recognised in net result	(61,061)	(951,455)	(1,012,516)	-	-	-	-	-	-	(1,012,516)
Disposals/write-off	4	-	(90,000)	-	-	-	-	-	-	(90,000)
Assets transferred (to)/from non-current assets held for sale	(58,358)	-	(58,358)	-	-	-	-	-	-	(58,358)
Reclassification between PPE classes	26	-	26	185,023	(897,479)	(712,456)	2,903	709,527	712,430	-
Reclassifications (to)/from intangible assets	-	-	-	-	3,049	3,049	736	-	736	3,785
Depreciation expense	(1,119)	-	(1,119)	(195,696)	-	(195,696)	(3,875)	(31,591)	(35,466)	(232,281)
Increase/(decrease) in net assets from equity transfer	-	-	-	-	-	-	(2,903)	-	(2,903)	(2,903)
Transfer (to)/from councils, NSW government agencies & other parties	-	2,290	2,290	(128,243)	-	(128,243)	-	-	-	(125,953)
Transfer to assets held by Entity as lessor under operating lease ²	11(c)	(13,054)	(13,311)	(2,834)	-	(2,834)	-	-	-	(16,145)
Net carrying amount at 30 June 2023	1,006,743	440,191	1,446,934	10,251,429	20,999,362	31,250,791	17,678	1,749,791	1,767,469	34,465,194

¹ Assets under construction is considered to be a subclass of the related asset class.

² The property previously held and used by the Entity was leased out during the financial year under an operating lease.

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(c) Property, plant and equipment where Entity is lessor under operating leases

	Land and buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment \$'000
	Land and buildings \$'000	Assets under construction ¹ \$'000	Total \$'000	Rail systems \$'000	Assets under construction ¹ \$'000	Total \$'000	Plant and equipment \$'000	Rolling stock \$'000	Total \$'000	
As at 1 July 2023										
At fair value - gross carrying amount	37,264	19,289	56,553	2,834	-	2,834	-	-	-	59,387
Less: Accumulated depreciation and impairment	(1,065)	-	(1,065)	-	-	-	-	-	-	(1,065)
Net carrying amount at 1 July 2023	36,199	19,289	55,488	2,834	-	2,834	-	-	-	58,322
At 30 June 2024										
At fair value - gross carrying amount	35,236	19,682	54,918	3,153	-	3,153	-	-	-	58,071
Less: Accumulated depreciation and impairment	(1,028)	-	(1,028)	(325)	-	(325)	-	-	-	(1,353)
Net carrying amount at 30 June 2024	34,208	19,682	53,890	2,828	-	2,828	-	-	-	56,718
As at 1 July 2022										
At fair value - gross carrying amount	27,762	17,421	45,183	-	-	-	-	-	-	45,183
Less: Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-
Net carrying amount at 1 July 2022	27,762	17,421	45,183	-	-	-	-	-	-	45,183
At 30 June 2023										
At fair value - gross carrying amount	37,264	19,289	56,553	2,834	-	2,834	-	-	-	59,387
Less: Accumulated depreciation and impairment	(1,065)	-	(1,065)	-	-	-	-	-	-	(1,065)
Net carrying amount at 30 June 2023	36,199	19,289	55,488	2,834	-	2,834	-	-	-	58,322

¹ Assets under construction is considered to be a subclass of the related asset class.

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(c) Property, plant and equipment where Entity is lessor under operating leases (continued)

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment where the Entity is lessor under operating lease at the beginning and end of the current reporting period is set out below:

Notes	Land and buildings			Infrastructure systems			Plant and equipment			Total property, plant and equipment \$'000
	Land and buildings \$'000	Assets under construction ¹ \$'000	Total \$'000	Rail systems \$'000	Assets under construction ¹ \$'000	Total \$'000	Plant and equipment \$'000	Rolling stock \$'000	Total \$'000	
Net carrying amount at start of year	36,199	19,289	55,488	2,834	-	2,834	-	-	-	58,322
Revaluation increment/(decrement) recognised in equity	-	-	-	58	-	58	-	-	-	58
Revaluation increment/(decrement) recognised in net result	(1,261)	393	(868)	-	-	-	-	-	-	(868)
Depreciation expense	(730)	-	(730)	(64)	-	(64)	-	-	-	(794)
Net carrying amount as at 30 June 2024	34,208	19,682	53,890	2,828	-	2,828	-	-	-	56,718

¹ Assets under construction is considered a subclass of the related asset class.

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

(c) Property, plant and equipment where Entity is lessor under operating leases (continued)

	Land and buildings		Infrastructure systems			Plant and equipment			Total	Total property, plant and equipment	
	Land and buildings	Assets under construction ¹	Total	Rail systems	Assets under construction ¹	Total	Plant and equipment	Rolling stock			
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			\$'000
Net carrying amount at start of year		27,762	17,421	45,183	-	-	-	-	-	-	45,183
Revaluation increment/(decrement) recognised in net result		(3,841)	1,611	(2,230)	-	-	-	-	-	-	(2,230)
Reclassification between PPE classes		-	257	257	2,834	-	2,834	-	-	-	16,145
Depreciation expense		(776)	-	(776)	-	-	-	-	-	-	(776)
Transfer to assets held by Entity as lessor under operating lease ²	11(b)	13,054	-	13,054	-	-	-	-	-	-	-
Net carrying amount as at 30 June 2023		36,199	19,289	55,488	2,834	-	2,834	-	-	-	58,322

¹ Assets under construction is considered a subclass of the related asset class.

² The property previously held and used by the Entity was leased out during the financial year under an operating lease.

11. Property, plant and equipment (continued)

Recognition and measurement

(i) Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Refer also to Note 20 for assets transferred as a result of an equity transfer and Note 3(c) for assets transferred from Local Councils at nil consideration.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted over the period of credit.

(ii) Capitalisation thresholds

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

(iii) Major inspection costs

When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

(iv) Maintenance

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

(v) Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. If the effect of the time value of money is material, these costs are discounted at the appropriate market yields on government bonds.

(vi) Right-of-use assets acquired by lessees

The Entity has elected to present right-of-use assets separately in the Statement of financial position. Further information on leases is contained in Note 12.

(vii) Depreciation of property, plant and equipment

Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Entity.

All material identifiable components of assets are depreciated separately over their useful lives.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

Recognition and measurement (continued)

(vii) Depreciation of property, plant and equipment (continued)

Land is not a depreciable asset. Buildings which have been acquired for future transport infrastructure are not depreciated as these assets are not purchased to generate revenue and are ultimately demolished for transport infrastructure projects. The expected useful lives of property, plant and equipment for depreciation purposes are as follows:

Asset Type	Useful lives
Infrastructure systems	15 – 100 years
Plant and equipment	4 – 35 years
Rolling stock	35 years
Leasehold Improvement	4 – 5 years
Right-of-use assets	2 – 5 years

The asset residual values, useful life and depreciation methods are reviewed, and adjusted, if appropriate, at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in assets are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted prospectively.

Based on the Entity's assessment, no changes are required to the useful life of the Entity's property, plant and equipment in this financial year.

(viii) Valuation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non – Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09) and Treasurer's Direction '*Valuation of Physical Non-Current Assets at Fair Value*' (TD21-05). TD21-05 and TPP21-09 adopt fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

(ix) Revaluation of property, plant and equipment

Fair value of property, plant and equipment is based on a market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Refer Note 14 for further information regarding fair value.

Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is current replacement cost.

Revaluations are made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The entity conducts a comprehensive revaluation at least every three years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment.

Revaluations are performed by independent professionally qualified valuers.

11. Property, plant and equipment (continued)**Recognition and measurement (continued)****(ix) Revaluation of property, plant and equipment (continued)**

The latest comprehensive revaluation of property, plant and equipment is summarised as follows:

Asset type	Latest comprehensive revaluation date
Rail land	31 March 2022
Rail Infrastructure	31 March 2022
Rolling stock	31 March 2022
Specialised plant and equipment	31 March 2022
Land subject to Landcom Project Development Agreement	30 June 2022
Land and buildings not used for construction	30 June 2022

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. An interim revaluation assessment was completed on 30 June 2024. Refer Note 14 for details of the full revaluation.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. This is because any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except that, to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

As a not-for-profit reporting Entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation surplus in respect of that asset is transferred to accumulated funds.

(x) Impairment of property, plant and equipment

As a not-for-profit reporting Entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* (AASB 136) is unlikely to arise. As property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances where the costs of disposal are material.

Specifically, impairment is unlikely for the Entity given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and current replacement cost, where current replacement cost is also fair value. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

Notwithstanding this, the Entity reviews the carrying values of major assets for objective evidence of impairment. Where such an indication exists, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

Recognition and measurement (continued)

(x) Impairment of property, plant and equipment (continued)

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in other comprehensive income and is treated as a revaluation increase, except to the extent that an impairment loss on the same class of asset was previously recognised in net result, then the reversal recognised in net result.

(xi) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset and are included in the Statement of comprehensive Income.

(xii) Service concession asset

Service concession arrangements (SCAs) are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

Based on the Entity's assessment, the following arrangements fall in the scope of AASB 1059 *Service Concession Arrangements: Grantors*:

Description	Service concession arrangement	
Rights and obligations	<p>The Entity regulates the Metro rail services to be provided to the general public.</p> <p>The arrangements detailed below represent service concession arrangements where upon construction completion and operational commencement, the operators are required to deliver a safe and reliable metro passenger service. In return, the Entity pays consideration for the delivery phase across the project term (i.e. design and construction), and payments for operation and maintenance.</p> <p>The operators are required to hand back the significant residual interest of the assets in the project at the end of the project term.</p>	
Name & description of the SCA OR group of SCAs	The Entity has a contract with Northwest Rapid Transit relating to the Sydney Metro North West Line & the Sydney Metro City & Southwest project.	The Entity has a contract with Parklife Metro relating to the Sydney Metro Western Sydney Airport metro project.
Period of the arrangement	The period of the arrangement is from September 2014 to May 2034.	The period of the arrangement is from December 2022 to April 2042.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

Recognition and measurement (continued)

(xii) Service concession assets (continued)

Description	Service concession arrangement	
Terms of the arrangement	<p>The arrangement involves Northwest Rapid Transit (the operator) being responsible for the design and construction of Sydney Metro City Line as well as the operations and maintenance of the North West Line and the Sydney Metro City & Southwest Line.</p> <p>Currently, the operator is responsible for:</p> <ul style="list-style-type: none"> operation and maintenance of the North West Line that is currently operational between Tallawong Station and Chatswood Station. Operations began in May 2019. design and construction of the Sydney Metro City Line, between Chatswood to Sydenham. Design and construction began in December 2019. The Sydney Metro Southwest line will be constructed by the Entity. The operator will be responsible for the Operations and Maintenance of both the Sydney Metro City & Southwest Lines. 	<p>The arrangement involves Parklife Metro (the operator) being responsible for the design, construction, operations and maintenance of the Sydney Metro Western Sydney Airport metro project.</p> <p>The operator is responsible for:</p> <ul style="list-style-type: none"> design and construction of the Western Sydney Airport Line, between St Marys and the new Aerotropolis. Design and construction began in December 2022. operation and maintenance of the Western Sydney Airport Line. The line is expected to open in April 2027.
Change in arrangements occurred in 2023	None	None
Change in arrangements occurred in 2024	<p>Delay to the Sydney Metro City Line completion and ongoing contractual negotiation with the operator have resulted in a number of reassessments to the service concession financial liability. The re-assessments include using revised estimates completion date by management and amended contractual terms of the PPP contracts with the operator at various trigger dates as they occurred.</p> <p>For the Sydney Metro Northwest PPP arrangement, the Conditional Debt Pay Down (CDPD) payment was made in April 2024 instead of the original forecast of December 2023. The service concession financial liability was re-assessed during the financial year to reflect management's change estimate of revised CDPD payment, and further updated using the new future cash flows in accordance with the contractual amendments agreed with the operator in April 2024. A net loss of \$86.0 million was recognised, including the impact of debt modification determined under AASB 9 Financial Instrument (AASB 9).</p>	None

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Notes to the financial statements

for the year ended 30 June 2024

11. Property, plant and equipment (continued)

Recognition and measurement (continued)

(xii) Service concession assets (continued)

Change in arrangements occurred in 2024	For the Sydney Metro City & Southwest PPP arrangement, the service concession financial liability was re-assessed a number of times during the financial year to reflect the revised forecast completion date in accordance with the contractual amendments agreed with the operator, and management's revised estimate including remaining future cash flow profile. As a result of the changes, a net gain of \$113.2 million was recognised including the impact of debt modification accounted for under AASB 9.			-		
The carrying amount of service concession assets	Asset class	\$'000 2024	\$'000 2023	Asset class	\$'000 2024	\$'000 2023
	Land and buildings	236,819	232,276	Land and buildings	-	-
	Rail systems	10,094,541	10,254,262	Rail systems	-	-
	Rail systems - Asset under construction	1,668,068	1,111,023	Rail systems - Asset under construction	1,504,253	624,128
	Plant and equipment	14,819	15,333	Plant and equipment	-	-
	Rolling stock	1,705,620	1,749,790	Rolling stock	-	-

Initial recognition

For arrangements within the scope of AASB 1059, the Entity recognises a service concession asset when it controls the asset. Where the asset is provided by the operator or is an upgrade to or a major component replacement of an existing asset of the Entity, the asset is recognised at current replacement cost based on AASB 13 *Fair Value Measurement* principles.

Where the asset is an existing asset of the Entity, the asset is reclassified as a service concession asset and remeasured at current replacement cost at the date of reclassification. Any difference between the previous carrying amount and current replacement cost is recognised as if it is a revaluation of the asset.

Subsequent to initial recognition

Subsequent to the initial recognition or reclassification, the service concession asset is measured at current replacement cost and accounted for in accordance with the depreciation and impairment requirements of AASB 116 *Property, Plant and Equipment* and AASB 136 *Impairment of Assets*.

The Entity applied the higher of the 'interest accretion' and indexation methods in measuring the service concession assets (assets under construction) at current replacement cost. The interest accretion approach uses the Operator's cost of funding in the service concession arrangement as a proxy for the fair value uplift of service concession assets that are under construction and is recorded as a revaluation adjustment. Upon construction completion, a comprehensive valuation assessment will be performed by an external professionally qualified valuer. Refer to Note 11(ix) for further details on revaluation of property, plant and equipment, including service concession assets.

At the end of the arrangement

At the end of the service concession arrangement:

- the Entity accounts for the asset in accordance with other AAS, with the Entity reclassifying the asset based on its nature or function;
- reference to fair value reverts from the mandated current replacement cost under AASB 1059 to the appropriate approach under AASB 13; and
- the asset is only derecognised when the Entity loses control of the asset in accordance with AASB 116.

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Notes to the financial statements

for the year ended 30 June 2024

12. Leases

(a) Entity as a lessee

The Entity leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Entity does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Entity and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$9.0 million (2023: \$10.3 million) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right of use assets of \$95,000 (2023: nil).

AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

The Entity has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value leases are leases with a fair value of \$10,000 or less when new and comprise mainly motor vehicle leases.

Right-of-use assets under leases

	Notes	Land and buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2023		41,050	346	41,396
Additions		742	84	826
Depreciation expense	2(d)	(8,657)	(144)	(8,801)
Other movements		665	-	665
Balance at 30 June 2024		33,800	286	34,086

	Notes	Land and buildings \$'000	Plant and Equipment \$'000	Total \$'000
Balance at 1 July 2022		41,249	91	41,340
Additions		5,071	349	5,420
Disposals		-	(3)	(3)
Depreciation expense	2(d)	(7,653)	(91)	(7,744)
Other movements		2,383	-	2,383
Balance at 30 June 2023		41,050	346	41,396

Impairment losses for right-of-use assets

The Entity had undertaken an impairment assessment for the above right-of-use assets at 30 June 2024 to calculate the impairment loss using life to date market rental forecast movement approach. The Entity recognised a nil impairment loss as at 30 June 2024 (2023: nil) for right-of-use assets.

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Notes to the financial statements

for the year ended 30 June 2024

12. Leases (continued)

(a) Entity as a lessee (continued)

Impairment losses for right-of-use assets (continued)

The recoverable amount was determined by reference to its fair value less costs of disposal. The valuation technique used in the fair value measurement is classified as level 3 according to AASB 13 *fair value hierarchy*.

Asset description	Valuation technique	Key assumptions	Fair value hierarchy of fair value less cost of disposal assessment
Right-of-use asset – Land and Buildings	Current Replacement Cost (CRC) approach – assets are valued based on the net replacement cost of a new equivalent asset with the same geographical market and remaining lease term. The net replacement costs, and consequent impairment (if any) are determined based on market driven factors across the portfolio of right of use land and building assets.	<ul style="list-style-type: none"> The assets were recognised at fair value at the time of initial recognition or lease commencement date. Cost of disposals is immaterial The rent profile (fixed percentage, market rent review, consumer price index (CPI) or combination) at the lease commencement date represents of market rent forecasts. Regional market rents are linked with CPI. 	Level 3

The discount rate ranges employed in present value technique computations of recoverable amounts is summarised in the below table.

Recoverable amount	Current measurement discount rates	Previous measurement discount rates
Fair value less cost of disposal – discounted cash flow technique	Internal borrowing rates at the valuation date.	Internal borrowing rates at the valuation date.

Lease liabilities

The following table presents liabilities under leases.

	Notes	2024 \$'000	2023 \$'000
Opening balance		42,193	42,606
Additions		826	5,413
Payments		(10,036)	(9,434)
Interest expenses	2(f)	1,482	1,225
Other movements		667	2,383
Balance at 30 June		35,132	42,193

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

12. Leases (continued)

(a) Entity as a lessee (continued)

Amounts recognised in the statement of comprehensive income

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Entity is the lessee.

	Notes	2024 \$'000	2023 \$'000
Depreciation expense of right-of-use assets	2(d)	(66)	(14)
Interest expense on lease liabilities	2(f)	(1,482)	(1,225)
Expense relating to short-term leases		-	(50)
Income from subleasing right of use assets		546	-
Total amount recognised in the statement of comprehensive income		(1,002)	(1,289)

The Entity had total cash outflows for leases of \$10.0 million in 2024 (2023: \$9.5 million).

Leases at significantly below-market terms and conditions principally to enable the Entity to further its objectives

The Entity entered into leases with various government agencies for periods between 1 to 5 years. The lease premises are used by the Entity in order to obtain access to the sites in order to undertake the metro construction works. The lease contracts specify lease payments between \$1 to \$100 per annum. As such, these leases do not have a material impact on the Entity's financial statements.

Recognition and measurement

The Entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

(i) Right-of-use assets

The Entity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

- Land and buildings: 2 – 11 years; and
- Motor vehicles: 2 – 3 years.

If ownership of the leased asset transfers to the Entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Entity assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

12. Leases (continued)

Recognition and measurement (continued)

(ii) Lease liabilities

At the commencement date of the lease, the Entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of purchase options reasonably certain to be exercised by the Entity; and
- payments of penalties for terminating the lease, if the lease term reflects the Entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Entity's leases, the lessee's incremental borrowing rate is used, being the rate that the Entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Entity's lease liabilities are included in borrowings.

(iii) Short-term leases and leases of low-value assets

The Entity applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(iv) Leases that have significantly below market terms and conditions principally to enable the Entity to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the Entity to further its objectives is same as normal right-of-use assets. They are measured at cost, subject to impairment.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

12. Leases (continued)

(b) Entity as a lessor

Lessor for operating lease

Future minimum rentals receivables (undiscounted) under non-cancellable operating lease as at 30 June are as follows:

	2024 \$'000	2023 \$'000
Within one year	573	167
One to two years	149	95
Two to three years	83	68
Three to four years	83	69
Four to five years	73	63
Later than five years	397	418
Total (excluding GST)	1,358	880

Recognition and measurement – lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

13. Intangible assets

	Easements \$'000	Software work in progress \$'000	Biodiversity credits \$'000	Total Intangibles \$'000
As at 1 July 2023				
Cost (gross carrying amount)	199	-	8,021	8,220
Accumulated amortisation and impairment	-	-	-	-
Net carrying amount at 1 July 2023	199	-	8,021	8,220
As at 30 June 2024				
Cost (gross carrying amount)	324	-	7,196	7,520
Accumulated amortisation and impairment	-	-	-	-
Net carrying amount at 30 June 2024	324	-	7,196	7,520
As at 1 July 2022				
Cost (gross carrying amount)	158	723	11,111	11,992
Accumulated amortisation and impairment	-	-	-	-
Net carrying amount at 1 July 2022	158	723	11,111	11,992
As at 30 June 2023				
Cost (gross carrying amount)	199	-	8,021	8,220
Accumulated amortisation and impairment	-	-	-	-
Net carrying amount at 30 June 2023	199	-	8,021	8,220

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

13. Intangible assets (continued)

	Easements \$'000	Software work in progress \$'000	Biodiversity credits \$'000	Total \$'000
At 30 June 2024				
Net carrying amount at start of year	199	-	8,021	8,220
Reclassifications (to)/from property, plant and equipment	125	-	(825)	(700)
Net carrying amount at 30 June 2024	324	-	7,196	7,520

	Easements \$'000	Software work in progress \$'000	Biodiversity credits \$'000	Total \$'000
At 30 June 2023				
Net carrying amount at start of year	158	723	11,111	11,992
Additions	-	13	-	13
Reclassifications (to)/from property, plant and equipment	41	(736)	(3,090)	(3,785)
Net carrying amount at 30 June 2023	199	-	8,021	8,220

Recognition and measurement

The Entity recognises intangible assets only if it is probable that future economic benefits will flow to the Entity and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for the Entity's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment losses.

The Entity's intangible assets comprise principally of biodiversity credits and easements. The Entity purchases biodiversity credits from the open market, in order to meet its obligations in accordance with the *NSW Biodiversity Conservation Act 2016 (BC Act)* and if required the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)*. Biodiversity credits are not amortised and have an indefinite useful life. The Entity also recognises easements as intangible assets, which give the Entity the right to use the part of land not owned by the Entity. The easements are not amortised and have an indefinite useful life.

The costs relating to intangibles that are under development are shown as work in progress and are not amortised until the intangibles are brought into service. The Entity's work in progress relates to software upgrades and development that are not yet available for use. All research costs are expensed. Development costs are only capitalised when certain criteria are met.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

14. Fair value measurement of non-financial assets

Fair value measurement and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets / liabilities that the Entity can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly; and
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(a) Fair value hierarchy

Fair value measurements recognised in the Statement of financial position are categorised into the following levels at 30 June.

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment				
Land and buildings	-	731,706	738,553	1,470,259
Plant and equipment	-	-	15,467	15,467
Rolling stock	-	-	1,705,621	1,705,621
Plant and equipment	-	-	1,721,088	1,721,088
Rail systems	-	-	37,511,424	37,511,424
Infrastructure systems	-	-	37,511,424	37,511,424
Total property, plant and equipment	-	731,706	39,971,065	40,702,771
Non-current assets held-for-sale	-	174,208	-	174,208
Fair value at 30 June 2024	-	905,914	39,971,065	40,876,979

30 June 2023	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment					
Land and buildings		-	803,195	699,227	1,502,422
Plant and equipment		-	-	17,678	17,678
Rolling stock		-	-	1,749,791	1,749,791
Plant and equipment		-	-	1,767,469	1,767,469
Rail systems		-	-	31,253,625	31,253,625
Infrastructure systems		-	-	31,253,625	31,253,625
Total property, plant and equipment		-	803,195	33,720,321	34,523,516
Non-current assets held-for-sale		-	58,358	-	58,358
Fair value at 30 June 2023		-	861,553	33,720,321	34,581,874

14. Fair value measurement of non-financial assets (continued)

Fair value measurement and hierarchy (continued)

(b) Valuation process

The Entity obtains independent valuations for its land and buildings assets at least every 3 years and for its other non-financial assets at least every 5 years.

The Entity engages external qualified valuers to determine the fair value of the Entity's non-financial assets. A full valuation of Metro Northwest rail assets (excluding land) was conducted by E3 Advisory Pty Ltd as at 31 March 2022. A full valuation of Sydney Metro Northwest land assets was conducted by Colliers International as at 31 March 2022. The respective external qualified valuers performed an interim desktop revaluation as at 30 June 2024 for:

- Sydney Metro Northwest rail assets and Sydney Metro Northwest land assets
- properties acquired for Sydney Metro City South West project but not used for construction
- developable land under Northwest Property Development Agreement which are being developed in partnership with Landcom.

The Entity has conducted interim external valuations as at 30 June 2024 to determine the fair value of rail infrastructure assets under construction and land under rail infrastructure assets under construction.

Leasehold improvement within land and building category and office fitouts within plant and equipment asset category are measured using depreciated historical cost as an approximation of fair value and do not require revaluation due to their short useful lives.

(c) Valuation techniques and input

At the end of each reporting period, the Entity updates its assessment of the fair value of each category of non-financial asset, taking into account the most recent independent valuation. The best evidence of fair value is current prices in an active market for similar assets. Where such information is not available, the fair value assessment considers information from a variety of other sources and uses specific valuation techniques including:

- markets, adjusted to reflect those differences;
- current replacement cost where the selling price is not available, with reference to most appropriate modern, depreciated equivalent replacement asset that provides similar economic benefits;
- construction costs incurred by the Entity based on contract costs and overhead costs escalated from contract to measurement date;
- discounted cash flow projections based on estimates of future cash flows.

These valuation techniques maximise the use of observable inputs where available and rely as little as possible on Entity or asset specific estimates. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the measurement in its entirety. If significant inputs required to measure fair value of an asset are observable, the asset is included in Level 2 of the fair value hierarchy. If one or more of the significant inputs is not based on observable market data, the asset is included in Level 3 of the fair value hierarchy. All resulting fair value estimates for non-financial assets are included in Level 3.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

14. Fair value measurement of non-financial assets (continued)

(c) Valuation techniques and input (continued)

The main inputs used for Level 3 fair value measurements are as follows:

- Land – sale evidence and market indicator for comparable properties, adjusted for the specific attributes of the property being revalued, such as size, configuration and location of the properties, restricted use for rail transport and infrastructure, as well as risk associated.
- Metro Northwest rolling stock and specialised plant and equipment – replacement cost for modern equivalent assets, expected useful life and remaining life of the assets are estimated and reviewed by the external valuer.
- Metro Northwest infrastructure assets – replacement cost for modern equivalent assets, unit of measure for each asset, appropriate indexation factors, expected useful life and remaining life of the assets as estimated by the external valuer.
- Rail infrastructure assets under construction – replacement cost approach with application of the cumulative indexation factors to the carrying amount of the asset balance
- Land under rail infrastructure assets under construction – the latest available Valuer-General's sales evidence and market indicators is used for each land property; adjusted for restrictions imposed on the use of the land
- Leasehold improvement makegood assets – restoration costs on the leased property estimated on the rate per square metre basis were discounted, adjusted for inflation and depreciated over the remaining lease period.

(d) Reconciliation of Level 3 fair value measurement

	Land and buildings \$'000	Plant and equipment \$'000	Rolling stock \$'000	Infrastructure system \$'000	Total \$'000
Fair value as at 1 July 2023	699,227	17,678	1,749,791	31,253,625	33,720,321
Additions	124,798	-	-	5,961,512	6,086,310
Revaluation increment/(decrement) recognised in net result	(107,035)	-	-	-	(107,035)
Revaluation increment/(decrement) recognised in other comprehensive income	-	88	9,140	596,384	605,612
Transfer (to) / from council and other external entities	5,200	-	-	(85,080)	(79,880)
Depreciation	(1,972)	(2,299)	(53,310)	(223,731)	(281,312)
Transfer (to)/from other class of property, plant and equipment	-	-	-	700	700
Equity Transfers	18,335	-	-	8,014	26,349
Fair value as at 30 June 2024	738,553	15,467	1,705,621	37,511,424	39,971,065

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Notes to the financial statements

for the year ended 30 June 2024

14. Fair value measurement of non-financial assets (continued)

Fair value measurement and hierarchy (continued)

(d) Reconciliation of Level 3 fair value measurement (continued)

	Land and buildings \$'000	Plant and equipment \$'000	Rolling stock \$'000	Infrastructure system \$'000	Total \$'000
Fair value as at 1 July 2022	813,110	21,475	785,970	23,744,525	25,365,080
Additions	936,159	-	-	6,485,339	7,421,498
Revaluation increment/(decrement) recognised in net result	(962,062)	-	-	-	(962,062)
Revaluation increment/(decrement) recognised in other comprehensive income	-	(658)	285,885	2,057,107	2,342,334
Transfer (to) / from council	2,290	-	-	(128,243)	(125,953)
Disposals	(90,000)	-	-	-	(90,000)
Depreciation	(296)	(3,875)	(31,591)	(195,696)	(231,458)
Transfer (to)/from other class of assets	26	2,903	709,527	(712,456)	-
Equity Transfers	-	(2,903)	-	-	(2,903)
Reclassification (to)/from Intangible assets	-	736	-	3,049	3,785
Fair value as at 30 June 2023	699,227	17,678	1,749,791	31,253,625	33,720,321

15. Payables

	2024 \$'000	2023 \$'000
Trade creditors	44,153	42,550
Accrued expenses	502,359	504,995
Other creditors	11	1,618
Personnel services payable ¹	8,124	6,212
Current payables	554,647	555,375

¹ Sydney Metro employees are employed by Transport Service of New South Wales (Transport Service). The personnel services liability represents payable to Transport Service in relation to these employee costs.

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 25 (e).

Recognition and measurement

Payables represent liabilities for goods and services provided to the Entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

16. Contract liabilities

	Notes	2024 \$'000	2023 \$'000
Contract liabilities - current		2,383	-
Contract liabilities - non current		20,971	20,000
Total Contract Liabilities		23,354	20,000

		2024 \$'000	2023 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year		-	-
Revenue recognised from performance obligations satisfied in previous periods		-	-
Transaction price allocated to the remaining performance obligations from contracts with customers		23,354	20,000

The transaction price allocated to the remaining performance obligation relates to grants and contributions which is expected to be recognised as revenue through to 2025 and 2026.

Recognition and measurement

Contract liabilities relate to funding received in advance from:

- Infrastructure NSW in respect of the design and construction of affordable housing within the Waterloo Metro Quarter Development;
- Infrastructure NSW in relation to design and construction works at the Barangaroo Precinct; and
- Western Parkland City Authority (trading name changed to Bradfield Development Authority from 1 July 2024) in respect of the design and construction of the enabling works for future development.

The balance of contract liabilities as at 30 June 2024 relates to the unspent portion of the funding received. Revenue from the contract liabilities will be recognised when the specific performance obligations have been met.

17. Borrowings

		2024 \$'000	2023 \$'000
Lease liabilities		6,980	7,948
Service concession financial liabilities ¹		88,138	648,168
Current borrowings		95,118	656,116
Lease liabilities		28,152	34,245
Service concession financial liabilities ¹		2,811,562	1,979,826
Non-current borrowings		2,839,714	2,014,071

¹ The service concession financial liability represents the liability under the Public Private Partnership (PPP) relating to Sydney Metro Northwest, City and Southwest and Western Sydney Airport projects. Refer to Note 11 for further details on the entity's service concession arrangements.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings, are disclosed in Note 25.

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Notes to the financial statements

for the year ended 30 June 2024

17. Borrowings (continued)

Recognition and measurement

Borrowing represents interest bearing liabilities related to lease liabilities and service concession arrangement liabilities.

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Borrowings are removed from the Statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the reporting Entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Lease liabilities are determined in accordance with AASB 16 and service concession financial liabilities are determined in accordance with AASB 1059.

Changes in liabilities arising from financing activities

	Lease liabilities \$'000	Service Concession arrangements \$'000	Total liabilities from financing activities \$'000
Balance at 1 July 2023	42,193	2,627,994	2,670,187
Financing cash flows	(8,554)	(689,045)	(697,599)
Additions during the year ¹	826	851,159	851,985
Changes in fair values	667	(19,979)	(19,312)
Interest payments (presented as operating cash flows)	(1,482)	(14,145)	(15,627)
Interest expense	1,482	143,716	145,198
Balance at 30 June 2024	35,132	2,899,700	2,934,832
Balance at 1 July 2022	42,606	1,832,722	1,875,328
Financing cash flows	(8,209)	(82,680)	(90,889)
Additions during the year ¹	5,413	802,354	807,767
Changes in fair values	2,383	1,422	3,805
Interest payments (presented as operating cash flows)	(1,225)	(15,124)	(16,349)
Interest expense	1,225	89,300	90,525
Balance at 30 June 2023	42,193	2,627,994	2,670,187

¹ Relates to City and Southwest and Western Sydney Airport service concession financial liabilities that are progressively recognised during construction phase, in line with the progressive build-up of the service concession asset. The liability represents the Entity's obligation to pay the operator for providing the service concession asset. The Western Sydney Airport service concession arrangement applies from December 2022 only.

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Notes to the financial statements

for the year ended 30 June 2024

18. Provisions

	2024 \$'000	2023 \$'000
Land and buildings remediation	133,345	119,313
Other ¹	193,737	109,294
Current other provisions	327,082	228,607
Land and buildings remediation	31,284	8,850
Other ¹	9,521	13,071
Non-current other provisions	40,805	21,921

¹ Other provisions include provision for contractor claims of \$157.8 million (2023:\$88.4 million), minor repair costs for Metro Northwest of \$18.2 million (2023:\$17.7 million), future payment obligations under the Integrated Station Development arrangement of \$16.9 million (2023: \$16.3 million), and Metro operator proxy service cost of \$10.3 million (2023: nil).

Movement in provisions

	Land and Buildings Remediation \$'000	Integrated Station Development payment obligations \$'000	Others \$'000	Total \$'000
Carrying amount at the beginning of the financial year	128,163	16,315	106,050	250,528
Additional provision recognised	145,716	16,888	237,738	400,342
Disposals	(56,825)	(16,315)	(158,044)	(231,184)
Unused provision reversed	(53,122)	-	(780)	(53,902)
Change in provisions due to discount rate	697	-	1,406	2,103
Carrying amount at the end of the financial year	164,629	16,888	186,370	367,887

Recognition and measurement

Provisions exist when the Entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when the Entity has a detailed formal plan and it has raised a valid expectation in those affected by the restructuring by starting to implement the plan or announcing its main features to those affected.

If the effect of the time value of money is material, provisions are discounted at a rate that reflects the current market assessments of the time value of money and risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time (i.e. unwinding of discount rate) is recognised as a finance cost.

The land and buildings remediation provision is recognised when the Entity has a legal or constructive obligation to remediate property and other assets. The value recognised for each provision represents the most reliable basis for estimating the outflow of resources required to settle the obligations.

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Notes to the financial statements

for the year ended 30 June 2024

19. Other liabilities

	2024 \$'000	2023 \$'000
Income received in advance	4	5
Other ²	14,217	655
Current other liabilities	14,221	660
Income received in advance ¹	8,793	3,000
Other ²	624	14,089
Non-current other liabilities	9,417	17,089

¹ Relates to deposits received for the sale of a properties.

² Other liabilities include future payments required to be made in relation to Integrated Station Development arrangements of \$2.8 million (2023: \$2.7 million) and contribution from the metro operator for the contingency fund as part of the project deed of \$12.0 million (2023: \$12.0 million).

20. Equity and reserves

(a) Accumulated funds

Accumulated funds include all current and prior period retained funds.

(b) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Entity's policy on the revaluation of property, plant and equipment as outlined in Note 11.

(c) Hedge reserve

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and is accumulated in the hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the 'other gains and losses' line item. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line as the recognised hedged item. However, if the hedged item is the cost of a non-financial asset or liability, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

In 2023, \$11.1 million of hedge reserve balance was transferred to Property, Plant and Equipment as additions to initial carrying value of the hedged asset in accordance with AASB 9 *Financial Instruments*.

(d) Equity transfers

Equity transfers represent the transfer of net assets / liabilities between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies and 'equity appropriations. These equity transfers are designated or required by Australian Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'accumulated funds. This treatment is consistent with TPP 21-8 *Contributions by Owners Made to Wholly Owned Public Sector Entities* (TPP 21-8), AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners made to Wholly-owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit and for-profit government entities are recognised at the amount at which the assets and liabilities were recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

All other equity transfers are recognised at fair value.

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Notes to the financial statements

for the year ended 30 June 2024

20. Equity and reserves (continued)

During the year, the Entity had the following equity transfers:

- **Land assets transfers from Transport Asset Holding Entity (TAHE)**

The Entity entered into an agreement with TAHE for the acquisition of land assets at Chatswood, Central and Sydenham Stations required for the operation of Sydney Metro City and Southwest Project. The transfer occurred under section 29 of the *Land Acquisition (Just Terms Compensation) Act 1991* at a fair value of \$29.2 million. This transfer is treated as a contribution from TAHE and has been accounted for as adjustment to equity in accordance with TPP 21-08.

- **Transfer of Northwest Metro Car Park Boom Gates to Transport for NSW**

The Entity transferred the completed Northwest Metro car park boom gates with a total fair value of \$2.9 million to Transport for NSW (TfNSW). The vesting order, approved by the Secretary of Transport under the *Transport Administration Act 1988 (NSW)* resulted in an adjustment to equity in accordance with TPP 21-08.

- **Transfer of Land to TfNSW**

The Entity transferred a surplus land at Carrington Road in Castle Hill at a fair value of \$95,000 to TfNSW for its road widening purposes. The vesting order, approved by the Secretary of Transport under the *Transport Administration Act 1988 (NSW)*, resulted in an adjustment to equity in accordance with TPP 21-08.

In 2023, the Transport Secretary directed Sydney Metro to transfer electronic ticketing system assets at a fair value of \$2.9 million to Transport for NSW under the *Transport Administrations Act 1988*, and it has been accounted for as adjustment to equity in accordance with TPP 21-08.

21. Reconciliation of net cash flows from operating activities to net result

	Notes	2024 \$'000	2023 \$'000
Net cash inflows/(outflows) from operating activities		6,714,027	6,206,211
Depreciation and amortisation	2(d)	(282,858)	(233,071)
Non-cash revenue and expenses		(199,439)	(214,937)
Other gains/(losses)	5	(43,174)	(998,484)
Increase/(Decrease) in receivable, inventory and other assets		(80,856)	(219,173)
Decrease/(Increase) in payables and provisions		(21,998)	(8,742)
Net gain/(loss) on sale of property, plant and equipment	4	28,000	49,672
Reconciliation to net result		6,113,702	4,581,476

22. Non-cash financing and investing activities

	Notes	2024 \$'000	2023 \$'000
Property, plant and equipment revaluation decrement	5	(61,099)	(1,014,746)
Contributions from other government agencies	3(c)	5,200	2,290
Equity transfers	20(d)	26,254	(2,905)
Property, plant and equipment acquired through service concession		850,702	806,589
Non cash investing activities		821,057	(208,772)
Liabilities in respect of acquisition of plant and equipment		(850,702)	(806,589)
Gains/(losses) on financial liability at amortised cost	5	19,979	2,475
Non cash financing activities		(830,723)	(804,114)
Non cash financing and investing activities		(9,666)	(1,012,886)

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Notes to the financial statements

for the year ended 30 June 2024

23. Commitments

	2024 \$'000	2023 \$'000
Capital commitments		
Aggregate capital expenditure for the acquisition of property, plant and equipment contracted for at reporting date and not provided for:		
Not later than one year	4,288,348	5,326,037
Later than one year and not later than five years	2,937,198	4,133,666
Later than five years	4,548	890
Total (including GST)	7,230,094	9,460,593

Net GST on all commitments estimated at \$657.3 million (2023: \$860.1 million) will be recouped from the Australian Taxation Office.

24. Contingent assets and contingent liabilities

Contingent liabilities

There are contractual claims that have been made by contractors engaged by the Entity on the Sydney Metro City & Southwest and Sydney Metro Western Sydney Airport projects in the ordinary course of business. The amount of the liability that may arise from these contractual claims cannot be measured reliably at this time.

There are a number of litigation proceedings in relation to property acquisitions for the Sydney Metro City & Southwest, Sydney Metro West and Sydney Metro Western Sydney Airport projects where claims differ from the Valuer General's determined amount. The exact amount of liability, if any, that may arise in relation to these disputes cannot be ascertained at this time as the outcome of these litigation proceedings is inherently unpredictable, including whether settlement can be reached prior to the court's determination of compensation. In respect of these litigation proceedings, the difference between the total amount of the claims and any amount paid and/or accrued is in the order of \$1.3 billion (2023: \$1.3 billion). This amount does not include statutory interest, or claimant legal costs, where not known.

The Entity has an agreement with Landcom for the development of parcels of land surrounding the Metro Northwest station sites. Under the terms of the arrangement, the Entity has a possible liability that is contingent on the achievement of certain milestones and thresholds by Landcom.

The Entity may be indirectly exposed to future liabilities arising from investigations underway by regulatory bodies in relation to the actions undertaken by contractors engaged by the Entity at the sites under construction. There is significant uncertainty as to whether any future liability will emerge from the outcome of these investigations, and as such a liability cannot be accurately calculated at the date of preparation of the financial statements.

The Entity does not have any other contingent liabilities that would significantly impact on the state of affairs of the Entity or have a material effect on these financial statements.

Contingent assets

The Entity has initiated a cost recovery claim against a contractor involved in Sydney Metro Western Sydney Airport project due to a defect that the contractor is unable to rectify. The potential amount and recognition of this contingent asset is dependent on the successful settlement of the claim.

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Notes to the financial statements

for the year ended 30 June 2024

25. Financial instruments

The Entity's principal financial instruments are outlined below. These financial instruments arise directly from the Entity's operations or are required to finance the Entity's operations and manage forecast cash flow exposures. The Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The operational activities of the Entity expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk, and electricity price risk). The main risks arising from these financial instruments are outlined below together with the Entity's objectives, policies and processes for measuring and managing risk.

Methods used to measure risk include sensitivity analysis in the case of interest rate, foreign exchange and other commodity price risks, and an ageing analysis for credit risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and review and determines policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Entity, to set limits and to monitor risks. Compliance with these policies is reviewed by the Entity on a continuous basis.

(a) Financial instrument categories

	Notes	Category	Carrying amount 2024 \$'000	Carrying amount 2023 \$'000
Financial Assets				
Class:				
Cash and Cash Equivalents	6	Amortised cost	1,784,523	547,878
Receivables ¹	7	Amortised cost	859,228	1,171,026
		Fair value through profit or loss - designated as such at initial recognition	43,223	53,493
Financial assets at fair value	8			
Other financial assets	9	Amortised cost	10,760	9,429
Total			2,697,734	1,781,826
Financial Liabilities				
Class:				
Trade creditors and accruals ²	15	Financial liabilities measured at amortised cost	554,647	555,375
Other liabilities ²	19	Financial liabilities measured at amortised cost	14,841	14,744
Borrowings	17	Financial liabilities measured at amortised cost	2,934,832	2,670,187
Total			3,504,320	3,240,306

¹ Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

² Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

The Entity determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

25. Financial instruments (continued)**(b) Derecognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Entity transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'passthrough' arrangement; and either:

- the entity has transferred substantially all the risks and rewards of the asset; or
- the entity has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Derivatives

The Entity only uses derivatives for hedging purposes and not as trading or speculative instruments. The Entity has nil derivative financial liabilities (2023: nil), and \$43.2 million (2023: \$53.5 million) derivative financial assets.

All derivatives are measured at fair value. Information about the exposure is provided: credit risk in Note 25 (e)(i), market risk in Note 25 (e)(iii), the methods and assumptions used in determining fair values of derivatives in Note 25(f).

Energy price risk management

The Entity is exposed to energy price risk associated with the purchase of energy to operate transport services.

It is the Entity's policy to manage the energy price exposure arising from its energy load by entering into fixed price supply arrangements with retailers or to hedge forecast exposures on a portion of its energy load for periods up to 15 years.

The exposure to fluctuations in the wholesale market prices is managed through the use of a derivative financial instrument.

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Notes to the financial statements

for the year ended 30 June 2024

25. Financial instruments (continued)

Energy price risk management (continued)

The following table indicates the periods in which the cash flow associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments.

	Notional MW/h	Expected cash flow			Total \$'000
		Less than 12 months \$'000	1 - 5 Years \$'000	Greater than 5 Years \$'000	
2024					
Energy derivative contract	134,000	-	6,886	10,854	17,740
2023					
Energy derivative contract	134,000	-	2,256	16,461	18,717

(e) Financial risks

i. Credit risk

Credit risk arises when there is a possibility that the counterparty will default on their contractual obligations, resulting in financial loss to the Entity. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from financial assets of the reporting Entity, including cash and cash equivalents, as well as credit exposure to customers, including outstanding receivables and committed transactions and derivative financial instruments. The Entity holds bank guarantees for significant contractors. The Entity has not granted any financial guarantees.

Credit risk associated with Entity's financial assets other than receivables, is managed through the sound selection of counterparties and establishment of minimum credit rating standards.

The Entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Entity may also consider a financial asset to be in default when internal or external information indicates that the Entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Entity. Credit risk impacts on the financial instruments are discussed below.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the current Reserve Bank of Australia official cash rate.

Derivatives

The Entity limits its exposure to credit risk by entering into derivative financial instruments only with approved counterparties that have an acceptable credit rating. Derivative counterparties are limited to high creditworthy organisations in the energy industry. The Entity also utilises International Swaps and Derivative Association (ISDA) agreements with derivative counterparties in order to limit exposure to credit risk through the netting of amounts receivable from and amounts payable to individual counterparties.

25. Financial instruments (continued)

(e) Financial risks (continued)

i. Credit risk (continued)

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis.

The Entity applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. The Entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Most trade debtors are NSW Government agencies, where the risk of credit loss is not material and there is no reasonable expectation of non-recovery of receivables. Therefore, the Entity's loss allowance for trade debtors as at 30 June 2024 and 30 June 2023 was determined as nil.

The Entity applies the AASB 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. The Entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Most trade debtors are NSW Government agencies, where the risk of credit loss is not material and there is no reasonable expectation of non-recovery of receivables. Therefore, the Entity's loss allowance for trade debtors as at 30 June 2024 and 30 June 2023 was determined as nil.

ii. Liquidity risk

Liquidity risk is the risk that the Entity will be unable to meet its payment obligations when they fall due. The Entity continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high-quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

During the current year, there were no defaults on borrowings and no assets have been pledged as collateral. The Entity's exposure to liquidity risk is deemed insignificant based on current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

NSW Treasury obtained a GSF Act financial arrangements approval for an aggregate facility borrowing limit for all GSF agencies under purchasing card and other card facilities of \$700.0 million on 9 February 2023. The Entity had an amount owing of \$0.2 million, for spend that forms part of the aggregate facility borrowing limit as at 30 June 2024.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

25. Financial instruments (continued)

ii. Liquidity risk (continued)

The table below summarises the maturity profile of the Entity's financial liabilities, together with the interest rate exposure.

	Weighted Average Effective Interest Rate (%)	Nominal Amount ¹ \$'000	Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	<1 year \$'000	1 -5 years \$'000	> 5 years \$'000	Total \$'000
As at 30 June 2024									
Payables									
Trade creditors and accruals	-	554,647	-	-	554,647	554,647	-	-	554,647
Other liabilities	-	14,841	-	-	14,841	14,217	624	-	14,841
Borrowings									
Service concession financial liabilities	6.0	5,886,108	5,886,108	-	-	88,137	2,869,866	2,928,105	5,886,108
Lease liabilities	3.7	38,994	-	38,994	-	8,141	24,450	6,403	38,994
		6,494,590	5,886,108	38,994	569,488	665,142	2,894,940	2,934,508	6,494,590
As at 30 June 2023									
Payables									
Trade creditors, accruals and other liabilities	-	555,376	-	-	555,376	555,376	-	-	555,376
Other liabilities	-	14,744	-	-	14,744	655	14,089	-	14,744
Borrowings									
Service concession financial liabilities	4.5	6,416,457	5,502,129	914,328	-	669,595	1,425,008	4,321,854	6,416,457
Lease liabilities	3.7	47,388	-	47,388	-	9,366	31,729	6,294	47,389
		7,033,965	5,502,129	961,716	570,120	1,234,992	1,470,826	4,328,148	7,033,966

¹ The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Entity can be required to pay. These amounts include both interest and principal cashflows and therefore will not reconcile to the amounts disclosed in the statement of financial position.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

25. Financial instruments (continued)

iii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Entity's exposure to market risk is primarily through foreign exchange risks associated with overseas purchase commitments and commodity price risk associated with energy purchases and interest rate risk associated with interest bearing payment commitments.

The effect on net result and equity due to a reasonable possible change in risk variable is outlined in the information provided below, for interest rate risk and other price risk including currency movements. A reasonable possible change in risk variable has been determined after taking into account the economic environment in which the Entity operates and the time frame for the assessment (i.e., until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance date. The analyses is performed on the same basis as for 2023. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Entity's interest-bearing liabilities.

The Entity does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid or earned. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates:

2024	Carrying amount \$'000	-1%		1%	
		Net Result \$'000	Equity \$'000	Net Result \$'000	Equity \$'000
Financial Assets					
Cash and cash equivalents	1,784,523	(17,845)	(17,845)	17,845	17,845
Financial assets at fair value	43,223	(432)	(432)	432	432
Financial Liabilities					
Service concession financial liability	-	-	-	-	-

2023	Carrying amount \$'000	-1%		1%	
		Net Result \$'000	Equity \$'000	Net Result \$'000	Equity \$'000
Financial Assets					
Cash and cash equivalents	547,878	(5,479)	(5,479)	5,479	5,479
Financial assets at fair value	53,493	(535)	(535)	535	535
Financial Liabilities					
Service concession financial liability	914,329	6,553	6,553	(6,553)	(6,553)

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

25. Financial instruments (continued)

iii. Market risk (continued)

Foreign exchange risk

Exposure to foreign exchange risk arises primarily through the contractual commercial transactions denominated in a foreign currency. There is no foreign exchange exposure for the Entity as at 30 June 2024 (2023: nil exposure).

Commodity price risk

The Entity is exposed to commodity price risk from electricity purchases.

The Entity is exposed to electricity price risk associated with the purchase of electricity to operate Metro services. The exposure to fluctuations in wholesale market prices is managed by entering into fixed price supply arrangements with retailers or to hedge forecast exposure on a portion of the Entity's energy load. Generally, electricity swap contracts are designated as cash flow hedges. However as at 30 June 2023, the only electricity derivative financial instrument was not designated in a hedge relationship under AASB 9 *Financial Instruments*. This derivative is classified as held for trading. The derivative is carried as a financial liability when the fair value is negative. Gains or losses on liabilities held for trading are recognised in the net result.

The Entity's exposure to commodity price risk is set out in the table below, with all other variables being held constant.

The impact on net result is due to changes in the fair value of the financial instruments.

A sensitivity of 10 percent movement in the spot price of the respective commodities has been selected for use in the sensitivity analysis at the reporting date.

		10%		-10%	
	Notional MW/h \$'000	Net Result \$'000	Equity \$'000	Net Result \$'000	Equity \$'000
2024					
Energy Derivatives	134,000	24,948	-	10,531	-
Total	134,000	24,948	-	10,531	-
2023					
Energy Derivatives	134,000	26,419	-	12,231	-
Total	134,000	26,419	-	12,231	-

(f) Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The following table details the financial instruments where the fair value differs from the carrying amount:

	Fair value 2024 \$'000	Carrying amount 2024 \$'000	Fair value 2023 \$'000	Carrying amount 2023 \$'000
Borrowings				
Service concession financial liabilities ¹	(3,227,808)	(2,899,700)	(3,099,189)	(2,627,994)

¹The fair value of service concession financial liabilities is determined using the discounted cash flow analysis method that reflects the Entity's incremental borrowing rates, which is TCorp lending rates at the end of the reporting period.

25. Financial instruments (continued)

(f) Fair value compared to carrying amount (continued)

The fair values of financial instrument assets and liabilities are determined as follow:

- the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial instrument assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The amortised cost of all other financial instruments recognised in the Statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Fair value recognised in the Statement of financial position

	Level 1 2024 \$'000	Level 2 2024 \$'000	Level 3 2024 \$'000	Total fair value 2024 \$'000
2024				
Financial assets at fair value				
Energy derivative	-	-	17,740	17,740
Interest rate swaps derivative	-	25,483	-	25,483
Total	-	25,483	17,740	43,223

	Level 1 2023 \$'000	Level 2 2023 \$'000	Level 3 2023 \$'000	Total fair value 2023 \$'000
2023				
Financial Assets				
Energy derivative	-	-	19,253	19,253
Interest rate swaps derivative	-	34,240	-	34,240
Total	-	34,240	19,253	53,493

The fair value of the energy derivative is determined as the present value of future contracted cash flows and credit adjustments (Level 3). Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.

The fair value of the interest rate swap derivative is based on market value (level 2).

There were no transfers between Level 1, 2 or 3 during the year.

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

26. Budget review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfers of functions between entities as a result of Administrative Arrangement Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed on the primary financial statements are explained below.

(a) Net Result

The actual net result was less than original budget by \$911 million, mainly due to the following:

	\$M
Net result per the Budget	7,025
Variance between budget and actual comprises of:	
Higher actual operating expenses	(21)
Lower actual grants and subsidies expense	103
Higher actual other expenses	(9)
Lower actual depreciation expense	155
Lower actual gain on asset disposal	(710)
Lower interest expense from service concession financial liabilities	33
Higher actual sale of goods and services	43
Higher actual investment revenue	14
Lower actual grants and contributions	(478)
Other gains/losses not budgeted	(43)
Other variances	2
Actual net result	6,114

(b) Assets and liabilities

The actual net assets were \$387 million lower than the original budget, mainly due to the following:

Closing net assets as per the Budget	40,491
Variance between budget and actual comprises of:	
Lower than budgeted cash balance	(95)
Lower than budgeted capital activities	(836)
Higher actual receivables	293
Higher actual non-current assets held for sale	116
Lower than budgeted borrowings	306
Lower than budgeted derivative assets	(10)
Higher than budgeted provisions	(143)
Higher than budgeted other liabilities	(10)
Other variances	(8)
Actual net assets	40,104

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

26. Budget review (continued)

(c) Cash flows

The closing cash position was \$94 million lower than budget due to the following:

Closing cash and cash equivalents per budget	1,879
Variance between budget and actual comprises of:	
Lower than budgeted net cash flow from operating activities mainly due to higher payments to suppliers and service contract payments	(563)
Lower than budgeted net cash flow from investing activities due to lower capital spend	(838)
Lower than budgeted net cash flow from financing activities due to lower repayments of borrowings	1,307
Closing Actual cash and cash equivalents	1,785

27. Related party disclosures

a) Key management personnel compensation

During the year, the Entity incurred \$1.3 million (2023: \$1.3 million) in respect of the key management personnel services that are provided by the Transport Service of NSW. The amount incurred excludes long service leave and defined benefit superannuation scheme benefits assumed by the Crown in accordance with TPG 23-16 Related party disclosures.

b) Transactions and outstanding balances with key management personnel

There were no material transactions or outstanding balances with key management personnel of the Entity during the financial year (2023: no material transactions).

During 2023-24, the Entity entered into the following transactions with its parent within the normal course of business:

- Grant revenue received from Transport for NSW;
- Recoupment of project and other costs incurred by Sydney Metro on behalf of Transport for NSW;
- Payments for shared services provided by Transport Service NSW, these are charges for personnel services, finance, human resources, and information technology services;
- Recurrent grant expense with Transport for NSW;
- Redundancy payments from Crown through Transport for NSW;
- Prepayments made to Transport for NSW related to St. Mary's Footbridge;
- Vesting of Northwest Metro car park boom gates and surplus land at Carrington Road to Transport for NSW; and
- Provision for make good for 680 George Street lease.

During 2022-23, the Entity entered into the following transactions with its parent within the normal course of business:

- Grant revenue received from Transport for NSW;
- Recoupment of project and other costs incurred by Sydney Metro on behalf of Transport for NSW;
- Payments for shared services provided by Transport Service NSW, these are charges for personnel services, finance, human resources, and information technology services;
- Vesting of electronic ticketing system assets to Transport for NSW; and
- Additional make good provision for the rent of community centre and office building.

c) Transactions and outstanding balances with other related parties during the financial year

There were no transactions or outstanding balances with other related parties during the financial year (2023: nil).

Sydney Metro

Notes to the financial statements

for the year ended 30 June 2024

27. Related party disclosures (continued)

d) Transactions and outstanding balances with government related entities during the financial year

During 2023-24, the Entity entered into the following transactions with other entities consolidated as part of the NSW Total State Sector (the ultimate parent) within the normal course of business:

- Monthly reimbursements from TAHE for the design and construction of major rail projects by Sydney Metro;
- Asset transfer from TAHE to Sydney Metro for City and Southwest City section;
- Payments for personnel services provided by Transport Service of NSW;
- Various insurance arrangements with iCare Insurance/NSW Self Insurance Corporation;
- Payments for services and works provided by Sydney Trains;
- Recoupment of project and other costs incurred by Sydney Metro on behalf of Infrastructure NSW;
- Lease arrangements with Newcastle Port Corporation for the use of facilities as a construction site;
- Third party works with Sydney Water;
- Lease arrangements with Newcastle Port Corporation for 48 Roberts St Rozelle; and
- Recoupable project costs from Sydney Water Corporation.

During 2022-23, the Entity entered into the following transactions with other entities consolidated as part of the NSW Total State Sector (the ultimate parent) within the normal course of business:

- Monthly reimbursements from TAHE for the design and construction of major rail projects by Sydney Metro;
- Payments for personnel services provided by Transport Service of NSW;
- Various insurance arrangements with iCare Insurance/NSW Self Insurance Corporation;
- Payments for services and works provided by Sydney Trains;
- Lease arrangements with Newcastle Port Corporation for the use of facilities as a construction site;
- Recoupment of project and other costs incurred by Sydney Metro on behalf of Sydney Trains;
- Lease arrangements with Newcastle Port Corporation for 48 Roberts St Rozelle;
- Third party works with Sydney Water and Transport Asset Holding Entity;
- Transfer of land from Infrastructure NSW of land for the City and Southwest Metro project;
- Payment of selling costs of Landcom site; and
- Redundancy costs funded by NSW Treasury via Transport for NSW for the Entity.

28. Trust funds

The Entity holds funds in trust for compulsory land acquisition compensation payable under the *Land Acquisition (Just Terms Compensation) Act 1991*. As the Entity performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the Entity's own objectives, these funds are not recognised in the financial statements.

The following is a summary of the transactions in the trust account:

	2024	2023
	\$'000	\$'000
Cash balance 1 July	26,140	50,513
Add: Receipts	811	9,541
Less: Expenditure	(18,549)	(33,914)
Cash balance at 30 June	8,402	26,140

29. Events after the reporting period

Service Concession Arrangement for the Sydney Metro City & Southwest project

Passenger services commenced on 19 August 2024 as part of the Sydney Metro City & Southwest project, extending the metro line from the terminus of the Metro North West Line at Chatswood, beneath Sydney Harbour, and through the Sydney CBD, to Sydenham (Stage 1). The metro line between Sydenham to Bankstown (Stage 2) remains under construction.

Assets that became operational upon passenger service include service concession assets. During the construction phase, the Entity applied the higher of the 'interest accretion' and indexation methods to measure these service concession assets at current replacement cost. A comprehensive valuation of all operational assets for the portions of the Sydney Metro City & Southwest metro line that opened to the public on 19 August 2024 and in use, is currently being performed and will be finalised during FY24/25. The results of this comprehensive asset valuation will be incorporated into the Entity's financial statements for the year ending 30 June 2025.

Certain works of the Stage 1 Sydney Metro City & Southwest metro line remain as assets under construction, as at the date of authorisation of the financial statements, as they are not yet completed and will become operational at a later date, at which point appropriate asset valuations will be performed and incorporated into the Entity's financial statements.

The aforementioned events are considered non-adjusting events after the reporting period ended 30 June 2024.

Property, plant and equipment fair value adjustment

The Entity engaged an independent valuer to undertake a revised roll forward valuation of its Northwest rail infrastructure assets from 31 March 2024 to 30 June 2024 based on the availability of the June 2024 quarter indexation data in August 2024. This resulted in a decrease in the fair value of these assets by \$175.8 million. The decrease in the fair value is due to lower than forecasted prices for materials and labour.

In addition, management conducted a fair value assessment of the Entity's rail infrastructure system assets under construction based on the availability of June 2024 quarter indexation data in August 2024. This resulted in an increase in the fair value of these assets by \$76.6 million.

The amounts recognised in the financial statements for the events above are considered adjusting events after the reporting period as the conditions existed at 30 June 2024. The Entity had recognised a net decrease of \$99.2 million in property, plant and equipment and a corresponding net decrease in the asset revaluation reserve balance.

End of audited financial statements.

Sydney Metro Annual Report

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2023-24

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