

# Annual Report **2017**

ANZ Stadium  
McDonald Jones Stadium  
Newcastle Entertainment Centre and Showground  
Pirtek Stadium  
Western Sydney Stadium  
WIN Sports and Entertainment Centres

# Venues NSW Contents

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## Venues NSW

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Locked Bag 1422 Silverwater NSW 2128  
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E info@venuesnsw.com

[venuesnsw.com](http://venuesnsw.com)

ABN 26 283 293 435  
Office hours: 9am – 5pm Monday to Friday  
Please note that business hours at each venue are in line with the nature of events

## ANZ Stadium

15 Edwin Flack Avenue  
Sydney Olympic Park NSW 2127  
Locked Bag 1999  
Sydney Olympic Park NSW 2127  
T +61 2 8765 2000  
F +61 2 8765 2800  
E admin@anzstadium.com.au

[anzstadium.com.au](http://anzstadium.com.au)



## McDonald Jones Stadium

294 Turton Road  
Broadmeadow NSW 2292  
PO Box 83  
New Lambton NSW 2305  
T +61 2 4903 3800  
F +61 2 4956 1624  
E info@mcdonaldjonesstadium.com

[mcdonaldjonesstadium.com](http://mcdonaldjonesstadium.com)



## Newcastle Entertainment Centre and Showground

Showground, Brown Road  
Broadmeadow NSW 2292  
PO Box 280 Waratah NSW 2298  
T +61 2 4921 2100  
F +61 2 4921 2199  
E admin@nec.net.au

[nec.net.au](http://nec.net.au)



## WIN Sports and Entertainment Centres

Cnr Crown & Harbour Streets  
Wollongong NSW 2500  
PO Box 3100 Wollongong NSW 2520  
T +61 2 4220 2800  
F +61 2 4220 2801  
E info@wsec.com.au

[wsec.com.au](http://wsec.com.au)



## Pirtek Stadium

*Decommissioned 31 December 2016*

O'Connell Street  
Parramatta NSW 2150  
PO Box 2471  
North Parramatta NSW 1750





CDGS17/315

The Hon Stuart Ayres MP  
Minister for Western Sydney  
Minister for WestConnex  
Minister for Sport

Level 19, 52 Martin Place  
SYDNEY NSW 2000

**Venues NSW Annual Report 2016-17**

Dear Minister Ayres

In accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983*, and the Regulations under those Acts, we are pleased to submit Venues NSW Annual Report 2016-17 for your information, and for tabling in Parliament.

The Annual Report outlines achievements for the 2016-17 financial year in the context of Venues NSW strategic priorities and responsibilities. These achievements were made possible by the expertise and commitment of the Venues NSW Board and staff, and I thank them for their dedication, contributions and hard work.

Yours sincerely

A handwritten signature in blue ink that reads "Christine McLoughlin".

Christine McLoughlin  
**Chairman**

31/10/2017

A handwritten signature in blue ink that reads "John Quayle".

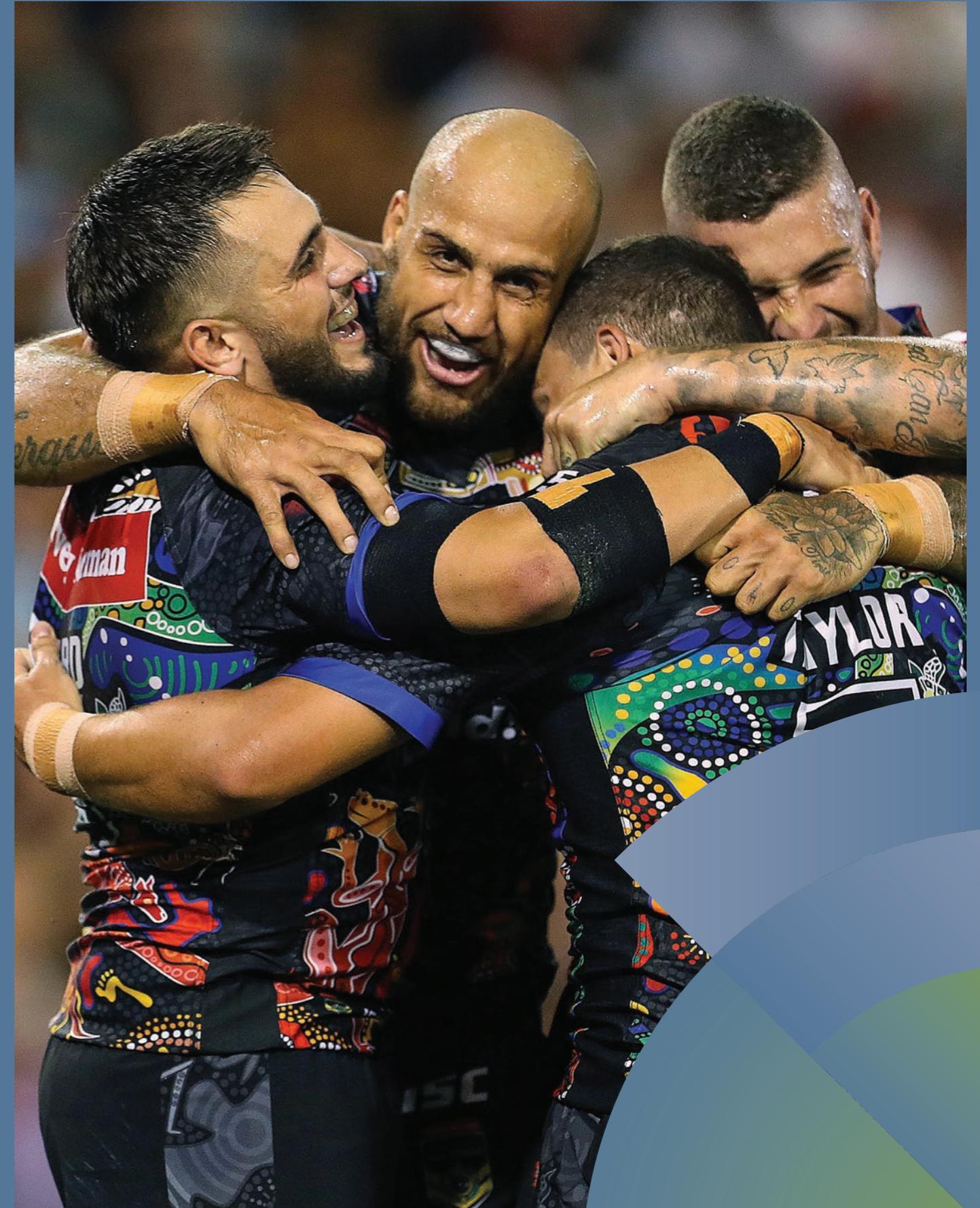
John Quayle  
**Deputy Chairman**

31/10/2017

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ANZ Stadium | McDonald Jones Stadium | Newcastle Entertainment Centre & Showground | WIN Sports and Entertainment Centres | Western Sydney Stadium



# Venues NSW Highlights



1,200 JOBS DURING CONSTRUCTION OF WESTERN SYDNEY STADIUM

1,200



\$33.21 MILLION FOR CAPITAL INVESTMENT INFRASTRUCTURE

\$33.21m



1.43 MILLION SPECTATOR ATTENDANCES AT OUR VENUES

1.43m



537 TOTAL SPORTING, ENTERTAINMENT, AND CULTURAL EVENTS

537



## WIN Stadium

In August 2016, The Wollongong Wolves were unable to hold off Sydney FC but the final match score 3-0 did not reflect the fierceness of the game



## ANZ Stadium

The Holden State of Origin II NSW Blues vs QLD Maroons game in June 2017 offered the 82,000-strong crowd a nail biting game but Queensland ultimately took the match by two points



## Pirtek Stadium

The last match to be played at Pirtek Stadium before its demolition commenced in February 2017 saw the Parramatta Eels defeat the St George Illawarra Dragons in a tough game in front of nearly 12,000 people



Source: Lynley Reid

## Newcastle Entertainment Centre and WIN Entertainment Centre

Nearly 92,000 people attended Disney on Ice at the Entertainment Centres and were transformed into a magical world where Disney characters come to life



## McDonald Jones Stadium

McDonald Jones Stadium hosted the NRL Indigenous All Stars vs NRL World All Stars in February 2017, with crowds exceeding 16,800 patrons



Source: Lynley Reid

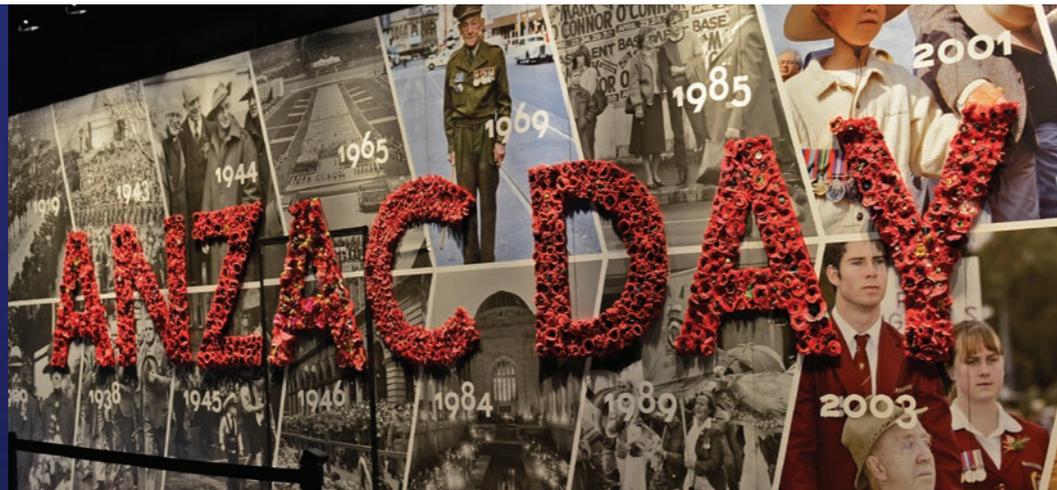
## WIN Sports and Entertainment Centres

More than 13,500 spectators watched athletes descend on the WIN Entertainment Centre in May 2017 when it hosted the Reebok CrossFit Games (2017) Pacific Regional



## WIN Stadium

Carl Barron kept audiences on the edge of their seats with his comic relief, Drinking with a Fork 2016



## Newcastle Entertainment Centre

The Spirit of ANZAC Centenary Experience travelling exhibition visited in April 2017 with an emotional re-telling of the story of Australia's involvement in conflicts from pre-First World War to the present day



## McDonald Jones Stadium

The Newcastle Jets vs CC Mariners local derby in November 2016 achieved one of the largest football crowds at the stadium with more than 10,000 patrons in attendance



## ANZ Stadium

A packed ANZ Stadium in May 2017 welcomed the famous Reds of Liverpool, Liverpool FC, to line up against Sydney FC's Skys of Blue



## McDonald Jones Stadium

The Round 7 Newcastle Knights vs Sydney Roosters game in April 2017 attracted the Stadium's highest NRL attendance for the year

# Venues NSW Chairman's Report



## Highlights

- » New structure and governance framework for the Venues NSW Board
- » Vesting of ANZ Stadium to Venues NSW
- » Release of *A Vision for the Hunter Sports and Entertainment Precinct: A Discussion Document for Community Consultation*
- » Commencement of site works on Western Sydney Stadium

On behalf of the Venues NSW Board, I am pleased to present the *Annual Report 2016-17*, my first since being appointed Chairman in April 2017.

This has been a remarkable year for Venues NSW. Through legislative changes, our Minister, the Hon. Stuart Ayres MP, was enabled to sign a Vesting Order transferring ANZ Stadium to the Venues NSW portfolio of stadia and entertainment centres, effective from April 2017. This allowed the implementation of a fully integrated operating model, formation of a network of stadia and entertainment centres and significantly altered the organisation's governance and financial profile.

To match this important development, we have seen improved governance arrangements, including expanding the Board to nine Directors with the ability to hold office for up to eight years. The appointment of a new and expanded Board that collectively presents a wide range of commercial and customer-focused skills will provide strong governance, strategic direction and oversight to the operations of Venues NSW.

One of the key steps to strengthening governance, management advisory and oversight has been the establishment of two Board committees: Audit and Risk, and Stakeholder and Membership.

The Board has a strong focus on the commercial viability of Venues NSW, a statutory authority, and on securing its position as independent and financially sustainable. Priorities for the Board are to deliver modern, contemporary infrastructure within sport and entertainment precincts, and present the highest quality content in New South Wales, now and into the future.

Venues NSW is committed to working with the NSW Government to deliver on the *Rebuilding the Major Stadia Network* (2015), which outlined the State's biggest investment in sport and major event infrastructure since the 2000 Olympics.

This work has commenced, with the construction of Western Sydney Stadium in Parramatta, and the Venues NSW Board currently awaits the NSW Government's decision on the ANZ Stadium redevelopment business case.

In the closing months of the year, the NSW Government approved the release of *A Vision for the Hunter Sports and Entertainment Precinct* for public consultation during July-November 2017. The 63-hectare Precinct at Broadmeadow in Newcastle includes McDonald Jones Stadium and Newcastle Entertainment Centre and Showground. In line with Venues NSW's strategic intent, this concept plan aims to increase visitation, improve participation opportunities and ensure a better audience experience.

I sincerely thank my serving Directors and former Directors for their dedication and commitment. The Board owes its deep gratitude to former Executive Director, Janett Milligan, whose tireless efforts helped position Venues NSW to move forward.

I look forward to working with my Board colleagues, the Venues NSW management team, our partners and stakeholders in the coming years.

  
Christine McLoughlin

# Venues NSW Chief Executive Officer's Report



## Highlights

- » Lendlease Building named design and construction contractor for Western Sydney Stadium, and site works commenced
- » New naming rights agreement for McDonald Jones Stadium, formerly Hunter Stadium
- » 1.43 million attendances at our stadia and entertainment venues
- » An increase of 22 per cent across our International, National and Local Sport attendances compared to 2015-16
- » Hosted more than 150 events at WIN Entertainment Centre and Newcastle Entertainment Centre
- » More than a 30 per cent increase in attendance at our shows and concerts compared to 2015-16

Venues NSW is a young organisation navigating rapid shifts in its operating environment and I am proud to present this Annual Report of our achievements during 2016-17.

The year has seen significant expansion of Venues NSW's business as the owner, coordinator and promoter of a portfolio of key sports and entertainment assets

throughout NSW. Following legislative changes to the *Sporting Venues Authority Act 2008* and *Sporting Venues Authority Regulation 2014*, the tier one ANZ Stadium at Sydney Olympic Park was transferred to our network of stadia in April 2017.

The busy events schedule continues to focus on the expanded group of anchor tenants: the NRL's Newcastle Knights, Parramatta Eels, South Sydney Rabbitohs, Canterbury Bulldogs, Wests Tigers and St George Illawarra Dragons; the A-League's Western Sydney Wanderers and Newcastle Jets; and the NBL's Illawarra Hawks.

We hosted more than 1.43 million attendances at our stadiums and entertainment venues this year. This included a range of great sporting events, National Rugby League (NRL) games and the State of Origin II, A-League (Football Federation Australia) matches, a Football Federation Australia Cup match, National Basketball League games as well as the National Ballroom Championships, International CrossFit Games Pacific Regional Championships and PBR Bull Riding. Across our venues we achieved an increase of 22 per cent in our International, National and Local Sport spectator attendance compared to 2015-16.

The Entertainment Centres in Newcastle and Wollongong exceeded expectations delivering an array of entertainment to their communities. For the year, they hosted more than 150 concerts, exhibitions, shows, conferences and community events between them, achieving a 30 per cent increase in attendance. Their diverse program saw them offering something for everyone – with appearances by Morrissey, Carl Barron, Andre Rieu, Delta Goodrem, Human Nature, the Brickman Experience (Lego exhibition), The Wiggles and Disney on Ice.

Standing behind all this activity, Venues NSW is committed to developing the communities it serves and to this end we progressed several important strategic priorities this year.

This included securing NSW government support to release *A Vision for the Hunter*

*Sports and Entertainment Precinct* - a concept plan for community and stakeholder consultation. Venues NSW believes a fully realised concept plan for the Precinct will deliver significant benefits to the region including improved infrastructure, employment prospects and opportunities for new events and attractions.

We have progressed development of Western Sydney Stadium in Parramatta, beginning with the decommissioning and demolition of Pirtek Stadium. In December, Lendlease Building was named as design and construction contractor for the new stadium. Pre-construction site works for the new stadium has commenced and in the coming year we will be focusing on formulation of Western Sydney Stadium's operating model, commission of naming rights, securing sponsorships and negotiating leases and licences.

We are strengthening the commercial viability of the business and have delivered a range of operational and financial improvements across the Venues NSW network of stadia and entertainment centres. For example, confirming the relationship with McDonald Jones Homes as the naming rights sponsor of the stadium in Newcastle.

Venues NSW has an exciting year ahead, as we continue to build on management and operations capacity. The team is small, but continues to produce excellent results, for which I thank them.

I also thank former Board members for their guidance, support and commitment to Venues NSW and to what we are delivering for the people of NSW. I thank Janett Milligan, former Executive Director, for her dedication to Venues NSW and her ongoing assistance with the Western Sydney Stadium project.

My team and I congratulate the new Chairman, Christine McLoughlin, and Board members on their appointments and look forward to working with them in the coming year.

  
Paul Doorn

# Venues NSW Portfolio

Venues NSW's brief is to take an integrated approach to the development of stadia and entertainment centres, bringing together users, services and resources to co-ordinate key projects and programs as well as making partnerships between the venues, the sporting codes, the entertainment and events industry, the audiences, local businesses, NSW Government agencies and community groups.

It manages land and operates a portfolio of sporting and entertainment assets valued at more than \$564 million, which are used for a range of commercial and community purposes.



## ANZ Stadium

*Vested in Venues NSW April 2017*

ANZ Stadium is a multi-purpose outdoor stadium in Sydney Olympic Park and is operated by VenuesLive Management Services on behalf of Venues NSW.

It was opened in 1999 in time for the 2000 Olympics. Built as an oval to host more than 110,000 athletics spectators, a reconfiguration of the Stadium in 2003 reduced capacity to 83,500 including 18,000 stadium Members and 6,000 corporate seats.

ANZ Stadium's dynamic design allows it to host a range of sporting codes and some of Australia's biggest football matches. The Western Sydney Wanderers (A-League), and NRL teams – Canterbury Bulldogs, South Sydney Rabbitohs, Parramatta Eels, Wests Tigers and St George Illawarra Dragons – also stage matches at ANZ Stadium.

The Stadium is also Sydney's premier outdoor concert venue for the world's biggest entertainment with acts including AC/DC, U2, The Rolling Stones, Foo Fighters, Bon Jovi, Eminem, Taylor Swift, Guns N' Roses, Adele and Justin Bieber appearing here to capacity crowds.

The Stadium has set a series of record international and national attendances with some 25 million fans sharing in the excitement of Australia's greatest events and iconic sporting moments.

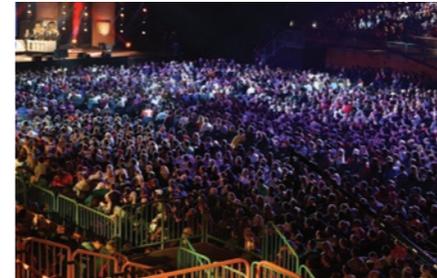


## McDonald Jones Stadium

McDonald Jones Stadium in Newcastle is operated by Venues NSW. It is a multi-purpose outdoor stadium with a capacity of 33,000 spectators and a 500-capacity function centre. Opened in 1970, it has undergone major grandstand additions in 2005 and 2011, and a pitch upgrade in 2014. It is a multi-sport event venue, with the rectangular field accommodating international standard rugby league, rugby union and football.

McDonald Jones Stadium is the long-term home to the region's two flagship sporting franchises; the Newcastle Knights (NRL), and the Newcastle Jets (A-League).

The Stadium is the centrepiece of the Hunter Sports and Entertainment Precinct that includes other sporting assets such as the Newcastle International Hockey Centre and the Newcastle International Paceway.



## Newcastle Entertainment Centre and Showground

The Newcastle Entertainment Centre and Newcastle Showground are operated by AEG Ogden on behalf of Venues NSW.

The Newcastle Entertainment Centre, open since 1992, has a capacity of between 6,500 - 7,500 spectators and a flexible configuration that allows for concerts, sports, exhibitions and conferences.

The Showground features a show ring with seating for 3,000 people, an exhibition pavilion and stables. It is home to the annual Newcastle Regional Show and the Newcastle Farmer's Market, and is also used for a range of exhibitions, sales and shows.



## Pirtek Stadium

*Decommissioned December 2016*

Pirtek Stadium in Parramatta was operated by Venues NSW. It was built in 1986 as a multi-purpose outdoor stadium with a capacity of 20,700 spectators and corporate function areas. The Stadium hosted a variety of sporting, entertainment, corporate, cultural and community events and operated a commercial car park for 360 vehicles on non-event days.

Until decommissioning, the Stadium was the home ground for the Parramatta Eels (NRL) and the Western Sydney Wanderers (A-League).

Demolition of Pirtek Stadium commenced in February 2017 to make way for construction of the new Western Sydney Stadium. The new rectangular stadium will have capacity for 30,000 people, provide four levels of corporate and function spaces and feature advanced technology to provide an exceptional spectator experience. The new stadium is expected to open in early 2019.



## WIN Sports Stadium and Entertainment Centres

These two Wollongong venues operated by Venues NSW provide the Illawarra community with great sports and events spaces. WIN Stadium has a capacity of 23,000 for spectators to enjoy international standard rugby league, rugby union and football. The Stadium's facilities also include a function centre for social and business events.

WIN Stadium is the home ground of the Wollongong Wolves Football Club who compete in football's National Premier League (NSW). The St George Illawarra Dragons play four games each year at the Stadium when competing in the NRL, the Holden Cup and NSW Cup.

The WIN Entertainment Centre is a multi-purpose arena. The main auditorium has a capacity of 6,000 with flexible configurations for hosting concerts, dinners, seminars, conferences, school formals and exhibitions. It is also the 'home-court' for the Illawarra Hawks National Basketball League (NBL) team.

# Venues NSW Corporate Overview

Venues NSW owns, coordinates and promotes a portfolio of stadia and entertainment venues in NSW

Venues NSW is a statutory authority established in 2012 under the *Sporting Venues Authorities Act 2008*. Its Minister is the Hon. Stuart Ayres MP, Minister for Sport, Minister for WestConnex and Minister for Western Sydney. Venues NSW forms part of the NSW Industry Cluster along with the Office of Sport and Sydney Olympic Park Authority.

Venues NSW is the owner, coordinator and promoter of a portfolio of key publicly-owned sports and entertainment venues in NSW. It raises revenue through commercial activities such as hiring venues to sporting and entertainment organisations, event ticketing, hospitality, and catering sales, and through advertising, leasing, membership naming rights and sponsorship arrangements.

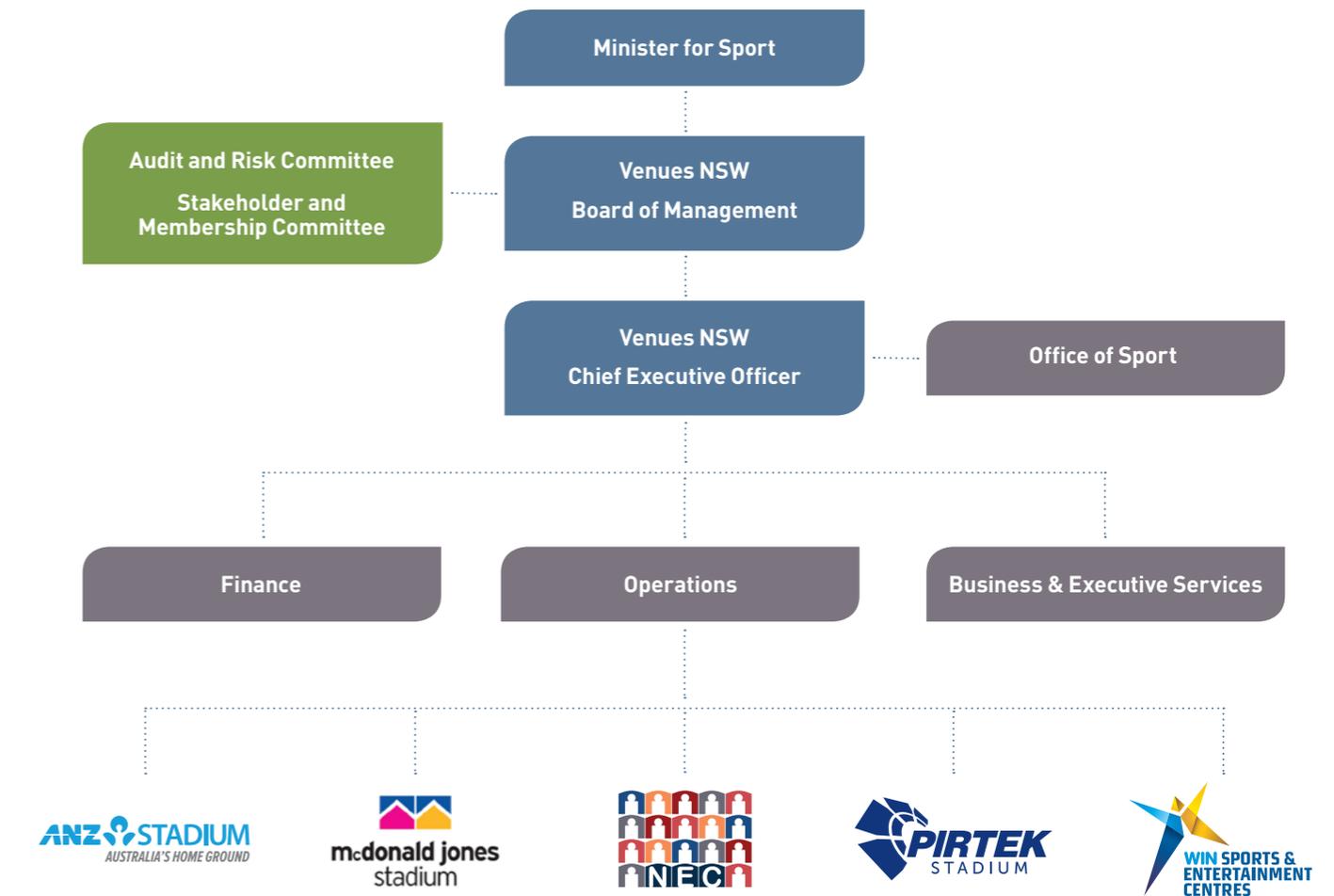
In Sydney, Venues NSW owns ANZ Stadium and, on its completion, the new Western Sydney Stadium at Parramatta, on behalf of the NSW Government. In the Hunter, Venues NSW owns McDonald Jones Stadium and the Newcastle Entertainment Centre and Showground. In the Illawarra, it owns WIN Sports and Entertainment Centres.

Venues NSW operates as a Public Non-Financial Corporation under the NSW Treasury's *Commercial Policy Framework*, which aims to replicate disciplines and incentives that drive the efficient commercial practices of private sector business. As a statutory authority, Venues NSW also has non-commercial obligations to address important social objectives, and at times provides services to certain client groups on a subsidised basis.

Venues NSW is governed by a Board of Management charged with setting the strategic direction and has responsibility for the performance of the Authority.

As at 30 June 2017, Venues NSW had 26.7 full time equivalent staff, operating from three locations – Newcastle, Wollongong and Sydney Olympic Park (refer to Figure 1). Venues NSW Head Office staff relocated to Office of Sport premises at Figtree Drive, Sydney Olympic Park in December 2016, due to the decommissioning of Pirtek Stadium at Parramatta.

Figure 1 | Venues NSW Governance and Operational Structure



Source: Getty Images



# Venues NSW Governance



Venues NSW was established on 2 March 2012, following amendments to the *Sporting Venues Authorities Act 2008* (the Act), to consolidate the responsibilities and operations of three previously separate statutory authorities.

On 14 March 2017, the *Sporting Venues Amendment Act 2017* was assented to, allowing the Hon. Stuart Ayres MP, Minister for Sport to sign the Vesting Order transferring the assets, rights and liabilities of Stadium Australia (group of companies and trust) to Venues NSW. This took effect on 13 April 2017.

On 6 April 2017, the Minister also signed consent to allow Venues NSW to operate on land owned by the Sydney Olympic Park Authority, in accordance with Section 21(3) of the Act.

Venues NSW controls the strategic direction, function and operation of ANZ Stadium, McDonald Jones Stadium, Newcastle Entertainment Centre, WIN Sports and Entertainment Centres, Pirtek Stadium (until its decommissioning in December 2016) and the new Western Sydney Stadium (expected completion in early 2019).

## The Board of Venues NSW

The new Venues NSW Board was appointed by the Minister of Sport in April 2017 following the appointment of an Interim Administrator during a transition period, from 2 March to 29 April 2017.

The Board is one of the most experienced in the country. The nine members are leading independent business people with a range of expertise from infrastructure and construction, sports administration, financial services, information technology, customer experience, stadia management, corporate and public affairs.

The Board's brief for Venues NSW is to take an integrated approach to the development of stadia and entertainment centres, and bring together users, services and resources to coordinate key projects and programs. A key aspect is to strengthen partnerships between the venues, the sporting codes, the entertainment and event industry, the audiences, local businesses, local and state government agencies and community groups.

Significant changes in the operations of Venues NSW due to the vesting of ANZ Stadium led to a review of Board governance. In April 2017, the Minister approved the appointment of nine members to the Board. Member terms were set to a maximum of eight years, in line with the amended *Sporting Venues Authorities Act 2008* section 14 (1). Matt Miller, the Chief Executive of the NSW Office of Sport attends the expanded Venues NSW Board as an observer.

Legislative changes enabled implementation of a fully integrated operating model, forming a network of stadia and entertainment centres, and significantly altered the governance and financial profile of Venues NSW

## Venues NSW Board Members

Members of the Venues NSW Board as at 30 June 2017 are as follows.



### Christine McLoughlin

*Appointed 30 April 2017*  
Chairman

Christine McLoughlin is an experienced Non-Executive Director with extensive expertise across a range of sectors, including financial services, insurance, mining and resources, telecommunications, health and education. She is a Director of Suncorp Group Ltd, Spark Infrastructure Group

Ltd, Whitehaven Coal Ltd, nib Holdings Ltd and the McGrath Foundation. She was Chairman, Stadium Australia Group (ANZ Stadium) from July 2016 to April 2017. Other former roles include Deputy Chairman of The Smith Family, inaugural Chairman of the Australian Payments Council, Director of each of Westpac's Insurance businesses, a Director of ANSTO (Australian Nuclear Science and Technology Organisation), Victoria's Transport Accident Commission, the St James Ethics Centre and the AMP Foundation. She has a Bachelor of Law (Hons) / Arts from the Australian National University, is a member of Chief Executive Women and a former Telstra Businesswoman of the Year.



### Danny Bhandari

*Appointed 2 October 2016*  
*Reappointed 30 April 2017*

Danny Bhandari served as co-founder and CEO of Tibra Capital, a global business combining electronic securities trading with world class technology and talent development. He is an active investor, advisor and collaborator in the areas of sport, financial technology and the shared economy. He served as

the inaugural Chairman of the Sydney Thunder Advisory Board and is a Delegate to the NSW Cricket Association. Mr Bhandari founded both the Tibra Foundation and the Taj Foundation to facilitate his corporate and personal philanthropic endeavours. Mr Bhandari is an experienced Non-Executive Director in commercial, financial, sporting and non-profit areas.



### John Quayle

*Appointed 2 March 2012*  
*Reappointed 30 April 2017*  
Deputy Chairman

*2 March 2012 to 1 March 2017*  
Chairman

*2 March 2017 to 30 April 2017*  
Interim Administrator

John Quayle is an experienced sports administrator with an extensive

background in the club industry, and sports and venue management. He was Chief Executive of the Australian and NSW Rugby League and General Manager of Venues and Precincts for the Sydney Olympic Games. Mr Quayle was a founding member of MI Associates and was a consultant for the 2004 Athens Olympics, 2006 Asian Games and 2007 Pan American Games.



### Noel Cornish AM

*Appointed 30 April 2017*

Noel Cornish AM is currently Chairman of Snowy Hydro Limited, Chairman of IMB Limited, a Non-Executive Director of Forestry Corporation NSW and Director of UOW Enterprises. He is also Deputy Chancellor of the University of Wollongong Australia. Mr Cornish was appointed as a Member of the Order of Australia in 2017 for his outstanding

service to the Illawarra and the nation through business leadership and community service. His former roles include National President of Ai Group, Chief Executive of BlueScope Steel Limited's Australian and New Zealand steel manufacturing businesses and President NorthStar BHP LLC in Ohio USA. He completed his BSc (Met) and MEngSc at Newcastle University and has also studied at the University of Michigan Business School. He is a Fellow of the Australian Institute of Company Directors.



### Lesley Grant

*Appointed 30 April 2017*

Lesley Grant is a senior business executive and Non-Executive Director with extensive experience in the aviation industry across customer; brand; marketing; digital; operations; financial services and loyalty. She has been CEO Qantas Loyalty since 2012 and a member of the Qantas Group Management Committee since 2009. Ms Grant is a

Non-Executive Director for Taylor Fry Pty Ltd, a Director of Australian Brandenburg Orchestra and a member of Chief Executive Woman. She was previously a Director of Unicef Australia for eight years.



### Ian Hammond

*Appointed 30 April 2017*

Ian Hammond brings considerable experience in finance and risk management to his role on the Venues NSW Board. He is a Non-Executive Director of Perpetual Ltd and Citibank Australia, and of not-for-profit groups including Chris O'Brien's Lifehouse and Mission Australia. He was a Director, Stadium Australia Group

(ANZ Stadium) from July 2016 to April 2017. He is a former partner of PricewaterhouseCoopers Australia, where over 26 years, Mr Hammond held a range of senior management positions including lead partner for several major financial institutions. He has previously been a member of the Australian Accounting Standards Board and represented Australia on the International Accounting Standards Board.



### Sally Loane

*Appointed 30 April 2017*

Sally Loane is a senior business executive and company director with extensive experience across a range of sectors including the media, financial services, food and beverage manufacturing, professional sport, community organisations and corporate and public affairs. She is CEO of the Financial Services Council, the peak

industry body for superannuation, life insurance, funds management, advice licensees and trustee companies. She is a former Director of Media and Public Affairs with ASX-listed Coca-Cola Amatil and prior to that had a 25-year career in the media as a journalist, radio and television broadcaster and newspaper columnist. Ms Loane is Deputy Co-chair of the Committee for Sydney, a Director of the Avner Pancreatic Cancer Foundation, a governor of the Cerebral Palsy Research Foundation, an Ambassador for Business Events Sydney and a member of Chief Executive Women. She is a former Director of Waratahs Rugby and SCEGGS Darlinghurst.



### Phil Kearns

*Appointed 30 April 2017*

Phil Kearns was a Director, Stadium Australia Group (ANZ Stadium) from July 2016 to April 2017. He is Managing Director and CEO at InterRISK Australia Pty Ltd, an equity partner business of ASX-listed Austbrokers Holdings Limited. Prior to this, Mr Kearns had more than ten years' experience leading financial service organisations and an

IT consulting firm. He is a Director of the Children's Cancer Institute Australia, the Humpty Dumpty Foundation, and a Commentator with FoxSports. Mr Kearns played 67 tests for the Wallabies from 1989 to 1999, during which he captained the team ten times. He has an Arts Degree majoring in Economics and Economic History from the University of NSW.



### Glenn Turner

*Appointed 2 March 2012*  
*Reappointed 30 April 2017*

Chair, Hunter Local Venues Council

Glenn Turner has a 30-year career as a senior executive in the mining services, manufacturing, engineering and construction sectors in Australia, the United States of America, China, South America, South Africa and India. He occupies non-executive roles in

public and private companies in a variety of industry and services sectors. He was the Chairman of the former Hunter Region Sporting Venues Authority, and is the former Chairman of the Hunter Medical Research Institute.

## Venues NSW Board Sub-Committees

An outline of the Board meetings held, attendance and board member remuneration, as well as former Board Member appointments until 29 April 2017, are outlined in Appendix 2 and Appendix 3.

The Venues NSW Board established two sub-committees to fulfil its governance responsibilities across the expanded Venues NSW portfolio. The Stakeholder and Membership Committee commenced on 8 May 2017, and the Audit and Risk Committee on 8 June 2017. An outline of each Committee's purpose, membership and attendance is outlined in Appendix 4.

# Venues NSW Strategy and Objectives

Venues NSW is the owner, coordinator and promoter of a portfolio of key sports and entertainment assets in NSW.

Assets are managed in a way that balances commercial, community and service delivery objectives with managing government-owned land and infrastructure for the benefit of the people of NSW.

The organisation responds to the NSW Government's State Priorities, and the Premier's Priorities, which include achieving a strong economy, building infrastructure, protecting the vulnerable, improving services and creating safer communities.

Each of these priorities are measured against the best available indicators of economic growth, infrastructure delivery, service provision and other measures of community wellbeing and safety across NSW.

Venues NSW specifically contributes to the following priorities:

**Building infrastructure**  
Key infrastructure projects are delivered on time and on budget across the State

**Increasing cultural participation**  
Increase attendance at cultural venues and events in NSW by 15% by 2019

Venues NSW awaits the State government's decision on the redevelopment of ANZ Stadium, which will be key to enlivening the entire Sydney Olympic Park Precinct as it evolves from the host site of one of the world's largest events - the Olympic Games - to a thriving new town centre

## Contribution to State Outcomes



In 2012, the NSW government released the *NSW Stadia Strategy* and in 2015 it announced funding to support the *Rebuilding the Major Stadia Network* program. The Strategy provides six key recommendations to target investment in stadia so they become multi-use hubs with multiple tenants. The Strategy also aims to retain and win new content to boost use of the stadia network.

Venues NSW is a key entity in the delivery of modern stadia and facilities of varying sizes to meet sport and major events needs across the State. Streamlining governance across assets, which is a big part of this year's achievements, is critical to success.

Success of the stadia strategy also relies on quality services and facilities, transport connectivity and a highly-activated entertainment precinct in the stadia surrounds.

## Western Sydney Stadium Project

The Western Sydney Stadium project replaces Pirtek Stadium with a contemporary, rectangular stadium and entertainment complex with approximately 30,000 seats. The new stadium will be one of Sydney's major sport and entertainment venues, and the city's fourth largest international sporting venue in Sydney by capacity.

The new stadium, with expanded capacity and capability, will provide for new entertainment options for visitors and create employment opportunities for the local community.

A further stage of development will see the creation of a surrounding entertainment precinct. Together, the new Stadium and wider precinct have the potential to boost visitation to Parramatta, with flow-on tourism benefits to Western Sydney.



Site works begin on the new Western Sydney Stadium



Concept schematic of the new Western Sydney Stadium

## ANZ Stadium

ANZ Stadium, purchased by the NSW Government in 2016, is the home of premium sport and entertainment events for NSW, and is a vital asset. ANZ Stadium forms part of the NSW Stadia network and in September 2015 was identified by the NSW Government as potentially receiving funding to support its redevelopment, which may include a retractable roof.

Venues NSW has worked closely with the Office of Sport on the development of a Business Case for the Stadium's redevelopment. Redevelopment of the Stadium presents a unique opportunity to deliver a new world class venue and the nation's best rectangular venue, as well as act as a key driver for positioning the Sydney Olympic Park Precinct and the broader Peninsula as Australia's premier sporting and entertainment destination.

## Mission

Venues NSW mission statement is to 'effectively and efficiently manage State-owned land and sporting and entertainment infrastructure for the benefit of the people of New South Wales'.

## Key Objectives

Venues NSW is guided by four key business objectives (refer to Figure 2).

Figure 2 | Venues NSW Key Objectives



These objectives seek to achieve an appropriate balance between Venues NSW key commercial, community and ongoing service delivery obligations.

**Utilisation**  
Maximise the use of assets

**Sustainability**  
Improve governance and financial performance

**Community**  
Maintain and improve services to the community

**Operations**  
Ensure assets are operated effectively and efficiently by a cohesive and collaborative organisation



## Utilisation

Maximise the utilisation of assets

An increase of 17 per cent on 2015-16 venue attendance

# Performance Utilisation

## Attendance and Events

During the 2016-17 year, more than 1.43 million people attended our stadia and entertainment venues (refer to Table 1).

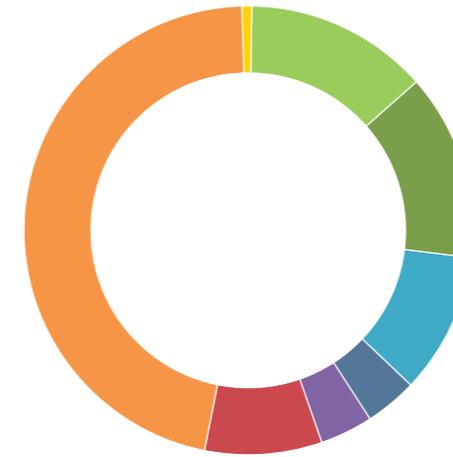
This result represented a 17 per cent increase on 2015-16. The higher than expected results are largely due to the part-allocation of attendance at ANZ Stadium (from 13 April 2017 to 30 June 2017), and increased attendance at Newcastle Entertainment Centre. This was a positive end of year result, despite the reduction in attendance figures due to the closing of Pirtek Stadium at 31 December 2016.

In total, 537 events were held across the Venues NSW portfolio. Functions accounted for the highest proportion of these, followed by national and local sport (refer to Figure 3). However, nearly 50 per cent of spectator attendance was attributed to national sport, followed by Farmers Markets, shows and concerts.

**Table 1** | Venues NSW stadia and entertainment centres 2016-17 by location, by venue, total events, total attendance

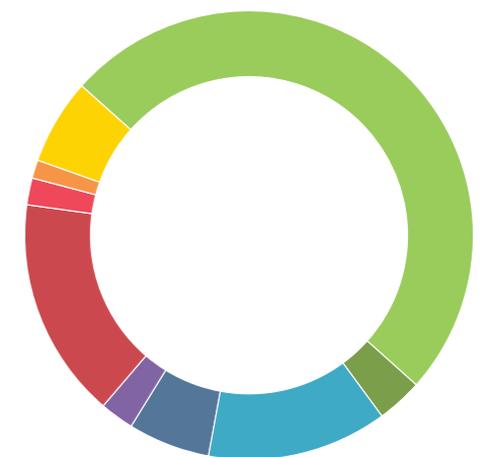
Hunter	
McDonald Jones Stadium	Newcastle Entertainment Centre & Showground
NRL Telstra Premiership - Newcastle Knights	Spirit of ANZAC Centenary Experience
Newcastle Jets	Brickman Experience
NRL Indigenous All Stars vs NRL World All Stars	PBR Bull Riding
School and Charity Community Events	Andre Rieu
Local Sport Rugby League Grand Final	Delta Goodrem
Inflatable Obstacle Course	Nick Cave & The Bad Seeds
Trade Shows & Exhibitions	Human Nature
Seminars, Forums & Functions	Hairspray
	Star Struck
	The Wiggles
	Disney on Ice
	Newcastle Regional Show
	Caravan, Camping & Holiday Expo
	World's Biggest Car Boot Sale
	Farmer Markets
<b>215 Events</b>	<b>106 Events</b>
<b>269,084 Attendances</b>	<b>472,374 Attendances</b>

**Figure 3** | Venues NSW Events 2016-17, by type



International National Sport Local Sport Shows & Concerts Exhibitions Community Events Farmers Markets Functions

**Figure 4** | Venues NSW Event Attendance 2016-17, by activity



International National Sport Local Sport Shows & Concerts Exhibitions Community Events Farmers Markets Functions Other

Sydney Olympic Park	Parramatta	Illawarra	
ANZ Stadium*	Pirtek Stadium#	WIN Stadium	WIN Entertainment Centre
NRL Telstra Premiership - Bulldogs, Rabbitohs, Parramatta Eels, Wests Tigers, St George Illawarra Dragons	NRL Telstra Premiership - Parramatta Eels NRL Pre-season trial	NRL Telstra Premiership - St George Illawarra Dragons Events; Pre-season trial	NBL Illawarra Hawks
Liverpool FC vs Sydney FC	Wollongong Wolves State League Football NSW Rugby League Illawarra Cutters	Wollongong Wolves	CrossFit Games Pacific Regional 2017
State of Origin NSW Blues vs QLD Maroons	Illawarra Steelers	Local football, rugby, rugby union inc. Grand Finals	Dance Sport Australia National Championships
Forums & Functions	South Coast football final series	Seminars, Conferences and Functions	Southern Stars 2016
	Illawarra Coal Rugby League finals		Morrissey
	Community Event and Functions		Carl Barron
			The Wiggles
			Mr Maker & The Shapes
			Disney on Ice
			Kidzwish Christmas Party & Charity Ball
			Exhibitions, Functions
			Community Events
<b>48 Events</b>	<b>29 Events</b>	<b>87 Events</b>	<b>52 Events</b>
<b>435,177 Attendances</b>	<b>34,802 Attendances</b>	<b>77,007 Attendances</b>	<b>144,315 Attendances</b>

\* ANZ Stadium hosted 161 events with 1,537,226 attendances for the full year 2016-17; post vesting to Venues NSW, 13 April 2017 to 30 June 2017, 48 events with 435,177 attendances. # Pirtek Stadium from 1 July 2016 to 31 December 2016. Booking and operations and spectator attendance reductions commenced from September 2016, due to decommissioning by 31 December 2016.



## Utilisation

Maximise the utilisation of the assets

An increase of 22 per cent in spectator attendance across international, national and local sport on 2015-16

### Key Tenants

The success of Venues NSW relies largely on our commitment to securing anchor tenants.

We seek to maintain strong relationships with NRL teams, including the Newcastle Knights at McDonald Jones Stadium, St George Illawarra Dragons at WIN Stadium and Parramatta Eels at Pirtek Stadium (until its decommissioning in December 2016). WIN Stadium also hosts the Illawarra Steelers Rugby League team.

The addition of ANZ Stadium to the Venues NSW portfolio this year has seen our tenants expand to include the Canterbury Bulldogs, South Sydney Rabbitohs and Wests Tigers.

During the reporting period 2016-17, our venues also hosted more than 20 football competition matches where more than 110,000 spectators supported Hyundai A-League home games for the Newcastle Jets at McDonald Jones Stadium and National Premier League home games for the Wollongong Wolves Football Club at WIN Stadium.

The Illawarra Hawks NBL team, an anchor tenant at WIN Entertainment Centre, played 16 matches including the semi-final and grand final games, attracting 45,000 spectators throughout the season.

Our highest attendances at NRL games across the 2017 season included the Round 7 Bulldogs vs Rabbitohs game attracting nearly 36,000 spectators at ANZ Stadium.

Across regional NSW, McDonald Jones Stadium hosted the Round 7 Newcastle Knights vs Sydney Roosters fixture with an 18,000-strong crowd, and WIN Stadium attracted more than 13,000 fans to its Round 2 Dragons vs Eels game



### International Sport

Venues NSW aims to deliver high quality international sporting events in Sydney, the Hunter and the Illawarra.

In May 2017, athletes descended on the WIN Entertainment Centre as it hosted for the sixth time the Reebok CrossFit Games (2017) Pacific Regional. Over 13,500 spectators watched as the best 40 men, 40



women and 30 teams from Australia, New Zealand, Asia and even Russia battled each other through workouts showing unwavering strength and fitness conditioning.

ANZ Stadium hosted the Liverpool FC vs Sydney FC match with more than 72,000 sports fans attending.

### Other Sport

Newcastle Entertainment Centre is renowned for hosting emerging sports such as the Newcastle Roller Derby which has grown to seven bouts during the year. WWE NXT Wrestling and PBR Bull Riding events also offered spectators thrilling displays of strength and agility.

ANZ Stadium featured game two of the State of Origin series, NSW Blues vs QLD Maroons. The Blues, after winning the first round, offered the 82,000-strong crowd a nail biting game but Queensland ultimately took the match by two points.

Pirtek Stadium, nearing the end of its operating life hosted, two popular local sports events, the Parramatta Junior League Grand Final and the NSW Rugby League Grand Final.

The Dancesport Australia National Championships in June 2017 captivated the crowd of more than 2,000 at WIN Entertainment Centre with 680 competitors from Australia and New Zealand performing.

WIN Stadium attracted more than 12,500 community members to the Illawarra Rugby Union Grand Final, the Illawarra District Rugby League – Merged Junior Grand Final, the Illawarra Coal Rugby League Grand Final, the Football South Coast District League Grand Final and the FSC Premier League Grand Finals.





## Utilisation

Maximise the utilisation of the assets

An increase of 31 per cent in spectator attendance across our Shows and concerts compared to 2015-16

### Concerts and Performing Arts

Each year our venues continue to deliver a wide array of entertaining concerts and events for our patrons at regional centres.

Newcastle Entertainment Centre hosted popular family events including The Wiggles, the Brickman Experience (a Lego exhibition) and Disney on Ice - exceeding attendance expectations with more than 72,000 patrons. The Centre also hosted international performing artists Andre Rieu, Daniel O'Donnell and English comedian Bill Bailey. Australian performers Delta Goodrem, Human Nature and Nick Cave and the Bad Seeds also appeared. The musical Hairspray attracted more than 10,000 patrons.

It was a celebration year in Newcastle for annual performance arts extravaganza Starstruck 'Shine On', with some 13,000 patrons attending its 25th anniversary event. The show featured more than 3,500 students from the Hunter and Central Coast schools.

WIN Entertainment Centre offered exceptional content with Disney on Ice, the Wiggles, Mr Maker and the Shapes, singer-songwriter Morrissey, comedian Carl Barron, The Simon and Garfunkel Story, John Paul Young and The Allstar Band, The Vanda & Young Songbook, Bootleg Beatles (tribute band), the Official Blues Brothers revue and Surf and Soul - the Beach Boys and the Temptations.

The Centre also hosted Rolling Thunder Vietnam, a performance of stories from the Vietnam War, the World Cup Cheer and Dance Nationals and the Department of Education's Southern Stars event, which showcased the talents of some 2,000 NSW students to an audience of nearly 10,000.

### Conferences, Exhibitions and other Events

Newcastle Entertainment Centre and Showground provide an outstanding annual calendar of conferences, exhibitions and events. This year they welcomed two additions - the Flight Centre Travel Expo and the World's Biggest Car Boot Sale.

The Centre continues to support annual events including the Antiques and Collectibles Fair, Bridal Expo, Stiches and Craft Expo, the Newcastle Home Lifestyle and Outdoor Living Show, the Food & Wine Expo and Health Harmony Soul. The Caravan, Camping and Holiday Expo continues to attract high attendances, with more than 16,500 visitors this year.

Some 20,000 people visited the Spirit of Anzac Centenary Experience, a travelling exhibition of Australia's involvement in armed conflict and peace-keeping, from the First World War to today.

The Centre also again hosted the Westpac Rescue Helicopter Service Ball, the Special Children's Christmas Party and a series of community events.

The Showground drew more than 225,000 visitors to the thriving Farmers Market which is held most Sundays. And its signature event, the Newcastle Regional Show, attracted 16,000 people over three days with exciting competitions, displays and exhibits.

McDonald Jones Stadium catered for a range of functions and events. By focussing on corporate catering, the venue has seen a 160 per cent increase in functions compared with last year. Nearly 16,000 patrons attended community events such as the All School Knockout Grand Final, the Hunter School Leavers Expo, Got your Back Sista Charity Event and The Smith Family Hamper Distribution.

In March, WIN Entertainment Centre again hosted the Illawarra International Women's Day Luncheon for more than 850 guests. Other events at the Wollongong Centre were Stars of Wollongong - Dance for Cancer, Kidzwhish Charity Ball, Kidzwhish Christmas Party and the Wollongong Private Hospital Christmas Party.



Our entertainment centres thrilled nearly 186,000 patrons at more than 50 staged concerts and shows





# Sustainability

Improving financial performance

Venues NSW achieved an operating surplus for day-to-day operations of \$7.94 million

## Performance Sustainability

Venues NSW operates in a challenging environment. This includes competition from other venues, rapid improvements in and emergence of alternative means of content delivery through TV coverage and digital experiences, keeping abreast of ever-increasing costs for capital and maintenance requirements on high value assets, the impact of cost of living increases on discretionary consumer spending and meeting the needs of stakeholders, Members and the community.

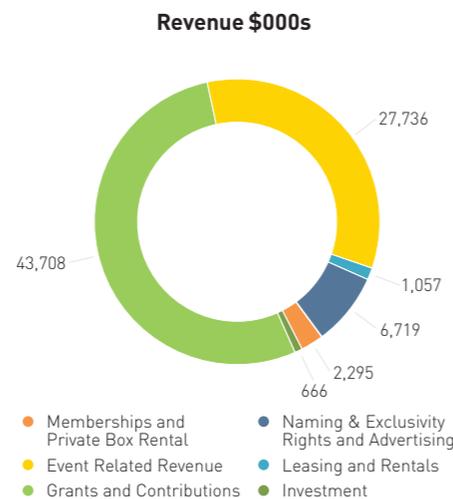
Venues NSW's focus remains on the organisation's commercial and social obligations. A priority is to secure additional international, national and local content and events, while seeking operational efficiencies including sound procurement processes and contract management. Further priorities include realising the potential of Venues NSW's land and assets. We will do this by enlivening our venue precincts to encourage commercial opportunities through membership, sponsorship, advertising, ticketing and hospitality and increased patronage.

Venues NSW expenditure is largely aligned with event revenue. However, with greater centralised governance, we continue to explore new operating models, contracts and agreements to secure better deals across the network. In addition, with improved process measures and performance monitoring, expenditure is critically reviewed through multiple avenues including the newly formed Audit and Risk Committee.

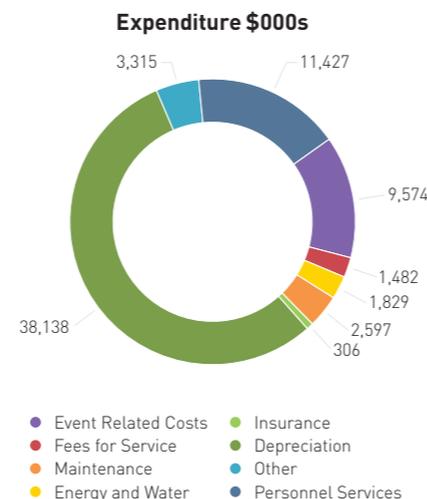
### Financial Performance

For the year ended 30 June 2017, Venues NSW recorded an operating surplus of \$12.7 million. This result included the receipt of \$43.7 million in grant funding from the State government for the construction of Western Sydney Stadium. The result also includes \$38.14 million in depreciation and after the elimination of these two items, Venues NSW recorded an operating surplus on day-to-day operations of \$7.94 million. The breakdown of revenues and expenditures is shown in Figure 5 and Figure 6.

**Figure 5** | Venues NSW Revenue as at 30 June 2017



**Figure 6** | Venues NSW Expenditure as at 30 June 2017



The results of Venues NSW and the data in Figure 5 and Figure 6 above includes the ANZ Stadium results from the date of transfer (13 April 2017) to year end. ANZ Stadium's operating surplus from day-to-day operations pre-transfer is \$19.3 million, post-transfer is \$7.1 million and a total year representation is \$26.4 million (refer to Table 2).

**Table 2** | ANZ Stadium's operating surplus from day-to-day operating 2016-17, by pre, by post, and total year operating

	Pre-Transfer 1 July 2016 to 12 April 2017 \$'000	Post Transfer 13 April 2017 to 30 June 2017 \$'000	Total Full Year 2016-17
<b>Total Revenue</b>	76,766	20,824	97,590
<b>Total Expenses*</b>	57,455	13,708	71,163
<b>Operating Surplus* from day-to-day operations</b>	19,311	7,116	26,427

\*Note: Total Expenses and Operating Surplus from day-to-day operations excludes depreciation and amortisation

### Financial Position

The significant increase at year end, compared to 2015-16, is due to the transfer of ANZ Stadium to Venues NSW from 13 April 2017 and the decommissioning of Pirtek Stadium from December 2016.

As at 30 June 2017, Venues NSW held total assets of \$691.9 million. This includes \$275.4 million in property, plant and equipment due to the transfer of ANZ Stadium to Venues NSW.

In 2016-17, a \$33.21 million program of major and minor capital works was carried out. This included major capital works for WIN Stadium Northern Grandstand Roof Restoration, the Western Sydney Stadium Project and minor capital works across the Venues NSW network.

The Venues NSW Board, management and venue operators have continued to work together to improve financial performance, however this year has seen several exceptional events. The vesting of ANZ Stadium to Venues NSW, the decommissioning and closure of Pirtek Stadium and the commencement of the Western Sydney Stadium project, resulted in a significantly more complex financial environment.

### Commercial Leases and Licences

Venues NSW owns and manages a diverse portfolio of property that is leased or licensed commercially for retail, hospitality, players' facilities, administration, car parking and other purposes. This year, more than 50 commercial leases or licences provided \$1.057 million in revenue, which is 1.3 per cent of total revenue.

Leases held at the Hunter Sports and Entertainment Precinct cater for a range of commercial, community, sport and recreation activities, while the WIN Sports and Entertainment Centres lease space to two food outlets and a licensed bar and restaurant.

While most of these leases are operated under commercial terms, there are number that are non-commercial in nature due to Venues NSW's community service obligations, such as to sporting clubs and associations.

With the decommissioning of Pirtek Stadium in 2016, existing leases and licenses were ceased, given the time between the decommissioning of the Stadium late-2016 and the subsequent completion of the Western Sydney Stadium early 2019.

### Catering

Event and function catering services provided by Venues NSW to venue hirers and patrons form a key source of revenue, contributing \$12.65 million in catering revenue or 45.6 per cent of total event revenue. The stadia and entertainment centres have the opportunity to generate 'game-day' catering revenue; they also have function facilities for hosting business, community and social events.

Large scale conferences, exhibitions and dinners continue to be an important source of business, particularly for the Newcastle Entertainment Centre and the WIN Entertainment Centre.

### Membership and Private Box Rental

With the vesting of ANZ Stadium to Venues NSW, additional revenue is derived from the provision of Stadium Membership. From 13 April 2017, ANZ Stadium contributed \$2.295 million in membership or 2.8 per cent of revenues.



## Community

Maintain and improve services to the community

Venues NSW seeks to provide world-class stadia and entertainment precincts that improve amenity and liveability for communities across NSW

# Performance Community

Venues NSW provides a range of stadia and entertainment centre infrastructure that attracts high quality sporting and entertainment content to engage audiences and brings communities together. Our work benefits the communities in many ways by enhancing the visitor economy and boosting local employment and businesses.

Venues NSW is committed to continually improving services and providing the best possible event experience, and we extend this expectation of quality to our operating managers and hiring partners

Through our partnering arrangements, Venues NSW seeks to engage with and provide opportunities for all members of our diverse NSW communities to participate in or attend events.

Sports clinics provided by our key anchor tenants are hugely popular and a great opportunity for everyone involved to connect, engage and have fun.

The Hunter community embraced the fifth annual Red Energy Danny Buderus Super Clinic hosted at McDonald Jones Stadium in July with more than 350 children converging on the Knights' home ground to learn tips and tricks from the rugby league legend.

Pirtek Stadium, prior to closure, held more than 20 sporting clinics to support football skills development in the communities around Parramatta.

WIN Entertainment Centre hosted the Illawarra International Women's Day Luncheon in March for more than 860 guests.

In May, ANZ Stadium hosted the annual Bengali Festival for 12,450 people - the largest Bangladeshi festival held in Australia.

Wakakirri 2016, a festival for primary and secondary schools, was held at Newcastle Entertainment Centre. Wakakirri is a local Wangaaypuwan word meaning "to dance a story". Some 2,000 people attended this unique Aboriginal event.

At WIN Entertainment Centre during NAIDOC Week in July, 550 people attended a special awards dinner.

McDonald Jones Stadium hosted an exciting National Rugby League Indigenous All Stars vs NRL World All Stars, with nearly 17,000 spectators attending.

McDonald Jones Stadium also provided working space for the Mark Hughes Foundation's Beanie for Brain Cancer drive, which raised more than \$1 million. Other important community events there included the All Schools Knock Out, the Hunter School Leavers

Expo, KOFM Soldier On BBQ, the Got Your Back Sista Charity Event, The Smith Family Hamper distribution and the CEO Sleepout.

The Children's Hospital at Westmead has long been an important charity partner of ANZ Stadium, which supports two big fundraising efforts. The Bandaged Bear Cup, a match between the Canterbury Bulldogs and the Parramatta Eels, raises money for the Hospital and provides staff, patients and their families the opportunity to attend the match free of charge. The annual ANZ Stadium Members' Dinner, held each May, this year raised \$25,000.

ANZ Stadium also hosts the annual Special Olympics and Laugh Out Loud Breakfast, and supports Pillars of Strength and Men of League. Several schools, sport and recreation clubs and charity organisations are supported through provision of tickets to events held at the Stadium.

The Newcastle Entertainment Centre again hosted the Special Children's Christmas Party, the Westpac Rescue Helicopter Ball and the Newcastle Regional Show.

WIN Sports and Entertainment Centres hosted the Kidzwish Christmas Party for 4,500 guests, and the Kidzwish Charity Ball for 750 patrons. The Entertainment Centre donated event entry tickets to more than 30 local charities.

## Engaging with the Local Venues Councils

Venues NSW seeks to grow strong connections with the communities in which our stadia and entertainment centres operate. The Local Venues Councils in the Hunter, Illawarra and Western Sydney provided valuable representation for our local communities.

Given the expanded scope of Venues NSW's operations and new Board arrangements, the organisation is looking at how to improve the flow of feedback from our communities. An expanded community engagement strategy will be implemented in the coming year. To that end, the Local Venues Councils were dissolved on 23 May. Refer to Appendix 22 for member profiles and meeting dates of the Local Venues Councils.





## Operations

Ensure assets are operated effectively and efficiently and that Venues NSW is a cohesive and collaborative organisation

# Performance Operations

This has been a year of significant growth and rapid change for Venues NSW, with an expanded portfolio through securing ANZ Stadium and finalising new governance arrangements to set the organisation up for even more growth in future.

The new centralised governance, operational and administrative model provides for better leveraging of assets, content and service delivery and improved corporate functions. This year the organisation began to consolidate aspects of property planning, including asset life-cycle costing.

This work will continue in 2017-18 through the development of new property masterplans for Newcastle, Western Sydney, Wollongong and Sydney Olympic Park (in conjunction with the Sydney Olympic Park Authority), as well as new Asset Life-Cycle Plans for all venues.

The Business Services Group of the Office of Sport continues to supply corporate services including transactional accounting, information technology and human resources. Venues NSW and the Office of Sport are reviewing the services, conditions and terms of this agreement to formalise a Shared Service Agreement next year.

Venues NSW will continue to work with partners the Sydney Olympic Park Authority, the Sydney Cricket and Sports Ground Trust, the Office of Sport, and other NSW agencies such as Department of Premier and Cabinet, NSW Treasury, Infrastructure NSW and the Department of Planning and Environment. The organisation also consults with a network of key stakeholders through advisory committees to support key strategic projects such as the Western Sydney Stadium Steering Committee and the Hunter Sports and Entertainment Precinct Steering Committee.

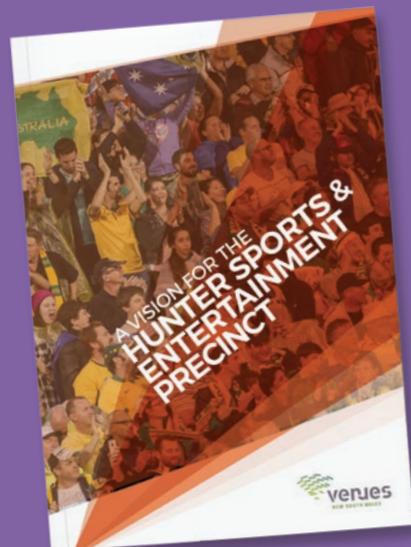
Venues NSW aims to enhance the customer experience, increase visitor numbers and investment and optimise commercial and social outcomes

## Hunter Sports and Entertainment Precinct

The Hunter Sports and Entertainment Precinct includes McDonald Jones Stadium and Newcastle Entertainment Centre and Showground along with other commercial, sporting and entertainment facilities.

Mid-year 2017, *A Vision for the Hunter Sports and Entertainment Precinct* (Concept Plan) was approved for public release by the NSW Government. Stakeholders and the community have been invited to provide feedback from July to November 2017. Following the consultation period, a masterplan will be drawn up.

The Plan proposes the long-term vision for a sustainable, exciting sporting and entertainment precinct for Greater Newcastle with better game-day and entertainment experiences, improved access to existing facilities, increased employment and more economic opportunities.



## Western Sydney Stadium Project

The project to replace the almost 30-year old Pirtek Stadium at Parramatta with the new Western Sydney Stadium was announced by the NSW Government in late 2015. In September 2016, Pirtek Stadium began to reduce operational activity in readiness for its decommissioning in December the same year.

Western Sydney Stadium will provide an exceptional spectator and player experience with:

- » Comfortable seating for 30,000 people
- » Exceptional food and beverage facilities
- » Four levels of premium, corporate and function spaces
- » Big screens and state-of-the-art digital technology and broadcast facilities
- » Improved security and administration
- » Better pedestrian and public areas in the surrounding precinct to improve the visitor experience every day.



The new stadium's overall footprint is larger than the old stadium site to enable better facilities and improve the whole precinct. To achieve this, successful negotiations were conducted with the Parramatta Park Trust and the City of Parramatta.

Negotiations with the Parramatta Park Trust concluded with agreement to an appropriate land-swap to enable the construction of the new stadium on Venues NSW land. The Trust is developing a Bill to amend the *Parramatta Park Trust Act 2001* allowing for the land to change hands.

Discussions with the City of Parramatta reached agreement to relocate the Parramatta War Memorial Pool. The NSW Government committed \$30 million in grant funding to support the pool's relocation.

Demolition and site preparation work commenced in early 2017, with construction starting in April. The Western Sydney Stadium project is on time and on budget, with completion expected early 2019.

## Asset Management

Venues NSW, in collaboration with the State Infrastructure Group, Office of Sport, undertook a whole-of-life asset costing process for our venues. Given the recent addition of ANZ Stadium to the Venues NSW portfolio, the Stadium's whole-of-life asset costing process will be conducted in 2017-18.

Whole-life cost analysis is used by NSW Treasury for project evaluation for new assets and identifying unfunded maintenance on existing assets into the future. Venues NSW reviewed its model to include fully detailed works packages across the venues, in addition to an upgraded financial modelling.

## Venues Capital Works

During the reporting period, a \$33.21 million program of capital works was completed. Improvements included major capital works for WIN Stadium Northern Grandstand Roof Restoration and the new Western Sydney Stadium Project, as well as minor capital works across the Venues NSW network.

Several capital works projects had commenced at ANZ Stadium prior to its transfer to Venues NSW, and these are due to be completed by September 2017. This includes repairs and other works such as an upgrade of the Stadium Beer System and installation of new CCTV cameras.

## Venues Maintenance

At McDonald Jones Stadium, works included fire safety compliance and repairs to emergency lighting, installation of a Members' bar, fit-out of the Hunter Academy of Sport to support new lease arrangements and installation of additional turnstiles.

The WIN Entertainment Centre replaced house truss and rigging systems and accessories.

Newcastle Entertainment Centre upgraded its network server and point-of-sale accessories and undertook a building maintenance system upgrade.

## Venues Security

At all Venues NSW stadia and entertainment centres, Venue Managers regularly consult with the relevant authorities, sporting codes and clubs and event promoters to ensure appropriate levels of security for events. Following an audit of each venue's Crisis and Emergency Plan in early 2016, Venues NSW has improved security measures across the venues.



**INDEPENDENT AUDITOR'S REPORT**  
**Venues NSW**

To Members of the New South Wales Parliament

**Opinion**

I have audited the accompanying financial statements of Venues NSW (the Authority), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2017, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the *Public Finance and Audit Regulation 2015*.

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 the Authority and the consolidated entity 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' (APES 110).

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

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

**The Board's Responsibility 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 and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Board must assess the ability of the Authority and the consolidated entity to continue as a going concern except where operations will be dissolved by an Act of Parliament or otherwise cease. The assessment must, disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

**Auditor's Responsibility 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, and
- 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: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Authority or the consolidated entity carried out their activities effectively, efficiently and economically
- 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.

**Caroline Karakatsanis**  
Director, Financial Audit Services  
3 October 2017 SYDNEY

# Venues NSW Financial Statements

for the year ended 30 June 2017

## Statement by Members of the Board of Management

Pursuant to Section 41C(1B) of the Public Finance and Audit Act 1983, we declare on behalf of Venues NSW that:

- (i) in our opinion the financial statements of Venues NSW for the year ended 30 June 2017 have been prepared in accordance with the applicable Australian Accounting Standards (which includes Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions.
- (ii) the financial statements exhibit a true and fair view of the financial position as at 30 June 2017 and financial performance for the year then ended.
- (iii) we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate. The potential redevelopment of ANZ Stadium is disclosed in Note 1(b)(iii).

**Ms Christine McLoughlin**  
Chairman

Date: 28 September 2017

**Mr Ian Hammond**  
Board Member

Date: 28 September 2017

Venues NSW  
Statement of Comprehensive Income  
for the year ended 30 June 2017

	Notes	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
<b>Revenue</b>					
Event related revenue	2(a)	27,736	27,736	14,268	14,268
Investment revenue	2(b)	666	666	562	562
Grants and contributions	2(c)	43,708	43,708	4,995	4,995
Other revenue	2(d)	10,071	9,706	5,148	5,148
<b>Total Revenue</b>		<b>82,181</b>	<b>81,816</b>	<b>24,973</b>	<b>24,973</b>
<b>Expenses excluding losses</b>					
Operating expenses -					
Personnel services	3(a)	11,427	11,427	5,870	5,870
Event related costs	3(b)	9,574	9,574	6,750	6,750
Other operating expenses	3(c)	9,088	9,088	6,570	6,570
Depreciation and amortisation	3(d)	38,138	38,138	24,913	24,913
Finance costs	3(e)	441	441	-	-
<b>Total Expenses excluding losses</b>		<b>68,668</b>	<b>68,668</b>	<b>44,103</b>	<b>44,103</b>
<b>Operating Result</b>		<b>13,513</b>	<b>13,148</b>	<b>(19,130)</b>	<b>(19,130)</b>
<b>Gains on disposal</b>	4	<b>6</b>	<b>6</b>	<b>-</b>	<b>-</b>
<b>Other losses</b>	5	<b>(826)</b>	<b>(826)</b>	<b>(395)</b>	<b>(395)</b>
<b>Net result</b>		<b>12,693</b>	<b>12,328</b>	<b>(19,525)</b>	<b>(19,525)</b>
<b>Other comprehensive income</b>					
Net decrease in property, plant and equipment revaluation surplus		-	-	(1,665)	(1,665)
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(1,665)</b>	<b>(1,665)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>12,693</b>	<b>12,328</b>	<b>(21,190)</b>	<b>(21,190)</b>

The accompanying notes form part of these financial statements.

Venues NSW  
Statement of Financial Position  
for the year ended 30 June 2017

	Notes	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	6	95,297	95,297	25,622	25,622
Receivables	7	29,913	29,938	1,936	1,961
Inventories	8	1,521	1,521	66	66
<b>Total Current Assets</b>		<b>126,731</b>	<b>126,756</b>	<b>27,624</b>	<b>27,649</b>
<b>Non-Current Assets</b>					
Receivables	7	919	919	-	-
Property, plant and equipment	9 & 10				
Leasehold Improvements		275,405	275,405	-	-
Land and buildings		236,638	236,638	260,949	260,949
Plant and equipment		23,893	23,893	2,435	2,435
Work in progress		28,287	28,287	9,802	9,802
Total property, plant and equipment		564,223	564,223	273,186	273,186
<b>Total Non-Current Assets</b>		<b>565,142</b>	<b>565,142</b>	<b>273,186</b>	<b>273,186</b>
<b>Total Assets</b>		<b>691,873</b>	<b>691,898</b>	<b>300,810</b>	<b>300,835</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables	11	65,416	65,781	3,399	3,399
Provisions	12	2,679	2,679	921	921
Borrowings	13	113,240	113,240	-	-
Other current liabilities	14	58,934	58,934	5,038	5,038
<b>Total Current Liabilities</b>		<b>240,269</b>	<b>240,634</b>	<b>9,358</b>	<b>9,358</b>
<b>Non-Current Liabilities</b>					
Payables	11	56,837	56,837	-	-
Provisions	12	299	299	48	48
Other non-current liabilities	14	3,577	3,577	1,559	1,559
<b>Total Non-Current Liabilities</b>		<b>60,713</b>	<b>60,713</b>	<b>1,607</b>	<b>1,607</b>
<b>Total Liabilities</b>		<b>300,982</b>	<b>301,347</b>	<b>10,965</b>	<b>10,965</b>
<b>Net Assets</b>		<b>390,891</b>	<b>390,551</b>	<b>289,845</b>	<b>289,870</b>
<b>EQUITY</b>					
Reserves		19,213	19,213	19,213	19,213
Accumulated funds		371,678	371,338	270,632	270,657
<b>Total Equity</b>		<b>390,891</b>	<b>390,551</b>	<b>289,845</b>	<b>289,870</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

for the year ended 30 June 2017

		2017					
		Consolidated			Parent		
		Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Notes							
	<b>Balance at 1 July 2016</b>	270,632	19,213	289,845	270,657	19,213	289,870
	<b>Net result for the year</b>	12,693	-	12,693	12,328	-	12,328
	<b>Other comprehensive income:</b>						
	Net decrease in property, plant and equipment revaluation surplus	-	-	-	-	-	-
	<b>Total other comprehensive income</b>	-	-	-	-	-	-
	<b>Total comprehensive income for the year</b>	12,693	-	12,693	12,328	-	12,328
	<b>Transactions with owners in their capacity as owners</b>						
	Increase in net assets from equity transfers	88,353	-	88,353	88,353	-	88,353
	<b>Balance at 30 June 2017</b>	371,678	19,213	390,891	371,338	19,213	390,551

The accompanying notes form part of these financial statements.

		2016					
		Consolidated			Parent		
		Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
	<b>Balance at 1 July 2016</b>	290,157	20,878	311,035	290,182	20,878	311,060
	<b>Net result for the year</b>	(19,525)	-	(19,525)	(19,525)	-	(19,525)
	<b>Other comprehensive income:</b>						
	Net decrease in property, plant and equipment revaluation surplus	-	(1,665)	(1,665)	-	(1,665)	(1,665)
	<b>Total other comprehensive income</b>	-	(1,665)	(1,665)	-	(1,665)	(1,665)
	<b>Total comprehensive income for the year</b>	(19,525)	(1,665)	(21,190)	(19,525)	(1,665)	(21,190)
	<b>Transactions with owners in their capacity as owners</b>						
	Increase in net assets from equity transfers	-	-	-	-	-	-
	<b>Balance at 30 June 2017</b>	270,632	19,213	289,845	270,657	19,213	289,870

# Venues NSW

## Statement of Cash Flows

for the year ended 30 June 2017

Notes	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Personnel services	8,930	8,930	6,399	6,399
Suppliers for goods and services	39,633	39,633	7,422	7,422
Finance costs	441	441	-	-
Other	32	32	5,430	5,430
<b>Total Payments</b>	<b>49,036</b>	<b>49,036</b>	<b>19,251</b>	<b>19,251</b>
<b>Receipts</b>				
Sale of goods and services	65,240	65,240	15,905	15,905
Interest received	578	578	556	556
Grants	43,707	43,707	4,995	4,995
Other	429	429	4,464	4,464
<b>Total Receipts</b>	<b>109,954</b>	<b>109,954</b>	<b>25,920</b>	<b>25,920</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>60,918</b>	<b>60,918</b>	<b>6,669</b>	<b>6,669</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of property, plant and equipment	11	11	-	-
Insurance proceeds	5,000	5,000	-	-
Purchases of property, plant and equipment	(33,214)	(33,214)	(2,848)	(2,848)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(28,203)</b>	<b>(28,203)</b>	<b>(2,848)</b>	<b>(2,848)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>				
Opening cash and cash equivalents	25,622	25,622	21,801	21,801
Cash transferred in as a result of administrative restructuring	36,960	36,960	-	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>95,297</b>	<b>95,297</b>	<b>25,622</b>	<b>25,622</b>

The accompanying notes form part of these financial statements.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (a) Reporting entity

Venues NSW is a NSW government statutory body. Venues NSW is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The business of Venues NSW is to manage government owned land, sporting and entertainment infrastructure for the benefit of the people of NSW. Venues NSW is consolidated as part of the NSW Total State Sector Accounts.

Venues NSW, as a reporting entity, comprises all the entities under its control (refer Note 1 (c)).

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These financial statements for the year ended 30 June 2017 have been authorised for issue by the Board on 28 September 2017.

#### (b) (i) Basis of preparation

Venues NSW's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions mandated by the Treasurer.

Property, plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

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

#### (ii) Vesting of Stadium Australia (known as ANZ Stadium)

On 1 July 2016, the NSW Government (via the State Sporting Venues Authority (SSVA)) acquired 100% of the shares in Stadium Holdings Pty Ltd (SHPL) and its wholly owned subsidiaries from Diversified Infrastructure Trust (DIT). In accordance with the lease between SHPL and the Sydney Olympic Park Authority (SOPA), SHPL held the operating lease for ANZ Stadium that expires on 31 January 2031.

As a result of this transaction, SSVA became the leaseholder of ANZ Stadium on 1 July 2016. SSVA financed the purchase with a loan from NSW Treasury Corporation (TCorp), with payment by instalments to DIT.

On 13 April 2017, by authority of the Sporting Venues Authorities Amendment Bill 2017, the assets and liabilities of SHPL, which included the leasehold of ANZ Stadium (refer Note 21), were transferred from SSVA to Venues NSW. The loan balance of \$113 million borrowed by SSVA from T-Corp to fund the payment to DIT and \$107 million payable (at present value. Face value \$108 million) to DIT for the last three instalments were included in the transfer.

In accordance with NSW Treasury Policy (TPP 09-03 Contributions by owners made to wholly-owned Public Sector Entities), the transfer was treated as a contribution by owners and there was no consideration paid by Venues NSW to SSVA. The transfer was at the carrying value of assets and liabilities in SSVA's accounts which equates to fair value as the existing use will not change (as per TPP 14-01 Valuation of Physical Non-Current Assets at Fair Value).

The State Government acquired ANZ Stadium to create the NSW Government owned Stadia network. As at the date of signing of these financial statements, no decision has been made in relation to the scope or timing of a redevelopment for ANZ Stadium. Therefore, the financial statements have been prepared on the basis of the current use and estimated life of the assets and no provision for impairment of assets have been included in the financial statements.

Treasury Circular TC17-06 Mandatory Annual Returns to Treasury requires government agencies to perform an assessment of the events after the reporting period in accordance with AASB 110 Events after the Reporting Period. As the government has not made any decision as at the date of signing these accounts, no adjustments to the financial statements have been made. Should the Government make a decision after signing of the accounts, an assessment of the financial impact based on the scale and timing of the redevelopment will be completed and included in the 2017-18 financial statements.

# Venues NSW

## Notes to the Financial Statements

### for the year ended 30 June 2017

#### (iii) Going concern

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities as they fall due.

As at 30 June 2017 Venues NSW had total assets of \$691.9m and total liabilities of \$302.4m, leaving net assets of \$389.5m. Current assets were \$113.5m lower than current liabilities due to the short term borrowings of \$113.2m for ANZ Stadium. The borrowings are held as short term until the NSW Government finalises its Stadia Strategy, which is expected to be completed by December 2017. This strategy will provide the direction required to allow Venues NSW to determine its borrowing policy and debt maturity profile. In addition, \$26.2 million of current liabilities at 30 June 2017 relate to revenues received or receivable in respect of Gold Membership subscriptions, corporate hospitality sales and other revenues which will be brought to account during the next financial year (refer Note 19).

The Board considers the going concern basis of preparation to be appropriate as Venues NSW forecast positive cash flow will enable the organisation to meet its current obligations without risk of default. Venues NSW has approval to borrow up to \$250 million, therefore further funding is available if required. The NSW Government has appropriated the full funding required to construct the Western Sydney Stadium and these funds are available to meet Venues NSW commitments as they fall due.

#### (c) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Venues NSW (Parent Entity) as at 30 June 2017. The Parent entity consists of Western Sydney Stadium, WIN Sports and Entertainment Centres, McDonald Jones Stadium, Newcastle Entertainment Centre and Showground and ANZ Stadium (from 13 April 2017). Venues NSW and its controlled entity (Newcastle International Sports Centre Club) together are referred to in these financial statements as the consolidated entity. The effect of all transactions between entities in the consolidated entity are eliminated in full.

#### (d) Statement of compliance

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

#### (e) Borrowing costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

#### (f) Insurance

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

#### (g) Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by Venues NSW as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- 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 are recoverable from, or payable to the Australian Taxation Office are classified as operating cash flows.

#### (h) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for the recognition of income are discussed below.

##### (i) Event related revenue

Event related revenue is derived from revenues that can be allocated to specific events. Where venue hire agreements specify that the hirer should contribute to the variable costs of staging an event, the costs recovered are included in event related revenue.

##### (ii) Food and beverage sales

Food and beverage sales are recognised at the time of sale to the customer. Commissions received from outsourced food and beverage operators are recognised at the date of the event.

#### (iii) ANZ Stadium Membership sales and subscriptions

Membership sales are recognised at the date of the sale of the membership. Annual membership subscriptions and platinum transferability fees are recognised on a straight-line basis over the membership (calendar) year. Once off platinum transferability fees collected are recognised over the term of the platinum membership.

#### (iv) Corporate hospitality sales

Corporate hospitality sales are recognised at the date of the event, being the date when the service is provided. Where corporate hospitality is sold for multiple events, revenue is recognised in instalments per event. For corporate hospitality sold on an annual basis, revenue is recognised on a straight-line basis over the term of the suite licence agreement.

#### (v) Grants and contributions

Grants and contributions are generally recognised as income when Venues NSW obtains control over the assets comprising the grants/contributions. Control is normally obtained upon receipt of cash.

#### (vi) Naming, exclusivity rights and sponsorship

Revenue from naming, exclusivity rights and sponsorship are recognised when Venues NSW enters into supply rights agreements with contractors. Revenue is amortised over the terms of the agreements and deferred revenue is included under income in advance on the statement of financial position.

#### (vii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument.

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

#### (i) Personnel services

Personnel services to Venues NSW are provided by the Office of Sport, AEG Ogden and VenuesLive. Venues NSW does not directly employ staff and personnel services cost is recognised as it is incurred. A current liability (personnel services provision) exists which includes all employee related entitlements.

Salaries and wages (including non-monetary benefits) and paid personal leave that are expected to be settled wholly

within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Employee entitlement provisions for Personnel Services provided by operators are as per the employment agreements the operators have with their employees and as per the operators accounting policies. For personnel services provided by the Office of Sport, the following apply.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. Venues NSW has assessed the actuarial advice based on Venues NSW's circumstances and has determined that the effect of discounting is immaterial to annual leave.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave recognised in respect of employee benefits which are not expected to be settled within twelve months are measured at present value in accordance with AASB119 *Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 15/09) to employees with five or more years of service, using the current rate of pay. Market yields on Government Bonds are used to discount such employee benefits.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### (j) Assets

#### (i) Acquisition of property, plant and equipment

Property, plant and equipment acquired are initially recognised 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 Australian Accounting Standards. Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

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. the 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) Revaluation of property, plant and equipment

Property, plant and equipment are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01).

This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*.

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.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 9 and Note 10 for further information regarding fair value.

Venues NSW revalue each class of property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluations were completed at Western Sydney Stadium, McDonald Jones Stadium and Newcastle Entertainment Centre and Showground on 31 March 2015 and at WIN Sports and Entertainment Centres on 31 March 2016, and was based on an independent assessment.

ANZ Stadium was transferred to Venues NSW on 13 April 2017. The last independent valuation of ANZ Stadium was undertaken by the Sydney Olympic Park Authority on 1 July 2015. The Sydney Olympic Park Authority valuation has been assessed to be still appropriate and used to ensure the stadium is recorded at fair value as at the reporting date.

During the year, Venues NSW undertook a desktop indexation of the values of land and building assets at Western Sydney Stadium, McDonald Jones Stadium, WIN Stadium and WIN Sports and Entertainment Centres and the Newcastle Entertainment Centre and Showground. The indexations were done by independent valuers and dated 31 March 2017. No adjustments were made to the asset values as the impact on the asset values was immaterial.

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.

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 recognised in other comprehensive income and credited directly to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised 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 it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

#### (iv) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities 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 depreciated replacement cost, where depreciated replacement cost is also fair value. Venues NSW assesses, at each reporting date whether there is any indication of impairment.

#### (v) Depreciation of property, plant and equipment

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 Venues NSW.

The net carrying amount of the long term leasehold interest in ANZ Stadium is amortised on a straight line basis over its useful life to Venues NSW, being the term of Venues NSW lease with the Sydney Olympic Park Authority (SOPA) which expires on 31 January 2031. This methodology appropriately reflects the usage pattern of benefits to be derived from ANZ Stadium by Venues NSW.

All material identifiable components of assets are depreciated over their useful lives.

Land is not a depreciable asset.

The following useful lives have been determined for each class of assets, unchanged from the previous year.

	Average useful life years
Buildings and infrastructure	5-50
Plant and equipment	2-50
Computer	3
Sculptures	60

#### (vi) 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 component of an asset, in which case the costs are capitalised and depreciated. Costs incurred in undertaking major planned maintenance, in effect asset replacement, of ANZ Stadium and its plant and equipment to comply with the terms and conditions of the lease with SOPA will be capitalised when incurred and depreciated over the estimated useful lives of the related assets.

#### (vii) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Where a non-current asset is acquired by means of a finance lease, at the commencement of the lease term, the asset is recognised at its fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Property, plant and equipment acquired under finance leases are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the entity's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the entity's net investment outstanding in respect of the leases.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Lease income from operating leases where the entity is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included by the lessor entity in the Statement of Financial Position based on their nature.

### (viii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables 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.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

### (ix) Inventories

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the 'first in first out' method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the entity would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (x) Impairment of financial assets

All financial assets, except those measured at fair value through statement of comprehensive income, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that Venues NSW will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the net result for the period.

Any reversals of impairment losses are reversed through the net result for the period, where there is objective evidence. However, reversals of impairment losses on an investment in an equity instrument classified as 'available for sale' must be made through the revaluation surplus. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

### (xi) De-recognition 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 Venues NSW transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where Venues NSW has not transferred substantially all the risks and rewards, if Venues NSW has not retained control.

Where Venues NSW has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Venues NSW's continuing involvement in the asset. In that case, the Venues NSW also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Venues NSW 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 Venues NSW 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.

### (xii) Restricted assets

Cash and cash equivalents include ticket sales collected in advance for upcoming events. The amounts are restricted and are quarantined from operating funds. They are subsequently paid to promoters and hirers as part of the event settlement process. Restricted assets also include the unspent amounts of the funding provided for the redevelopment of Western Sydney Stadium (formerly Pirtek Stadium), cash held against specific payments or commitments required under the ANZ Stadium project document with Sydney Olympic Park Authority (SOPA).

### (k) Liabilities

#### (i) Payables

These amounts represent liabilities for goods and services provided to Venues NSW and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

#### (ii) Borrowings

Borrowings are financial liabilities at amortised cost. Gains or losses are recognised in the net result for the year on de-recognition of borrowings.

### (l) Fair value 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.

A number of Venues NSW's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets. 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, Venues NSW 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 that Venues NSW 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).

Venues NSW recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer Note 10 for further disclosures regarding fair value measurements of non-financial assets.

### (m) Financial Instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in net result.

#### (i) Derivatives and hedging activities

Venues NSW use derivative financial instruments to hedge their exposure to foreign exchange rate risk arising from operational activities. In accordance with its investment strategy, Venues NSW does not hold or issue derivative financial instruments for trading purposes. However, Venues NSW have decided not to pursue hedge accounting and as a consequence all derivatives are accounted for as trading instruments.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation difference on non-monetary assets and liabilities such as equities held at fair value through profit and loss are recognised in profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

### (n) Equity and reserves

#### (i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with Venues NSW's policy on the revaluation of property, plant and equipment as discussed in Note 1(i)(iii).

#### (ii) Accumulated Funds

The category 'Accumulated Funds' includes all current and prior years' retained funds.

### (o) Changes in accounting policies, including new or revised Australian Accounting Standards

#### (i) Effective for the first time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except for the following new or revised Australian Accounting Standards that have been applied for the first time in 2016-17.

AASB 124, *Related Party Disclosures*. Venues NSW has implemented this Standard, as per the guidelines from Treasury Circular 16-12 and has issued questionnaires to key management personnel.

AASB 2015-7, *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. This Standard relieves not-for-profit public sector entities from a number of disclosures for assets that are held for their current service potential rather than to generate future net cash inflows. This amendment does not have a material impact on Venues NSW.

#### (ii) Issued but not yet effective

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

The following Australian Accounting Standards issued but not effective have been assessed for impact on Venues NSW.

AASB 16, *Leases* will have application from 1 January 2019. The standard introduces a new approach to lease accounting that requires a lessee to recognise assets and liabilities for the rights and obligations created by leases. We believe that the application of this standard will not have a significant impact on Venues NSW.

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses* (effective from annual reporting periods on or after 1 January 2017)
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* (effective from annual reporting periods on or after 1 January 2017)
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* (effective from annual reporting periods on or after 1 January 2017)
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions* (effective from annual reporting periods on or after 1 January 2018)
- AASB 2016-6 *Amendments to Australian Accounting Standards – Applying AASB 9 with AASB 4 Insurance Contracts* (effective from annual reporting periods on or after 1 January 2018)
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities* (effective from annual reporting periods on or after 1 January 2018)
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* (effective from annual reporting periods on or after 1 January 2019)

- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments* (effective from annual reporting periods on or after 1 January 2019)
- AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle* (effective from annual reporting periods on or after 1 January 2017)
- Interpretation 22 *Foreign Currency Transactions and Advance Consideration* (effective from annual reporting periods on or after 1 January 2018)

Management anticipates that the adoption of these Standards in the period of initial application will have no material impact on the financial statements.

### (p) Comparative information

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

### (q) Income taxes

Venues NSW falls under the Tax Equivalent Regime (TER) for government businesses. As a result, Venues NSW is required to remit tax equivalents to the NSW Office of State Revenue based on accounting profits adjusted for certain transactions. Under the TER framework, Venues NSW is not required to apply AASB112 Income Taxes.

As an accounting loss (excluding special purpose government grants) was incurred, there is no tax liability.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 2 Revenue

#### (a) Event related revenue

	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
Venue and ground hire	6,697	6,697	7,162	7,162
Cost recovered from hirers	2,946	2,946	3,522	3,522
Food and beverage sales	12,650	12,650	3,554	3,554
Hospitality	5,436	5,436	-	-
Other	7	7	30	30
<b>Total</b>	<b>27,736</b>	<b>27,736</b>	<b>14,268</b>	<b>14,268</b>

#### (b) Investment revenue

Interest revenue	666	666	562	562
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#### (c) Grants and contributions

NSW State Government	43,705	43,705	4,995	4,995
Other	3	3	-	-
<b>Total</b>	<b>43,708</b>	<b>43,708</b>	<b>4,995</b>	<b>4,995</b>

The 2015-16 grants include \$3m for Western Sydney Stadium (formerly Pirtek Stadium) and \$0.792m for the WIN Stadium Northern Grandstand Project

The 2016-17 grant of \$43.7m is funding for Western Sydney Stadium

#### (d) Other revenue

Leasing and rentals	1,057	1,057	873	873
Car park revenue	353	353	625	625
Membership revenue	2,295	2,295	-	-
Naming rights, advertising, sponsorship, recoveries and other	6,366	6,001	3,650	3,650
<b>Total</b>	<b>10,071</b>	<b>9,706</b>	<b>5,148</b>	<b>5,148</b>

### 3 Expenses Excluding Losses

#### (a) Personnel services

Personnel services from Office of Sport	2,579	2,579	3,273	3,273
Superannuation - defined contribution plan	337	337	367	367
Long service leave (including on costs)	31	31	128	128
Workers' compensation insurance	66	66	53	53
Payroll tax and fringe benefits tax	325	325	315	315
Personnel services from operators	8,089	8,089	1,734	1,734
<b>Total</b>	<b>11,427</b>	<b>11,427</b>	<b>5,870</b>	<b>5,870</b>

#### (b) Event related costs

Cost of sales	9,574	9,574	6,750	6,750
<b>Total</b>	<b>9,574</b>	<b>9,574</b>	<b>6,750</b>	<b>6,750</b>

#### (c) Other operating expenses

Maintenance	2,597	2,597	2,186	2,186
Electricity and gas	1,510	1,510	1,080	1,080
Fees for services required	1,482	1,482	1,360	1,360
Rates	618	618	-	-
Computer system expenses	354	354	176	176
Water charges	319	319	391	391
Insurance	306	306	242	242
Auditor's remuneration - audit of financial statements	273	273	95	95
Marketing/Advertising	214	214	67	67
Postage and telephone	210	210	142	142
Security	203	203	61	61
Doubtful debt expense	108	108	-	-
Travel	101	101	52	52
Printing and stationery	79	79	49	49
Motor vehicle expenses	64	64	48	48
Training	60	60	52	52
Legal	48	48	167	167
Consultants	31	31	11	11
Other	511	511	391	391
<b>Total</b>	<b>9,088</b>	<b>9,088</b>	<b>6,570</b>	<b>6,570</b>

#### (d) Depreciation and amortisation

Depreciation				
Buildings	31,800	31,800	24,507	24,507
Plant and equipment	765	765	406	406
<b>Total</b>	<b>32,565</b>	<b>32,565</b>	<b>24,913</b>	<b>24,913</b>
Amortisation				
Leasehold improvements	5,573	5,573	-	-
<b>Total</b>	<b>38,138</b>	<b>38,138</b>	<b>24,913</b>	<b>24,913</b>

#### (e) Finance costs

Interest charges	441	441	-	-
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Venues NSW  
Notes to the Financial Statements  
for the year ended 30 June 2017

	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
<b>4 Gain on Disposal</b>				
Proceeds from disposal of plant and equipment	11	11	-	-
Less written down value of assets disposed	(5)	(5)	-	-
Net gain on disposal of plant and equipment	6	6	-	-
<b>5 Other Gains / (Losses)</b>				
Write down of Pirtek Stadium inactive assets	(1,101)	(1,101)	(395)	(395)
Gain on closure of foreign exchange contract	275	275	-	-
	(826)	(826)	(395)	(395)
<b>6 Current Assets - Cash and Cash Equivalents</b>				
<b>Unrestricted</b>				
Cash at bank and on hand	45,417	45,417	8,320	8,320
<b>Restricted</b>				
Cash at bank - Cash held on behalf of hirers	32,695	32,695	3,652	3,652
Treasury Corporation deposits	16,428	16,428	13,650	13,650
Cash held in dedicated accounts to satisfy conditions under the ANZ Stadium Project Agreement (i)	757	757	-	-
<b>Total</b>	<b>95,297</b>	<b>95,297</b>	<b>25,622</b>	<b>25,622</b>

Cash at bank - Cash held on behalf of hirers relates to cash collected in advance for upcoming events and is quarantined from operating funds.

Treasury Corporation deposits includes \$16.4m unspent from the \$27m funding received in prior years towards Western Sydney Stadium (formerly Pirtek Stadium)

(i) In accordance with the Project Agreement between SOPA and Venues NSW (VNSW), which amongst other things sets out VNSW's obligations to maintain ANZ Stadium, VNSW is required to deposit monies into a Major Maintenance Account to fund future maintenance of the stadium. Monies may only be withdrawn from the Major Maintenance Account to be used in satisfying major maintenance, overhaul or replacement obligations of VNSW as required by the provisions of the Asset Maintenance Plan.

	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
<b>7 Current / Non-Current Assets - Receivables</b>				
<b>Current</b>				
Debtors	10,196	10,196	1,525	1,525
Less: Allowance for impairment	-	-	(126)	(126)
Prepayments	18,216	18,216	79	79
GST receivable	623	623	-	-
Accrued income	88	88	217	217
Other accounts receivable	790	815	241	266
Total Current Receivables	29,913	29,938	1,936	1,961
<b>Non-Current</b>				
Prepayments	919	919	-	-
<b>8 Current Assets - Inventories</b>				
Held for resale	1,521	1,521	66	66

Movement in the allowance for impairment

Balance at 1 July	(126)	(126)	(126)	(126)
Amounts written off during the period	234	234	-	-
Amounts recovered during the period	-	-	-	-
Increase (decrease) in allowance recognised in profit or loss	(108)	(108)	-	-
Balance at 30 June	-	-	(126)	(126)

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 9 Non-Current Assets - Property, Plant and Equipment

	Consolidated				
	Land and Buildings \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Leasehold improvements \$'000	Total \$'000
<b>At 1 July 2016 - fair value</b>					
Gross carrying amount	396,055	6,096	9,802	-	411,953
Accumulated depreciation and impairment	(135,106)	(3,661)	-	-	(138,767)
Net carrying amount	260,949	2,435	9,802	-	273,186
<b>At 30 June 2017 - fair value</b>					
Gross carrying amount	403,109	37,730	28,287	300,830	769,956
Accumulated depreciation and impairment	(166,471)	(13,837)	-	(25,425)	(205,733)
Net carrying amount	236,638	23,893	28,287	275,405	564,223

	Parent				
	Land and Buildings \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Leasehold improvements \$'000	Total \$'000
<b>At 1 July 2016 - fair value</b>					
Gross carrying amount	396,055	6,096	9,802	-	411,953
Accumulated depreciation and impairment	(135,106)	(3,661)	-	-	(138,767)
Net carrying amount	260,949	2,435	9,802	-	273,186
<b>At 30 June 2017 - fair value</b>					
Gross carrying amount	403,109	37,730	28,287	300,830	769,956
Accumulated depreciation and impairment	(166,471)	(13,837)	-	(25,425)	(205,733)
Net carrying amount	236,638	23,893	28,287	275,405	564,223

#### Reconciliation

##### Period ended 30 June 2017

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.

Net carrying amount at start of year	260,949	2,435	9,802	-	273,186
Additions	50	6,474	26,690	-	33,214
Depreciation expense	(31,800)	(765)	-	(5,573)	(38,138)
Transfer from WIP to buildings	8,205	-	(8,205)	-	-
Acquisitions through administrative restructures	-	16,088	-	280,978	297,066
Write down of Pirtek Stadium inactive assets	(766)	(335)	-	-	(1,101)
WDV of assets sold	-	(5)	-	-	(5)
Net carrying amount at end of period	236,638	23,893	28,287	275,405	564,223

Net carrying amount at start of year	260,949	2,435	9,802	-	273,186
Additions	50	6,474	26,690	-	33,214
Depreciation expense	(31,800)	(765)	-	(5,573)	(38,138)
Transfer from WIP to buildings	8,205	-	(8,205)	-	-
Acquisitions through administrative restructures	-	16,088	-	280,978	297,066
Write down of Pirtek Stadium inactive assets	(766)	(335)	-	-	(1,101)
WDV of assets sold	-	(5)	-	-	(5)
Net carrying amount at end of period	236,638	23,893	28,287	275,405	564,223

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 10.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 9 Non-Current Assets - Property, Plant and Equipment (cont)

	Consolidated				Parent			
	Land and Buildings \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000	Land and Buildings \$'000	Plant and Equipment \$'000	Work in Progress \$'000	Total \$'000
<b>At 1 July 2015 - fair value</b>								
Gross carrying amount	376,494	5,411	8,123	390,028	376,494	5,411	8,123	390,028
Accumulated depreciation and impairment	(89,462)	(3,255)	-	(92,717)	(89,462)	(3,255)	-	(92,717)
Net carrying amount	287,032	2,156	8,123	297,311	287,032	2,156	8,123	297,311
<b>At 30 June 2016 - fair value</b>								
Gross carrying amount	396,055	6,096	9,802	411,953	396,055	6,096	9,802	411,953
Accumulated depreciation and impairment	(135,106)	(3,661)	-	(138,767)	(135,106)	(3,661)	-	(138,767)
Net carrying amount	260,949	2,435	9,802	273,186	260,949	2,435	9,802	273,186

#### Reconciliation

##### Year ended 30 June 2016

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.

Net carrying amount at start of year	287,032	2,156	8,123	297,311	287,032	2,156	8,123	297,311
Additions	1,023	146	1,679	2,848	1,023	146	1,679	2,848
Depreciation expense	(24,507)	(406)	-	(24,913)	(24,507)	(406)	-	(24,913)
Transfer from building infrastructure to plant and equipment	(539)	539	-	-	(539)	539	-	-
Partial write down of Pirtek Stadium building work-in-progress	(395)	-	-	(395)	(395)	-	-	(395)
Revaluation decrement	(1,665)	-	-	(1,665)	(1,665)	-	-	(1,665)
Net carrying amount at end of period	260,949	2,435	9,802	273,186	260,949	2,435	9,802	273,186

### 10 Fair value measurement of non-financial assets

#### (a) Fair value hierarchy

##### 2017 Property, plant and equipment (Note 9)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Land and buildings	-	-	236,638	236,638
Leasehold Improvements	-	-	275,405	275,405
	-	-	512,043	512,043

##### 2016 Property, plant and equipment (Note 9)

Land and buildings	-	-	260,949	260,949
	-	-	260,949	260,949

There were no transfers between Level 2 and Level 3 during the year.

#### (b) Valuation techniques, inputs and processes

The following table shows the valuation techniques used in measuring the fair value of property, plant and equipment for Level 3 fair values.

##### Level 3 Land

##### Valuation technique and inputs

Market value: Qualified valuers from Opteon Property Group, Skelton Valuers and FPV Consultants were engaged between April 2015 and March 2016 for each site to carry out the valuation of land. The values for the lands are determined by using market evidence based on the zoning and restrictions, condition, location and comparability of the asset. The valuers did not make significant adjustments to the land values. A range of sales evidence was used but a discount factor was not used to go from an unimpaired value (highest and best use) to an impaired value (existing use). Hence the most appropriate method to value land is via the Direct Comparison Approach, which is the "market approach". In this approach the relative merits of the subject property and each of the sales are analysed and compared, having regard to matters such as zoning, location, aspect, topography, size of land, shape of land, size and current market sentiment. Ultimately valuers make a judgement call when comparing sales to the subject property. Sales evidence is considered as observable inputs. In the case of specialised assets such as Venues NSW's lands, the valuers consider the current use of the land. They also work on the basis the current use is in fact the highest and best use given there is no other feasible alternate use. In short, fair value is measured having regard to the highest and best use of an asset.

Fair value per square metre is in the range \$33/sqm - \$1000/sqm (weighted average \$91/sqm). Total area of land is 616,874 sqm.

The following table shows the valuation techniques used in measuring the fair value of property, plant and equipment, as well as the significant unobservable inputs used for Level 3 fair values.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 10 Fair value measurement of non-financial assets (cont)

#### Level 3 Buildings

##### Valuation technique

Depreciated replacement cost:

Qualified valuers from Opteon Property Group, Skelton Valuers and FPV Consultants were engaged between April 2015 and March 2016 for each site to carry out the valuation of buildings.

Replacement cost of buildings and structures were based on gross floor areas and net lettable areas and the calculation of gross floor areas from drawings or site inspections. These areas and photographs of the buildings were used for the establishment of replacement costs. The replacement costs were used to establish the fair values of all buildings.

The completion of the replacement cost valuation also included reference to historical cost information provided by Venues NSW and the Rawlinsons Australian Construction Handbook 2015 of cost information used for the construction of some of the buildings.

The methodology used in determining the replacement cost and depreciated replacement cost valuations:

1. Estimating the cost of construction comprising site infrastructure, buildings and other specialist equipment.
2. Identify the age of the existing assets.
3. Establish the remaining life for each asset based on age, condition and functionality.
4. Calculate the depreciated replacement cost of these assets based on the current replacement cost and the economic life.

#### Level 3 Leasehold Improvements

##### Valuation technique

Depreciated replacement cost:  
(Appportioned to the remaining life of the lease)

Qualified valuers from LPI were engaged to value the stadium in July 2015.

Cost Approach - Specialised asset where current market buying prices cannot be observed therefore the depreciated replacement cost method of valuation has been adopted (Appportioned to the remaining life of the lease).

##### Significant unobservable inputs

Buildings:

Replacement cost per square metre for the following assets:

Asset and range (weighted average):	
MacDonald Jones Stadium	\$81 - \$2,793 (\$1,058)
Newcastle Entertainment Centre	\$141 - \$1,764 (\$518)
WIN Stadium	\$202 - \$5,151 (\$1,951)
WIN Entertainment Centre	\$286 - \$2,265 (\$2,169)

Other inputs:

Weighted average remaining useful life:

MacDonald Jones Stadium	33 years
Newcastle Entertainment Centre	15 years
WIN Stadium	26 years
WIN Entertainment Centre	22 years

Floor area:

MacDonald Jones Stadium	107,236 sqm
Newcastle Entertainment Centre	33,926 sqm
WIN Stadium	15,790 sqm
WIN Entertainment Centre	14,391 sqm

##### Significant unobservable inputs

Leasehold Improvements:

Replacement cost per square metre for the following assets:  
ANZ Stadium

Asset and range (weighted average): \$510 sqm

Other inputs: Weighted average remaining useful life:  
ANZ Stadium: 14 years

#### (c) Reconciliation of recurring Level 3 fair value measurements

##### 2017

	Land and Buildings \$'000	Leasehold Improvement \$'000	Total Recurring Level 3 Fair Value \$'000
Fair value as at 1 July 2016	260,949	-	260,949
Additions	50	-	50
Acquisitions through administrative restructures	-	280,978	280,978
Depreciation	(31,800)	(5,573)	(37,373)
Transfer from WIP to buildings	8,205	-	8,205
Write down of Pirtek Stadium inactive assets	(766)	-	(766)
Fair value as at 30 June 2017	236,638	275,405	512,043

##### 2016

Fair value as at 1 July 2015	231,826	-	231,826
Additions	1,023	-	1,023
Transfers from Level 2	55,206	-	55,206
Depreciation	(24,507)	-	(24,507)
Transfer from buildings infrastructure to plant and equipment	(539)	-	(539)
Partial write down of Pirtek Stadium building work-in-progress	(395)	-	(395)
Net revaluation decrement	(1,665)	-	(1,665)
Fair value as at 30 June 2016	260,949	-	260,949

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 11 Current / Non-Current Liabilities - Payables

#### Current

	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
Creditors	12,211	12,211	193	193
Accrued expenses	2,922	2,922	1,818	1,818
Other payables	283	648	1,321	1,321
GST payable	-	-	67	67
Payable to DIT for the acquisition of SHPL	50,000	50,000	-	-
<b>Total</b>	<b>65,416</b>	<b>65,781</b>	<b>3,399</b>	<b>3,399</b>

#### Non-Current

Payable to DIT for the acquisition of SHPL (face value \$58.26 million)	56,837	56,837	-	-
	<b>56,837</b>	<b>56,837</b>	<b>-</b>	<b>-</b>

### 12 Current / Non-Current Liabilities - Provisions

#### Current

Personnel services	2,679	2,679	921	921
Movements in provisions				
Carrying amount at start of period	921	921	847	847
Additional provisions recognised	2,175	2,175	490	490
Amounts used	(417)	(417)	(416)	(416)
Carrying amount at end of period	<b>2,679</b>	<b>2,679</b>	<b>921</b>	<b>921</b>

#### Non-Current

Personnel services	299	299	48	48
<b>Total Provisions</b>	<b>299</b>	<b>299</b>	<b>48</b>	<b>48</b>

Movements in provisions				
Carrying amount at start of period	48	48	61	61
Additional provisions recognised	267	267	14	14
Amounts used	(16)	(16)	(27)	(27)
Carrying amount at end of period	<b>299</b>	<b>299</b>	<b>48</b>	<b>48</b>

### 13 Current Liabilities - Borrowings

#### Current

TCorp loan	113,240	113,240	-	-
	<b>113,240</b>	<b>113,240</b>	<b>-</b>	<b>-</b>

Venues NSW has approval to borrow up to \$250 million (30 June 2016: Nil) from TCorp to fund the acquisition of SHPL. The loan is currently short-term, being rolled over on maturity. Interest is payable at maturity. Funds will be drawn down to pay the contracted instalment amounts to DIT over the next two years. On release of the NSW Government's Stadia Strategy, Venues NSW will assess its borrowings policy and the maturity profile of this loan.

Borrowings are recognised at amortised cost using the effective interest method in AASB 139 Financial Instruments: Recognition and Measurement.

\$113.2 million was utilised as at 30 June 2017 (30 June 2016: Nil).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 17.

### 14 Current / Non-Current Liabilities - Other liabilities

#### Current

Income in advance	26,239	26,239	929	929
Deposits held and ticket sale receipts on behalf of hirers	32,695	32,695	4,109	4,109
	<b>58,934</b>	<b>58,934</b>	<b>5,038</b>	<b>5,038</b>

#### Non-Current

Income in advance	3,577	3,577	1,559	1,559
	<b>3,577</b>	<b>3,577</b>	<b>1,559</b>	<b>1,559</b>

### 15 Commitments for Expenditure

#### (a) Capital commitments

Aggregate capital expenditure for the acquisition of property, plant and equipment including the redevelopment of Western Sydney Stadium contracted for at balance date and not provided for:

Not later than one year	115,358	115,358	-	-
Later than one year and not later than five years	145,894	145,894	-	-
<b>Total (including GST)</b>	<b>261,252</b>	<b>261,252</b>	<b>-</b>	<b>-</b>

Western Sydney Stadium capital commitments are funded by grants from NSW Treasury.

#### (b) Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	193	193	19	19
Later than one year and not later than five years	51	51	52	52
<b>Total (including GST)</b>	<b>244</b>	<b>244</b>	<b>71</b>	<b>71</b>

### 16 Contingent Liabilities and Contingent Assets

Following the Government's announcement in September 2015 of a commitment to build a new 30,000 seat stadium at Parramatta, work on the upgrade project which was then underway has ceased. An amount of \$16.4m in funding received from the Commonwealth remains unspent.

As a consequence of the demolition of Pirtek Stadium, two former contract service providers have lodged claims for compensation. The claims are under discussion with the two parties.

The Members of the Board of Management are not aware of any significant or material contingent asset in existence at reporting date or which has emerged subsequent to reporting date which would materially impact on the financial position of Venues NSW.

### 17 Reconciliation of Cash Flows from Operating Activities to Net Result

Net cash flows from operating activities	60,918	60,918	6,669	6,669
Depreciation and amortisation	(38,138)	(38,138)	(24,913)	(24,913)
Increase (decrease) in receivables	1,519	1,519	(96)	(96)
Increase (decrease) in inventories	(508)	(508)	(9)	(9)
Increase (decrease) in prepayments	15,246	15,246	-	-
Decrease (increase) in payables	(25,553)	(25,918)	(721)	(721)
Decrease (increase) in provisions	85	85	(61)	(61)
Decrease (increase) in other liabilities	(56)	(56)	1	1
Write down of Pirtek Stadium inactive assets	(1,101)	(1,101)	(395)	(395)
Net gain on sale of plant and equipment	6	6	-	-
Gain on closure of foreign exchange contract	275	275	-	-
<b>Net result</b>	<b>12,693</b>	<b>12,328</b>	<b>(19,525)</b>	<b>(19,525)</b>

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 18 Financial Instruments

Venues NSW's principal financial instruments are outlined below. These financial instruments arise directly from Venues NSW's operations or are required to finance its operations. Venues NSW does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Venues NSW's main risks arising from financial instruments are outlined below, together with Venues NSW's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board of Management with advice from the Audit and Risk Committee of Venues NSW has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by Venues NSW, to set risk limits and controls and to monitor risks.

#### (a) Financial instrument categories

	Note	Category	Consolidated Carrying Amount 2017 \$'000	Parent Carrying Amount 2017 \$'000	Consolidated Carrying Amount 2016 \$'000	Parent Carrying Amount 2016 \$'000
<b>Financial Assets</b>						
<b>Class</b>						
Cash and cash equivalents	6	N/A	95,297	95,297	25,622	25,622
Receivables (excludes statutory receivables and prepayments)	7	Loans and receivables (at amortised cost)	11,074	11,099	1,857	1,882
			<u>106,371</u>	<u>106,396</u>	<u>27,479</u>	<u>27,504</u>
<b>Financial Liabilities</b>						
<b>Class</b>						
Payables (excludes statutory payables and unearned revenue)	11	Financial liabilities measured at amortised cost	123,676	95,297	25,622	25,622
Borrowings	13	Financial liabilities measured at amortised cost	113,240	113,240	-	-
			<u>236,916</u>	<u>237,281</u>	<u>7,441</u>	<u>7,441</u>

#### (b) Credit risk

Credit risk arises when there is the possibility of Venues NSW's debtors defaulting on their contractual obligations, resulting in a financial loss to Venues NSW. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of Venues NSW, including cash, receivables and authority deposits. No collateral is held by Venues NSW. Venues NSW has not granted any financial guarantees.

Authority deposits held with NSW TCorp are guaranteed by the State.

#### (i) 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 monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

#### (ii) Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off.

An allowance for impairment is raised when there is objective evidence that Venues NSW will not be able to collect all amounts due. This evidence includes past experience and current and expected changes in economic conditions.

Venues NSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due \$8,050,788 (2016: \$647,681) and less than 3 months past due \$1,662,584 (2016: \$189,776) are not considered impaired. Together these represent 95% (2016: 55%) of the total trade debtors.

	2017			2016		
	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
<b>Consolidated</b>						
<3 months overdue	1,662	1,662	-	190	190	-
>3 months overdue	483	483	-	684	558	126
	<u>2,145</u>	<u>2,145</u>	<u>-</u>	<u>874</u>	<u>748</u>	<u>126</u>
<b>Parent</b>						
<3 months overdue	1,662	1,662	-	190	190	-
>3 months overdue	483	483	-	684	558	126
	<u>2,145</u>	<u>2,145</u>	<u>-</u>	<u>874</u>	<u>748</u>	<u>126</u>

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

#### (iii) Receivables - other

Venues NSW has a receivable identified as Loan to Controlled Entity of \$25,063, from the Newcastle International Sports Club.

#### (iv) Authority Deposits

The entity has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 2.5% (2016 - 2.5%), while over the year the weighted average interest rate was 2.5% (2016 - 2.5%) on a weighted average balance during the year of \$16,428,000 (2016 - \$13,650,000). None of these assets are past due or impaired.

# Venues NSW

## Notes to the Financial Statements

### for the year ended 30 June 2017

#### 18 Financial Instruments (cont)

##### (c) Liquidity risk

Liquidity risk is the risk that Venues NSW will be unable to meet its payment obligations when they fall due. Venues NSW 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.

Venues NSW has approval to borrow up to \$250 million from with TCorp to fund the acquisition of SHPL. The outstanding loan balance was \$113.2 million at 30 June 2017 (30 June 2016: Nil).

During the current and prior year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. Venues NSW's exposure to liquidity risk is deemed insignificant based on prior periods' data and 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 statement is received.

The table below summarises the maturity profile of Venues NSW's financial liabilities, together with the interest rate exposure.

##### Maturity Analysis and Interest Rate Exposure of Financial Liabilities

	Weighted Average Effective Interest Rate	Interest Rate Exposure \$'000				Maturity Dates		
		Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1-5 yrs	> 5 yrs
<b>2017</b>								
<b>Consolidated</b>								
Total:								
Payables	N/A	122,253	-	-	122,253	63,993	58,260	-
Borrowings - TCorp	1.95	113,240	1.95	-	-	113,240	-	-
		235,493			122,253	177,233	58,260	-
<b>Parent</b>								
Total:								
Payables	N/A	122,618	-	-	122,618	64,358	58,260	-
Borrowings - TCorp	1.95	113,240	1.95	-	-	113,240	-	-
		235,858			122,618	177,598	58,260	-
<b>2016</b>								
<b>Consolidated</b>								
Total:								
Payables	N/A	7,441	-	-	7,441	7,441	-	-
		7,441	-	-	7,441	7,441	-	-
<b>Parent</b>								
Total:								
Payables	N/A	7,441	-	-	7,441	7,441	-	-
		7,441	-	-	7,441	7,441	-	-

Notes: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which Venues NSW can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

##### (d) 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. Venues NSW's exposures to market risk are primarily through interest rate risk on Venues NSW's risks associated with the movement in the unit price of the Hour Glass Investment Facilities. Venues NSW has no exposure to foreign currency risk, and does not enter into commodity contracts.

##### Interest rate risk

Exposure to interest rate risk arises primarily through Venues NSW's interest bearing liabilities. Venues NSW does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

Venues NSW's exposure to interest rate risk is set out below.

	Carrying Amount	2017 \$'000			
		-1%		1%	
		Profit	Equity	Profit	Equity
<b>Consolidated</b>					
Financial assets					
Cash and cash equivalents	95,297	(953)	(953)	953	953
	95,297	(953)	(953)	953	953
<b>Parent</b>					
Financial assets					
Cash and cash equivalents	95,297	(953)	(953)	953	953
	95,297	(953)	(953)	953	953
<b>2016 \$'000</b>					
<b>Consolidated</b>					
Financial assets					
Cash and cash equivalents	25,622	(256)	(256)	256	256
	25,622	(256)	(256)	256	256
<b>Parent</b>					
Financial assets					
Cash and cash equivalents	25,622	(256)	(256)	256	256
	25,622	(256)	(256)	256	256

##### Other price risk - TCorp Hour-Glass facilities

Venues NSW holds units in the following Hour-Glass investment trust:

Facility	Investments Sectors	Investment Horizon	2017 \$'000	2016 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	16,428	13,650

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties.

The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity).

Facility	Change in unit price	Impact on profit/loss	
		2017 \$'000	2017 \$'000
Hour-Glass Investment - Cash facility	+/- 5%	821	683

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017

### 18 Financial Instruments (cont)

#### (e) Fair value measurement

Financial instruments are generally recognised at cost. The amortised cost of 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.

### 19 Net current liabilities

The consolidated financial statements show a net current liability position of \$113.5 million as at 30 June 2017.

A significant portion of current liabilities of Venues NSW as at 30 June 2017 relates to revenues received or receivable in respect of the TCorp borrowings to acquire SHPL, Gold Membership subscriptions, corporate hospitality sales and other revenues which will be brought to account during the next financial year. The effective net asset position of Venues NSW after adjusting for the TCorp borrowings and revenues received or receivable in advance is shown in the table below.

	2017 Consolidated \$'000	2017 Parent \$'000	2016 Consolidated \$'000	2016 Parent \$'000
Current assets	126,731	126,756	27,624	27,649
Current liabilities	(240,269)	(240,634)	(9,358)	(9,358)
Net current liabilities	(113,538)	(113,878)	18,266	18,291
Revenue received / receivable in advance	26,239	26,239	929	929
TCorp borrowings for SHPL acquisition	113,240	113,240	-	-
Effective net current assets	25,941	25,601	19,195	19,220

### 20 Related Party Disclosures

#### (a) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. This comprises the Minister for Sport, Chief Executive Officer and Board Members.

#### (b) Key management personnel compensation

Key management personnel compensation are as follows:

	2017 \$'000
Short-term employee benefits	334
Post-employment benefits	-
Other long-term benefits	-
Termination benefits	183
Total remuneration	517

The above disclosures are based on actual payments made for employee benefits during the reporting period.

### (c) Other transactions with key management personnel and related entities

From time to time, key management personnel may purchase goods or services from Venues NSW. These purchases are on the same terms and conditions as those entered into by other customers and are immaterial in nature. There have been no transactions reported with key management personnel.

During 2016-17, Venues NSW had related party transactions with the following entities:

- Office of Sport in relation to the provision of personnel services (as per Note 2(a)),
- Payments to the Sydney Olympic Park Authority with respect of ANZ Stadium,
- Treasury Corporation (TCorp) with regards to borrowing \$113.2 million to fund the acquisition of SHPL and
- Infrastructure NSW, who were paid \$43.7 million for the construction of Western Sydney Stadium.

These transactions were conducted at arm's length.

### 21 Increase / Decrease in Net Assets from Equity Transfers

As at 13 April 2017, under Sporting Venues Authorities Amendment Bill 2017, the NSW Government transferred the assets and liabilities of SHPL, which includes the leasehold of ANZ Stadium, to Venues NSW. This gives Venues NSW the rights to operate the Stadium to 31 January 2031, after which the Stadium reverts to ownership by the Sydney Olympic Park Authority. The transfer included all related assets and liabilities and there was no consideration paid by Venues NSW to SSVA. See also Note 1(b)(ii).

#### (a) Acquisition of SHPL and transfer to Venues NSW

The assets and liabilities divested from SSVA to VNSW as the result of the transfer on 13 April are as follows:

	Refer to the following Notes	Fair Value \$'000
Cash		36,960
Receivables		18,026
Inventories		1,962
Building – ANZ Stadium (Net)		280,978
Plant & Equipment (Net)		16,088
Payables		(14,413)
Provisions		(1,059)
Income received in advance		(29,833)
Derivatives and borrowings		(279)
<b>Net identifiable SHPL assets transferred</b>		<b>308,430</b>
SSVA liabilities transferred		
Borrowings	13	113,240
Current Payable - due to DIT 1 July 2017	11	50,000
Non-current Payable - due to DIT 3 July 2018 (face value \$30 million)	11	29,557
Non-current Payable - due to DIT 3 July 2019 (face value \$28.26 million)	11	27,280
<b>Total Liabilities</b>		<b>220,077</b>
<b>Net assets transferred through Equity</b>		<b>88,353</b>

The amounts above were the balances transferred on 13 April 2017 and do not reflect the equivalent amounts as at 30 June 2017.

# Venues NSW

## Notes to the Financial Statements

for the year ended 30 June 2017



### INDEPENDENT AUDITOR'S REPORT Newcastle International Sports Centre Club

#### (b) Transfer of ANZ Stadium to Venues NSW

The following summarises the expenses and revenue, recognised by SSVA (up to the date of transfer) and VNSW (from date of transfer to year end) for the reporting period.

	SSVA 1 July 2016 to 12 April 2017 (\$'000)	VNSW 13 April 2017 to 30 June 2017 (\$'000)	2016-17 Total (\$'000)
<b>Revenue</b>			
Event revenue	53,632	13,660	67,292
Sales of goods and services	22,741	7,040	29,781
Interest revenue	393	124	517
<b>Total revenue</b>	<b>76,766</b>	<b>20,824</b>	<b>97,590</b>
<b>Expenses</b>			
Event related costs	43,191	9,717	52,908
Other operating expenses	14,174	3,550	17,724
Depreciation and amortisation	21,326	6,031	27,357
Finance Costs	90	441	531
<b>Total expenses excluding losses</b>	<b>78,781</b>	<b>19,739</b>	<b>98,520</b>
Other gains/(losses)			
SOPA Loan forgiveness	48,983	-	48,983
DIT Loan Forgiveness	(8,419)	-	(8,419)
Gain on closure of foreign exchange contract	1,042	275	1,317
Write-off of loan establishment fee	(154)	-	(154)
<b>Total other gains/(losses)</b>	<b>41,452</b>	<b>275</b>	<b>41,727</b>
<b>Surplus/(deficit) for the year</b>	<b>39,437</b>	<b>1,360</b>	<b>40,797</b>

#### 22 Events after the Reporting Period

There has not arisen in the interval between the 30 June 2017 and the date of this report, any item, transaction or event of a material or unusual nature likely, in the opinion of the Chief Executive Officer to affect significantly the operations or the affairs of Venues NSW in the future financial years.

End of audited financial statements

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Newcastle International Sports Centre Club (the Club), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Club as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 the Club 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' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with 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 believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### The Board's Responsibility 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 and the PF&A Act, and for 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 must assess the Club's ability to continue as a going concern except where the Club will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

#### Auditor's Responsibility 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Authority or the consolidated entity carried out their activities effectively, efficiently and economically
- 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.

**Caroline Karakatsanis**  
Director, Financial Audit Services  
3 October 2017 SYDNEY

# Newcastle International Sports Centre Club Financial Statements

for the year ended 30 June 2017

## Statement by Members of the Board of Management

Pursuant to section 41C(1B) of the Public Finance and Audit Act 1983, We declare on behalf of Venues NSW that:

- (i) In our opinion the financial statements of the Authority for the year ended 30 June 2017 have been prepared in accordance with applicable Australian Accounting Standards (which includes Australian Accounting interpretations), the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions.
- (ii) The financial statements exhibit a true and fair view of the financial position as at 30 June 2017 and the financial performance for the year then ended.
- (iii) There are no known circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



**Ms Christine McLoughlin**  
Chairman

Date: 25 September 2017



**Mr Ian Hammond**  
Board Member

Date: 25 September 2017

# Newcastle International Sports Centre Club Statement of Comprehensive Income

for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>Expenses</b>			
Administration expenses		-	-
<b>Revenue</b>			
Sale of Gaming Machine Entitlements	2	365,000	-
		365,000	-
<b>Net result</b>			
<b>Other comprehensive income</b>			
		365,000	-
<b>TOTAL COMPREHENSIVE INCOME</b>		365,000	-

*The accompanying notes form part of these financial statements.*

Newcastle International Sports Centre Club  
**Statement of Financial Position**  
for the year ended 30 June 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		-	-
Receivables	3	365,000	-
<b>Total Current Assets</b>		<b>365,000</b>	<b>-</b>
<b>Total Assets</b>		<b>365,000</b>	<b>-</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables		-	-
<b>Total Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Non Current Liabilities</b>			
Payables	4	25,063	25,063
<b>Total Non Current Liabilities</b>		<b>25,063</b>	<b>25,063</b>
<b>Total Liabilities</b>		<b>25,063</b>	<b>25,063</b>
<b>Net Liabilities</b>		<b>339,937</b>	<b>(25,063)</b>
<b>EQUITY</b>			
Accumulated funds	5	339,937	(25,063)
<b>Total Equity</b>		<b>339,937</b>	<b>(25,063)</b>

The accompanying notes form part of these financial statements.

Newcastle International Sports Centre Club  
**Statement of Changes in Equity**  
for the year ended 30 June 2017

	Accumulated Funds \$	Total \$
<b>Balance at 1 July 2015</b>	(25,063)	(25,063)
Net result for the year	-	-
<b>Balance at 30 June 2016</b>	(25,063)	(25,063)
Net result for the year	365,000	365,000
<b>Balance at 30 June 2017</b>	<b>339,937</b>	<b>339,937</b>

The accompanying notes form part of these financial statements.



# Newcastle International Sports Centre Club

## Notes to the Financial Statements

for the year ended 30 June 2017

### (f) Financial Instruments

#### Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised on trade-date - the date when the Club commits to purchase or sell the assets. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Club no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

#### Classification and Subsequent Measurement

##### (i) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. When a financial liability is recognised, initially it is measured at fair value net of transaction costs.

#### Fair Value

Financial instruments are subsequently measured at fair value, which represents the amount for which a liability could be settled, between knowledgeable, willing parties.

#### Impairment

At each reporting date, the Club assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

### (g) New Australian Accounting Standards issued but not effective

At reporting date a number of accounting standards adopted by the AASB has been issued but are not yet operative. These new Standards/Interpretations have not been early adopted by the Club.

Notwithstanding this, it is considered that the implementation of these Standards would not have had any material impact on the Club's financial statements.

### 2 Revenue

Sale of Gaming Machine Entitlements

### 3 Current Assets - Receivables

Receivable from Related Entity

### 4 Non Current Liabilities - Payables

Loans from Related Entity

### 5 Accumulated funds

Accumulated Losses at the beginning of the financial year

Profit/(loss) for the year

Accumulated Losses at the end of the financial year

	2017 \$	2016 \$
Sale of Gaming Machine Entitlements	365,000	-
Receivable from Related Entity	365,000	-
Loans from Related Entity	25,063	25,063
Accumulated Losses at the beginning of the financial year	(25,063)	(25,063)
Profit/(loss) for the year	365,000	-
Accumulated Losses at the end of the financial year	339,937	(25,063)

### 6 Financial Risk Management

#### a. Financial Risk Management Policies

The Club's financial instruments have consisted mainly of deposits with banks, payables and loans from related entities. The Club is now a dormant entity and the only remaining financial instrument at year end is a loan from a related entity.

The Club does not have any derivative instruments as at 30 June 2017.

#### Financial Risk Exposures and Management

The Club's overall risk management strategy seeks to assist the Club in meeting its financial targets, while minimising potential adverse effects on financial performance. The Club operates under board approved policies which include review of credit risk policies and any future cash flow requirements.

The Club does not have any exposure to interest rate risk, liquidity risk and credit risk.

#### Interest rate risk

The Club does not have any exposure to interest rate risk as the only liability is an interest free loan from a related entity.

#### Liquidity risk

The Club does not have any exposure to liquidity risk at present as it is a dormant entity, with the only liability being to a related entity. This related entity has agreed to provide financial support to the Club until a decision is made as to its future.

#### Credit risk

The Club does not have any exposure to credit risk at present as it is a dormant entity, with the only liability being an interest free loan from a related entity.

# Newcastle International Sports Centre Club

## Notes to the Financial Statements

for the year ended 30 June 2017

### b. Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the statement of financial position.

	Within 0-3 months \$	Within 3-6 months \$	6 to 12 months \$	1 to 5 years \$	Total Contractual Cash flows \$	Carrying amount of liabilities \$
<b>30 June 2017</b>						
<b>Financial Liabilities</b>						
Receivables from Related Entities	365,000				365,000	365,000
Loans from Related Entities	(25,063)	-	-	-	(25,063)	(25,063)
<b>Total contractual cash flows</b>	<b>339,937</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>339,937</b>	<b>339,937</b>
<b>30 June 2016</b>						
<b>Financial Liabilities</b>						
Loans from Related Entities	-	-	-	(25,063)	(25,063)	(25,063)
<b>Total contractual cash flows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,063)</b>	<b>(25,063)</b>	<b>(25,063)</b>

### c. Sensitivity Analysis

Interest Rate Risk and Market Risk:

The Club has not performed a sensitivity analysis relating to its exposure to interest rate risk and market risk at balance date due to the lack of exposure to these types of risk.

### 7 Cash Flow Information

For the purpose of the Statement of Cash Flows, cash includes:

Deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis. Cash at the end of the year is shown in the Statement of Financial Position as:

Cash and cash equivalents

	2017 \$	2016 \$
Cash and cash equivalents	-	-

### 8 Reconciliation of Net Cash provided by Operating Activities to Operating Result

Surplus/(deficit) for the year  
Changes in operating assets and liabilities :  
Increase/(decrease) in sundry creditors  
**Net cash provided by operating activities**

	2017 \$	2016 \$
Surplus/(deficit) for the year	365,000	-
Changes in operating assets and liabilities :	(365,000)	
Increase/(decrease) in sundry creditors	-	-
<b>Net cash provided by operating activities</b>	<b>-</b>	<b>-</b>

### 9 Subsequent Events

At its meeting on 31 August 2017 the Venues NSW Board approved the dissolution of the Club and the process to wind up the Club is underway.

**End of audited financial statements**

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## Appendix 1

### Principal Officers as at 31 June 2017



**Paul Doorn**

Chief Executive Officer  
Appointed 1 February 2017

Prior to his appointment as Chief Executive Officer, Paul Doorn held senior executive positions within the Office of Sport, providing leadership and direction for the long-term planning, delivery and management of NSW's sport and

active recreation infrastructure and facilities. From 2009 to 2012, he was the Chief Executive Officer of the Institute of Public Administration Australia (NSW Division), and had also worked with Community NSW and the NSW Department of Education. He holds a Masters of Education from University of Wollongong and a Graduate Diploma, Public Administration from University of Sydney.



**Pat Wilson**

Chief Operating Officer  
Appointed 9 June 2017

Pat Wilson's career spans the elite sports and venues industry across a range of roles including Chief Executive of the Manly Sea Eagles, and General Manager, High Performance Unit and Interim Chief Executive of the Melbourne Rebels Super Rugby franchise during its establishment phase. Prior to his appointment to Venues NSW,

Mr Wilson was the General Manager, Events and Operations with the Sydney Cricket and Sports Ground Trust. During that time, he was involved with presenting the Major League Baseball event at the Sydney Cricket Ground in 2014. He holds an Associate Diploma in Leisure Studies, and Executive Certificate in Sports Management from the University of Technology Sydney, and was one of the first graduates of the Venue Management Association's (VMA) Venue Management School.

## Appendix 2

### Board Meeting - attendance and remuneration

In the financial year 2016-17, the Venues NSW Board met, under varied structure, on eight occasions. Refer to Table 3 for an outline of individual Board member attendance, the Board's fixed base remuneration rates for 2016-17, and for 2017-18 as well as the fixed base remuneration rates for the Audit and Risk Committee for 2017-18.

**Table 3** | Venues NSW Board Members 2016-17, by date, by attendance, by remuneration 2017, by remuneration 2018

Member	Venues NSW Board					Venues NSW Audit and Risk Committee
	Period 30 April 2017 to 30 June 2017	Administrator Period 2 March 2017 to 29 April 2017	Period 1 July 2016 to 1 March 2017	Remuneration 2016-17 Actual \$	Remuneration 2017-18 Fixed Base \$	Remuneration 2017-18 Base \$
<b>Christine McLoughlin</b> Board Chairman	3 of 3	-	-	10,000	60,000	-
<b>John Quayle</b> Deputy Chairman	3 of 3	1 of 1	5 of 5	10,000	30,000	-
<b>Danny Bhandari</b>	3 of 3	-	3 of 3	6,875	30,000	-
<b>Noel Cornish AM</b>	3 of 3	-	-	5,000	30,000	*6,484
<b>Lesley Grant</b> Chair Stakeholder & Membership Committee	3 of 3	-	-	5,000	30,000	-
<b>Ian Hammond</b> Chair Audit & Risk Committee	3 of 3	-	-	5,000	30,000	*16,213
<b>Phil Kearns</b>	3 of 3	-	-	5,000	30,000	-
<b>Sally Loane</b>	3 of 3	-	-	5,000	30,000	-
<b>Glenn Turner</b>	3 of 3	-	5 of 5	6,875	30,000	*6,484
<b>Carolyn Campbell</b>	-	-	3 of 3	1,875	-	-
<b>John Dorahy</b>	-	-	2 of 5	1,875	-	-
<b>Craig Gallagher</b>	-	-	5 of 5	1,875	-	-
<b>Matt Miller</b>	-	-	5 of 5	Nil	-	-
<b>Janett Milligan</b>	-	-	4 of 4	Nil	-	-
<b>Vicki Tiegs</b>	-	-	4 of 5	1,875	-	-

Note: \*Chair, Audit and Risk Committee receives an annual fixed base remuneration of \$16,213. Audit and Risk Committee members receive a base remuneration of \$1,621 per meeting. It is anticipated that four Audit and Risk Committee meetings will be held in 2017-18.

## Appendix 3

### Non-Serving Board Members

During the reporting period, the Venues NSW Board was restructured and an expanded board structure adopted. A number of board members served from 1 July to 1 March 2017 (as outlined in Table 3). Former Board member details follow:

**John Dorahy**

Appointed 2 March 2012 to 1 March 2017

John Dorahy is the Sales Director, Australia and New Zealand, for an international company in the payment solutions industry. He is a former international rugby league player, coach, and manager. Mr Dorahy is Deputy Lord Mayor of Wollongong City Council, an elected councillor, and has been a member on the Council's Corporate Governance Committee since 2011. He is also a Board Member of several Not-for-Profit organisations. He studied accounting and business management and holds qualifications as a Company Director.

**Craig Gallagher**

Appointed 2 March 2012 to 1 March 2017  
Chair, Western Sydney Local Venues Council

Craig Gallagher is a former chair of the Parramatta Stadium Trust. He was also a Trustee of the State Sports Centre for 15 years. He served on both Trusts as Chair of the Finance and Audit Committee for many years. He is also a Director for the Centre for Disability Studies at the University of Sydney. Mr Gallagher is a consultant at Hunt and Hunt Lawyers, North Ryde. He practices in the property, estate planning, commercial law and commercial litigation areas and has been acting for many clients within the Parramatta Local Council area for over 33 years. He is a long serving member of Epping Rotary and a Director of Bendigo Community Bank, North Epping.

**Vicki Tiegs**

Appointed 2 March 2012 to 1 March 2017  
Chair, Illawarra Local Venues Council

Vicki Tiegs was a member of the former Illawarra Venues Authority and Wollongong Sportsground Trust. She has held sport and tourism positions including Director and Life Member of Destination Wollongong and Director of the Illawarra Academy of Sport. Ms Tiegs has also worked closely with the National Breast Cancer Foundation, Legacy, Farmhand, and the Australian Red Cross. She is currently a partner in Waples Marketing Group and Bluejuice Events and is a former media executive with a background in marketing.

**Carolyn Campbell**

Appointed 2 October 2016 to 1 March 2017

Carolyn Campbell is the CEO of Netball NSW where she has overseen the planning, construction, and subsequent relocation of Netball NSW's Headquarters to the world's finest purpose-built netball facility in Sydney Olympic Park – Netball Central. She has directed the sport and organisation through unprecedented success both on and off the netball court, including the introduction of the Trans-Tasman Netball League – the ANZ Championship – and the NSW Swifts' inaugural ANZ Championship win in 2008. Ms Campbell is the former CEO of the WA Women's Hockey Association where she delivered the 2002 Women's Hockey World Cup in Perth. She is also a Director of the NSW Sport Federation (now trading as Sport NSW), the industry body for sport in New South Wales.

**Janett Milligan**

Appointed 2 March 2016 to 31 January 2017

Janett Milligan was the Executive Director of Venues NSW from October 2008 to January 2017. She has held senior executive positions in the NSW public sector for nearly 20 years in specialist social policy areas and in large-scale operational roles in human services, sport and recreation and culture. Ms Milligan has a Bachelor of Social Science (Hons), a Master of Business Administration and holds qualifications as a Company Director. She was previously a member of the Western Sydney Parklands Trust Board.

**Matt Miller**

Appointed 2 March 2016 to 1 March 2017

Matt Miller leads the NSW Office of Sport as its Chief Executive. He is responsible for sport policy and strategy, and oversight and coordination of sport-related advice, services and facilities across the State. He is passionate about contributing to the delivery of increased public value. His leadership roles have involved a strong focus on strategic re-positioning, organisational performance improvement and program delivery across an array of portfolio areas in the Queensland, New South Wales and Australian Governments. Mr Miller has held a number executive leadership roles within government including Chief Executive of the Australian Sports Commission, Queensland Commissioner for Fair Trading and General Manager of the Australian Child Support Agency.

## Appendix 4

### Stakeholder and Membership Committee

The Stakeholder and Membership Committee provides strategic input, guidance and recommendations to the Venues NSW Board on matters relating to stakeholder and engagement management. This includes plans, proposals, operations, and improvement of venues, consulting with key stakeholders on these matters, and providing advice with respect to events and tourism, sport and recreation development and community participation. The Committee advises the Board on matters in relation to the ANZ Stadium Membership program, and other community engagement opportunities.

### Stakeholder and Membership Committee Meeting Attendance

The new Venues NSW Stakeholder and Membership Committee met on one occasion, 30 May, with four of the five members in attendance. The Committee comprises of four Venues NSW Board members Lesley Grant (Chair), Danny Bhandari, Sally Loane and Phil Kearns, as well as Venues NSW Chief Executive Officer, Paul Doorn.

### Audit and Risk Committee

As at 30 June 2017, the Audit and Risk Committee provided independent assistance to the Venues NSW Board by monitoring, reviewing and providing advice regarding Venues NSW governance processes, risk management and control framework, compliance management and its external accountability obligations.

Until that time, Venues NSW, in line with the NSW Treasury Policy Papers (*TPP 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector*, and *TPP 16-02 Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees*), operated an Audit and Risk Committee using a NSW Treasury approved shared arrangement with the Office of Sport. Further outline of this arrangement, and its operation in 2016-17, is provided in Appendix 12.

### Audit and Risk Committee Meeting Attendance

The Audit and Risk Committee comprises of three Venues NSW Board members - Ian Hammond (Chair), Noel Cornish AM and Glenn Turner. In the financial year 2016-17,

the Venues NSW Audit and Risk Committee met on one occasion, 8 June 2017, with all members in attendance.

To ensure separation of the Committee's function for oversight and monitoring of governance, risk and internal controls, and that of the administration function of the business, no Venues NSW employees form part of the Committee. However, Chief Executive Officer, Paul Doorn, and the Finance Manager, Venues NSW attend. Additional observers also attend the meeting and include representatives of the Audit Office of NSW and external firm Deloitte Touche Tohmatsu.

## Appendix 5

### Human resources

#### Organisational structure

During 2016-17, there was a Chief Operating Officer, a Manager, Finance and an Executive Officer reporting to the Venues NSW's Chief Executive Officer, covering the following functions:

- » Operations – ensure effective operation of venues and provision of communication channels with stakeholders, maximising commercial opportunities and venue utilisation. This includes the upgrade and maintenance of venues to remain fit-for-purpose and provide a safe environment for patrons.

- » Finance – provision of broad range of financial services, accounting and budget management and at year-end, audit and risk management services supporting the operations of venues.

- » Business and Executive Services – ensure the requirements of Venues NSW's governance framework are complied with, and provide a diverse range of functions including business development, communications and marketing, ministerial, executive and administration functions for the Authority.

The Office of Sport supports Venues NSW under a shared service arrangement for the provision of corporate service activities including certain finance, information technology, human resources, information management, asset management, and until mid 2017, audit and risk management services.

Venues NSW has contracted venue management operators – AEG Ogden for Newcastle Entertainment Centre and VenuesLive for ANZ Stadium – to support the management and operations of these venues.

### Staff profile

Staff were employed for Venues NSW through the Office of Sport during the reporting period. The annual average number of full-time equivalent (FTE) staff was 26.7, compared to 32.93 in 2015-16 (refer to Table 4). As at 30 June 2017, there were 18 non-casual staff and nine casual staff. Most of the casual staff are employed as required to support events at WIN Entertainment Centre and WIN Stadium.

**Table 4** | Venues NSW remuneration of substantive position, count of employees from 2014-15 to 2016-17, by category, by gender

Remuneration of Substantive Position (2016-17 Rates)	2014 – 2015		2015 – 2016		2016 – 2017	
	Male	Female	Male	Female	Male	Female
\$0 - \$45,800	1	3	1	0	0	0
\$45,800 - \$60,154	1	4	0	3	0	1
\$60,608 - \$67,248	0	1	1	1	1	1
\$67,248 - \$85,098	3	2	3	3	3	3
\$85,098 - \$110,046	0	1	0	0	0	1
\$110,046 - \$137,557	4	1	4	3	4	2
\$137,557 →	3	1	4	1	2	0
<b>Grand Total / Average Remuneration</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>8</b>

### Senior executive profile

15.83% of Venues NSW's total employee related expenditure in the 2016-17 financial year was related to senior executives, which has increased by 3.2% from 2015-16.

**Table 5** | Venues NSW count of Public Service senior executive employed, by band, by gender, by remuneration range

Band	As at 30 June 2016			2016 – As at 30 June 2017		
	Male	Female	Average remuneration	Male	Female	Average remuneration
<b>Band 2 (Executive Director Level)</b>	0	1	\$271,350	1	0	\$297,250
<b>Band 1 (Director Level)</b>	2	0	\$188,791	1	0	\$200,000
<b>Grand Total / Average Remuneration</b>	<b>2</b>	<b>1</b>	<b>\$216,311</b>	<b>2</b>	<b>0</b>	<b>\$248,625</b>

### Exceptional movements in wages, salaries and allowances

NSW Venues staff are employed under various Award instruments:

*The Crown Employees (Public Sector – Salaries) Award 2016*, provided an increase in salaries and salary related allowances of 2.5 per cent from the first full pay period on or after 1 July 2016 for non-executive employees of Venues NSW not engaged under other Awards.

The Statutory and Other Offices Remuneration Tribunal issued a determination for an increase of 2.5 per cent for the remuneration package ranges

for Public Sector Senior Executive bands, effective on and from 1 July 2016.

*The Office of Sport WIN Sports and Entertainment Centres Australian Workers Union (State) Award 2015* provided for a 2.5 per cent increase in salaries and salary related allowances effective from the first full pay period on or after 13 September 2016 for employees engaged at the Wollongong facility of Venues NSW other than Security Officers.

*The Security Industry (State) Award* provided for a 2.5 per cent increase in salaries and

salary related allowances effective from the first full pay period on or after 16 December 2016 for employees engaged as Security Officers at the former Pirtek Stadium at Parramatta and McDonald Jones Stadium at Newcastle.

*The Venues NSW Award 2016* provided for a 2.5 per cent salary increase for staff from the first pay period on or after the 14 December 2016 for employees engaged at the Newcastle and Parramatta facilities of Venues NSW.

### Personnel policies and practices

Venues NSW staff were employed through the Office of Sport, as lead agency. During 2016-17, the Business Services Group of the Office of Sport continued to supply corporate services including transactional accounting, information technology, human resources and payroll. No significant changes occurred in the 2016-17 year.

Venues NSW is currently negotiating with the Office of Sport a new Service Level Agreement, which is expected to be implemented during the 2017-18 financial year.

### Workforce diversity

Venues NSW is committed to complying with workforce diversity obligations pursuant to the *Government Sector Employment (GSE) Act 2013* and GSE Rules. We aim for an organisation free from all discrimination, employees recruited and promoted on merit and representative of the wider NSW community.

Venues NSW has adopted several flexible working arrangements to assist employees including flexible working hours, part-time work and remote access to the workplace.

### Trends in the distribution of workforce diversity groups

The Distribution Index is not calculated where the workforce diversity group or the non-workforce diversity numbers are less than 20 employees. For Venues NSW at year end, 30 June 2017, this ruling applied across all workforce diversity group categories – Women, Aboriginal People and Torres Strait Islanders, People whose First Language Spoken as a Child was not English, People with a Disability and People with a Disability Requiring Work-Related Adjustment (refer to Table 6).

**Table 6** | Venues NSW Workforce Diversity Groups, by year (2015, 2016, 2017).

Workforce Diversity Group	Benchmark	2015	2016	2017
Women	50%	52.0%	45.8%	44.4%
Aboriginal People and Torres Strait Islanders	3.3%	4.0%	0.0%	0%
People whose First Language Spoken as a Child was not English	23.2%	8.0%	8.3%	0%
People with a Disability	No target	0.0%	0.0%	0%
People with a Disability Requiring Work-Related Adjustment	No target	0.0%	0.0%	0%

\*Source: Benchmark/Target is derived from NSW Public Service Commission.

### Workplace Health and Safety

Safety at work, across all our work sites for employees, contractors, clients and visitors is of the highest importance to Venues NSW. The Office of Sport's Work Health and Safety Team continues to work in conjunction with Venues NSW to ensure safety and continually improve our safety performance.

The importance of safety is continuing to be embedded into our culture, and Work Health and Safety matters are included routinely in onsite or workplace staff meetings where representatives of all departments meet and discuss their workplace and any issues. WIN Sports and Entertainment Centres continue to use the WHS Open Forum as the principal means of ensuring workplace consultation and high levels of workplace health and safety.

Open and honest incident and hazard risk reporting is a feature of our Work Health and Safety system. Together, the Office of Sport and Venues NSW have successfully implemented an online risk reporting system provided by Rapid Global into all sites and work locations under Venues NSW. This system has been active for the full financial year 2016-17.

Our commitment to health and safety extends beyond our operations with Venues NSW head office staff being offered free flu vaccine immunisations on-site to assist in maintaining general health and well-being.

### Workplace Health and Safety Performance

Venues NSW recorded one new lost-time injury occurrence in the 2016-17 financial year, in December 2016. This injury resulted in the loss of one half-day of employee productivity.

In addition, one report of 'near miss hazard' in the workplace from an Office of Sport visitor on-site was received for McDonald Jones Stadium in June 2017. The hazard was rectified before any worker, client or contractor was injured.

### Prosecutions under the Work Health and Safety Act 2011

No prosecution action has been taken against Venues NSW in 2016-17.

## Appendix 6

### Multicultural policies and services program

Venues NSW is committed to advocating for multi-cultural sporting, recreation and community events throughout our venues in Sydney, Newcastle and Wollongong. We seek to increase multicultural events and spectator participation. During 2016-17 notable events included:

- » ANZ Stadium hosted the Bengali Festival, the largest Bangladeshi festival held in Australia, with 12,450 people attending the most recent festival held on 13 May 2017.
- » McDonald Jones Stadium hosted a National Rugby League Indigenous All Stars vs NRL World All Stars, with nearly 17,000 spectators attending the exciting game.
- » Wakakirri 2016, a festival for primary and secondary schools was hosted at the WIN Entertainment Centre in August 2016. Wakakirri is a word from the Aboriginal Wangaaypuwan people meaning "to dance a story". The festival provided over 2,000 attendees the opportunity to experience this uniquely Australian story-dance event.
- » WIN Entertainment Centre hosted 550 people to attend the NAIDOC Awards Dinner in July 2016.

Venues NSW will seek to develop a new three-year Multicultural Action Plan, from 2017-20. This will position us to continue to develop the Multicultural Policies and Services Program to address cultural barriers experienced by individual performers and promoters of multicultural events.

## Appendix 7

### Disability inclusion and action plan

This year, Venues NSW continued to implement the Disability Inclusion Action Plan developed in early 2016. The Plan's objective was to introduce consistent and contemporary approaches to accessibility and inclusion across our venues. The Plan is about making access and inclusion for people with disabilities as seamless as possible when attending our venues.

Our venues continue to accept and support the use of the companion card to enable those with a disability to participate in

community based activities; allowing for immediate recognition of the card, and ease of use at ticketed events.

Venues NSW continued to foster a culture promoting accessibility and inclusiveness of people with a disability. During the year, this was achieved through the provision of training on emergency evacuation and management as well as facility adjustments. These adjustments included: accessible entrances and set 'drop off zones'; reserved seating areas with sightlines designed for

prime viewing; inclusion of audio signals; tactile signage; accessible and functional toilets; and providing quiet areas for people experiencing sensory overload.

For 2017-18, our regional venues have identified the need to: improve additional access to disabled toilets; improve access to food and beverage areas; install handrails; and install a hearing loop at the counters.

We continue to engage with our patrons and advisory groups to inform the yearly review of our Disability Inclusion Action Plan.

## Appendix 8

### Legislation and legal change – Acts administered

#### Minister for Sport

*Crown Lands Act 1989* No 6, so far as it relates to the Crown Reserve known as Parramatta Park, Wollongong Sportsground, Newcastle International Sports Centre, Newcastle Showground.

*Sporting Venues Authorities Act 2008* No 65

#### Amendments to legislation

The *Sporting Venues Authorities Amendment Act 2017* No 7 was assented to by the Governor of New South Wales on 14 March 2017, amending the *Sporting Venues Authorities Act 2008* to enable assets, rights and liabilities relating to Stadium Australia (known as ANZ Stadium) to be transferred from certain companies and trustee of the Stadium Australia Trust to Venues NSW.

On 14 March 2017, the Governor of New South Wales assented to amend the *Sporting Venues Authorities Regulation 2014* to increase from six to eight years the total term of office that may be held by a member of a board of management for a regional sporting venues authority (known as Venues NSW).

## Appendix 9

### Privacy

Venues NSW conducts operations in line with the *Privacy and Personal Information Protection Act 1988*. The agency's Code of Conduct and Ethics policy outlines employees' requirement to maintain confidentiality and identifies the Act as relevant legislation. The Office of Sport's

Privacy Statement is published on the website [www.sport.nsw.gov.au/privacy](http://www.sport.nsw.gov.au/privacy).

Under Part 5 (53) of the *Privacy and Personal Information Protection Act 1998*, a person (applicant) who is aggrieved by the conduct of a public sector agency is entitled to a review of that conduct.

Venues NSW did not receive any applications to review conduct during 2016-17 either directly, or through the Office of Sport (under shared corporate services arrangements).

## Appendix 10

### Government information (public access)

Venues NSW seeks to comply with the *Government Information (Public Access) Act 2009*. The objective of the Act is to:

- » Open government information to the public by authorising and encouraging the proactive public release of government information by agencies
- » Giving members of the public an enforceable right to access government information
- » Ensures that access to government information is restricted only when there is an overriding public interest against releasing that information.

During 2016-17, Venues NSW provided information publicly on the following websites:

- » [www.venuesnsw.com](http://www.venuesnsw.com) (the main portal for Venues NSW)
- » [www.pirtekstadium.com](http://www.pirtekstadium.com) (Pirtek Stadium website, until its decommissioning in December 2016)
- » [www.mcdonaldjonesstadium.com](http://www.mcdonaldjonesstadium.com) (McDonald Jones Stadium website, formerly Hunter Stadium)

- » [www.wsec.com.au](http://www.wsec.com.au) (WIN Stadium and WIN Entertainment Centres website)
- » [www.nec.net.au](http://www.nec.net.au) (Newcastle Entertainment Centre website, managed under venue operator agreement)
- » [www.anzstadium.com.au](http://www.anzstadium.com.au) (ANZ Stadium website, managed under venue operator agreement).

During the reporting period, Venues NSW received no formal access applications and did not register any informal access applications.

## Appendix 11

### Protected Disclosures

The *Protected Disclosures Act 1994* (NSW) offers protection to public officials who disclose corrupt conduct, maladministration and serious or substantial waste of public money. Within Venues NSW, disclosures can be made to the Chief Executive Officer, the Chief Operating Officer or the officer's supervisor.

Venues NSW employees and contractors alike are obliged to adhere to the Office of Sport's Code of Conduct and Ethics Policy (Section 12) that outlines roles and responsibilities regarding the reporting of corrupt conduct, maladministration and waste of public funds.

No disclosures were registered during the reporting period.

## Appendix 12

### Audit, Risk and Insurance

#### Audit and Risk Management

Venues NSW in line with the NSW Treasury Policy Papers, operated an Audit and Risk Committee using a NSW Treasury-approved shared arrangement with the Office of Sport for most of 2016-17.

By mid-2017, with the expanded Venues NSW portfolio, it was agreed that Venues NSW would transition from this arrangement. The Venues NSW Audit and Risk Committee commenced establishment in May 2017, and held its inaugural meeting on 8 June 2017. Refer to Appendix 4.

In accordance with the internal audit plan, Deloitte Touche Tohmatsu was engaged to undertake one internal audit which impacted on Venues NSW during 2016-17. This internal audit focussed on asset maintenance.

During 2016-17, an internal audit report *Government Sector Employment Act (2013) Requirements Internal Audit* was presented to the Audit and Risk Committee. The Office of Sport commissioned this internal audit which affected Venues NSW.

#### Audit and Risk Committee Shared Arrangement

During the year, the Audit and Risk Management Committee (operating under shared arrangement with Office of Sport) provided oversight, monitored and reported to the Venues NSW Board and other interested parties on Venues NSW governance, risk and internal control issues affecting its operations to provide a level of assurance required of the policy.

The Audit and Risk Committee comprised of three independent members, Jason Masters (Chair), Jim Mitchell and Gabrielle Trainor. Invitees to the Audit and Risk Committee included: Janett Milligan, former Executive Director, and later Paul Doorn, Chief Executive Officer; Warren Dawes, Finance Manager (Venues NSW); Kerrie Keys, Audit, Risk and Governance Manager, (Office of Sport); and external representatives from NSW Audit Office and Deloitte Touche Tohmatsu.

The Committee discussed audit and risk matters at its meetings held on 12 September 2016, 15 September 2016, 15 December 2016 and 23 March 2017.

#### Insurance

Venues NSW's major insurance risks are administered by icare Self-Insurance under the Treasury Managed Fund (TMF). TMF is a government-wide self-insurance scheme that provides workers' compensation, health and general liability, property, motor vehicle and other miscellaneous cover.

## Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for Venues NSW

I, Christine McLoughlin, Chairman of Venues NSW Board, am of the opinion that Venues NSW had internal audit and risk management processes in operation during the 2016-17 financial year that were compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
<b>Internal Audit Function</b>	
2.1 An internal audit function has been established and maintained	Compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

### Membership

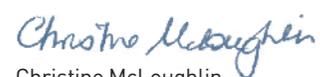
The chair and members of the Audit and Risk Committee are:

- » Independent Chair, Jason Masters, 8/1/15 to 8/1/18
- » Independent Member 1, Jim Mitchell, 8/1/15 to 8/1/19
- » Independent Member 2, Gabrielle Trainor, 8/1/15 to 8/1/19

This Audit and Risk Committee was established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- » Office of Sport (OoS)
- » State Sporting Venues Authority (SSVA)

Venues NSW will not be continuing to participate in the shared arrangement during the 2017-18 financial year and will undertake action to ensure continued compliance for the 2017-18 financial year.



Christine McLoughlin  
**Chairman of Venues NSW Board**

In accordance with a resolution of the Governing Board of Venues NSW

28/09/2017

Kerrie Keyes  
**Chief Audit Executive**  
for 2016-17 financial year  
Phone: 02 8762 9839

## Appendix 13

### Expenditure on consultants

During 2016-17 consultant expenditure totalled \$31,170. This is an \$11,145 increase from 2015-16. The consultants were appointed for a number of projects related

to minor environment and engineering requirements at McDonald Jones Stadium. This includes the removal of fig trees; soil sampling for the new wide screen

installation; and engineering services for minor works expenditure on the western grandstand.

## Appendix 14

### Overseas travel

Paul Doorn, Chief Executive Officer, Venues NSW, travelled to the United Kingdom and Ireland from 14-23 June 2017. In London, he attended the Populous Workshop and inspected venues such as Tottenham Hotspur's Stadium, O2 Arena and Precinct, London 2012 Precinct and

Lord's Warner Stand. In Ireland, he attended the PMY Insights Tour and Workshop, the Stadium Business Summit and Stadia Business Awards. The tour, workshops and conference addressed contemporary issues of event fan experiences, venue technology, global market trends and support and

development of major infrastructure projects. Mr Doorn was a finalist in the Stadia Business Awards. The travel was approved in accordance with OFS Circular 2014-8 *Australian and Overseas Travelling Allowances for Official Travel for Senior Officials*.

## Appendix 15

### Payment of accounts

**Table 7** | Venues NSW Outstanding Invoices, by timeframe, at end of each quarter

Quarter	Current (within due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 60 and 90 days overdue \$'000
	2016-17	2016-17	2016-17	2016-17
Sep-16	1,780.04	537.97	61.94	7.92
Dec-16	1,916.49	240.26	27.17	6.73
Mar-17	2,107.87	341.30	96.40	12.15
Jun-17*	2,194.92	596.48	239.65	33.27

\*Includes ANZ Stadium.

Venue NSW aims to pay 100 per cent of accounts on time. Delays in processing accounts arose due to delays in obtaining goods in proper order and condition, services as per contractual clauses, or queries on invoices. No interest was paid on overdue amounts.

**Table 8** | Venues NSW Accounts paid on time, at end of each quarter

Quarter	Target (% paid on time)	Actual (% paid on time)	Accounts paid on time (\$'000)	Accounts due for payment (\$'000)
	2016-17	2016-17	2016-17	2016-17
Sep-16	100%	75%	1,780.04	2,387.87
Dec-16	100%	87%	1,916.49	2,190.66
Mar-17	100%	82%	2,107.87	2,557.71
Jun-17	100%	72%	2,194.92	3,064.32

## Appendix 16

### Investment performance

During 2016-17, Venues NSW funds were invested in the NSW Treasury Corporation (TCorp) Cash Fund. The annual rate of return on the fund was 2.37%. Interest received on investments totalled \$373,829 as compared to interest of \$389,471 received in the previous year.

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## Appendix 17

### Liability management performance

Venues NSW debt portfolio is managed by NSW TCorp. The loan relates to the purchase of ANZ Stadium and was transferred to Venues NSW at the vesting date of 13 April 2017. The borrowing rate in the period 13 April 2017 to 30 June 2017 was 1.83%.

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## Appendix 18

### Credit card use certification

Use of credit cards by Venues NSW has been conducted in accordance with relevant Premier's Memoranda and NSW Treasury guidelines. There were no irregularities reported during the 2016-17 period.

## Appendix 19

### Digital Information Security Annual Attestation Statement



ICT Board  
C/o ICT Policy  
Department of Finance, Services & Innovation  
2-24 Rawson Place  
SYDNEY NSW 2000

#### **Digital Information Security Annual Attestation Statement for the 2016-2017 Financial Year for Venues NSW**

I, Christine McLoughlin, on behalf of the Venues NSW Board, am of the opinion that Venues NSW had an Information Security Management System (ISMS) in place during the 2016-2017 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls in place to mitigate identified risks to the digital information and digital information systems of Venues NSW are adequate.

The Office of Sport was the information and communications technology services provider for Venues NSW during the 2016-2017 financial year. Assurance has been provided by the Office of Sport that controls to mitigate identified risks to the digital information and digital information systems of Venues NSW were adequate.

There is no agency under the control of Venues NSW that is required to develop an independent ISMS in accordance with the *NSW Government Digital Information Security Policy*

Yours sincerely

  
Christine McLoughlin  
**Chairman of Venues NSW Board**

## Appendix 20

### Customer feedback

Venues NSW is committed to ensuring that it provides facilities and services that meet the needs and expectations of our patrons and visitors.

We encourage stakeholders and the community to provide feedback through online channels. Venues NSW and each stadium and entertainment centre are contactable through their websites, email addresses and, in some cases, social

media accounts. Equally, we undertake customer surveys to gather member and patron feedback on our venue services and facilities. During 2016-17, Venues NSW received feedback across a wide range of business and operational areas. Feedback provided through our surveys and online channels are reviewed, and initiatives are continuously implemented to address customer feedback. For example, during the year Venues NSW:

- » Improved venue access and congestion on entry by installation of additional turnstiles
- » Improved customer experience through the installation of a Members' bar; and new viewing screen
- » Upgraded network and point-of-sale accessories for ease of payment at catering hubs.

## Appendix 21

### Report production and access

The Venues NSW Annual Report 2016-17 was produced at a cost of \$7,980 (excluding GST), and is available in electronic format for download from the Venues NSW website at [www.venuesnsw.com](http://www.venuesnsw.com).

## Appendix 22

### Local Venues Councils member profiles and meeting attendance

#### Hunter Local Venues Council

During 2016-17, the Hunter Local Venues Council met on five occasions, July 2016, September 2016, December 2016, January 2017, and February 2017, with attendance by the council members as follows:

Member	Period 1 July 2016 to 1 March 2017
Glenn Turner	4 of 5
Martene Archer	3 of 5
Keith Lynch	5 of 5
Leigh Maughan	5 of 5
Catherine Tate	4 of 5

#### Council members:

##### Glenn Turner (Chair)

*Appointed 2 March 2012 to 1 March 2017*

Glenn Turner has a 30-year career as a senior executive in the mining services, manufacturing, engineering and construction sectors in Australia, the United States of America, China, South America, South Africa and India. He occupies non-executive roles in public and private companies in a variety of industry and services sectors. He was the Chairman of the former Hunter Region Sporting Venues Authority, and is the former Chairman of the Hunter Medical Research Institute.

##### Martene Archer

*Appointed 2 March 2012 to 1 March 2017*

Martene Archer has over 20 years' experience in the energy and health sectors and works in higher education at the University of Newcastle focusing on governance, legal, risk and compliance. She has previously held roles responsible for managing business and community partnerships across the Hunter region including sponsorships with the Newcastle Knights and (now) McDonald Jones Stadium and has facilitated network infrastructure development for facilities within the stadium precinct, particularly expansion of the Newcastle Hockey Club.

##### Keith Lynch

*Appointed 2 March 2012 to 1 March 2017*

Keith Lynch was a member of the former Hunter Region Sporting Venues Authority. He has also held senior executive positions in engineering and shipbuilding in the Hunter region and has recently retired as the chair of nib Holdings Ltd. He previously held the position of Chair, Kip McGrath Education Centres Ltd. Mr Lynch is Chairman of Newcastle Grammar School Ltd and the not-for-profit nib Foundation.

##### Catherine (Cathy) Tate

*Appointed 2 March 2012 to 1 March 2017*

Cathy Tate was a member of the former Hunter Region Sporting Venues Authority. She has also been a supporter and/or patron of many sporting groups in the Hunter including Newcastle Netball, Wests Netball, Newcastle Rowing, Newcastle District Women's Bowling Association and Hunter Surf Life Saving. She is Chair of the Calvary Mater Hospital's Community Advisory Council and a former member of the Hunter Academy of Sport Board. Ms Tate has been active with several charities including the Salvation Army, Lifeline and Samaritans. Professionally, she has been a TAFE communication teacher.

##### (Edward) Leigh Maughan

*Appointed 1 March 2013 to 1 March 2017*

Leigh Maughan is a Lifetime Member, co-founder and the number one ticket holder of the Newcastle Knights Rugby League Club and a former director of the Newcastle Knights Member Club Limited. He has been a sports broadcaster and is the former Executive Marketing Manager for the Hunter Prostate Cancer Alliance and the former Honorary Secretary of the Hunter International Sport Centre Trust for ten years. Mr Maughan was also the licensee/club manager at the Hunter International Sport Centre for much of those ten years.

## Appendix 22 (cont)

### Illawarra Local Venues Council

During 2016-17, the Illawarra Local Venues Council met on two occasions, August 2016, and February 2017, with attendance by the council members as follows:

Member	Period 1 July 2016 to 1 March 2017
<b>Vicki Tiegs</b>	2 of 2
<b>Wayne Morris</b>	2 of 2
<b>Craig Osborne</b>	2 of 2
<b>Glenda Papac</b>	2 of 2

### Council members are:

#### **Vicki Tiegs (Chair)**

*Appointed 2 March 2012 to 1 March 2017*

Vicki Tiegs was a member of the former Illawarra Venues Authority and Wollongong Sportsground Trust. She has held sport and tourism positions including Director and Life Member of Destination Wollongong and Director of the Illawarra Academy of Sport. Ms Tiegs has also worked closely with the National Breast Cancer Foundation, Legacy, Farmhand and the Australian Red Cross. She is a partner in Waples Marketing Group and Bluejuice Events and is a former media executive with a background in marketing.

#### **Wayne Morris**

*Appointed 2 March 2012 to 1 March 2017*

Wayne Morris was the Chief Executive of IMB Ltd from 1999 – 2007, of Wollongong Hawks Basketball Ltd from 2009 –11, and the Churches of Christ Property Trust from 2011-14. He was formerly a Director of Newcastle Permanent Building Society, ABACUS Australian Mutuals, Illawarra Regional Information Service (IRIS), Chair of the Australian Association of Permanent Building Societies and a member of the National Basketball League Commission. Mr Morris is Chair of Illawarra Performing Arts Centre Ltd (t/as Merrigong Theatre Co), a Director of Wollongong City of Innovation Limited (t/as Destination Wollongong), Warrigal Care Ltd, Living Sound Broadcasters Ltd (t/as Pulse 941), Wollongong Conservatorium of Music Ltd and Chair of Wollongong Symphony Orchestra Foundation Ltd.

#### **Craig Osborne**

*Appointed 2 March 2012 to 1 March 2017*

Craig Osborne is the Managing Partner of RMB Lawyers and CEO of Unison Outsourcing Pty Limited. He serves on the Illawarra Regional Development Board, is a mentor for the “iAccelerate” initiative of the University of Wollongong and the greater Illawarra Community to build an innovation ecosystem, is a member of the University of Wollongong’s Law School Advisory Board, is a member of the Illawarra Grammar School’s Foundation, heads the Football South Coast’s General Purposes Tribunal, and is a passionate ambassador for the Port Kembla Revitalisation Project. Mr Osborne has also been the Chairman of the Wollongong Wolves Football Club and a board member of Lifeline South Coast. He served as the Chair of the Illawarra Health Service’s Palliative Care Appeal and the Chair of the Illawarra Area Health Service’s Golden Hour Appeal. He was awarded Illawarra Business Chamber’s Business Person of the Year in 2007 and 2009.

#### **Glenda Papac**

*Appointed 2 March 2012 to 1 March 2017*

Glenda Papac has been the practice manager at Tony Papac & Associates since 1994. She is the Director of Illawarra Women in Business, a Director of Horizon Credit Union and a member of the Illawarra Salvation Army Advisory Board.

### Western Sydney Local Venues Council

During 2016-17, the Western Sydney Local Venues Council met on at least one occasion, August 2016, with attendance by the council members as follows:

Member	Period 1 July 2016 to 1 March 2017
<b>Craig Gallagher</b>	1 of 1
<b>Mark Birkinshaw</b>	1 of 1
<b>Ern Phang</b>	1 of 1
<b>Karen Grega</b>	1 of 1
<b>Jim Taggart</b>	1 of 1

### Council members are:

#### **Craig Gallagher (Chair)**

*Appointed 2 March 2012 to 1 March 2017*

Craig Gallagher is a former Chair of the Parramatta Stadium Trust and was also a trustee of the State Sports Centre for 15 years. He served on both Trusts as Chair of the Finance and Audit Committee for many years. Mr Gallagher is a consultant at Hunt & Hunt Lawyers practicing in the property, estate planning, commercial law and commercial litigation areas. He is a long serving member of Epping Rotary and a Director of Bendigo Community Bank, North Epping. He is also a Director of the Centre for Disability Studies at Sydney University.

#### **Mark Birkinshaw**

*Appointed 2 March 2012 to 1 March 2017*

Mark Birkinshaw is a Director of Transport Ideas, a Sydney based professional services consultancy practice. He has more than 30 years’ experience in passenger transport, freight logistics and management consulting across government and private sector organisations. His career covers national and international experience in business development, commercialisation, innovation and consulting. Mr Birkinshaw is a past State Chairman and current Fellow of The Chartered Institute of Logistics and Transport Australia.

#### **Ern Phang**

*Appointed 2 March 2012 to 1 March 2017*

Ern Phang is a lawyer with Phang Legal, and an experienced Director and Company Secretary having served on the boards of not-for-profit organisations in Sydney and Melbourne. He is a past recipient of the Sydney Mid-West Volunteer of the Year Award and Law Society President’s Award for his work within the local community. Mr Phang brings his passion for people and Western Sydney, as well as his legal expertise and commercial acumen, to the role on the Western Sydney Local Venues Council.

#### **Karen Grega**

*Appointed 2 March 2012 to 1 March 2017*

Karen Grega is Chief Executive Officer of the Cruising Yacht Club of Australia. Prior to this she was Chief Executive of the Sydney Olympic Park Business Association for over nine years. Her sporting experience includes Chief Executive of the inaugural Maccabi Australia International Games, commercial management roles with the International Cricket Council and Scottish Premier League Club, Dunfermline Athletic FC, Acting Media Manager with Sydney FC in the A-League and various General Manager roles with the Sydney Cricket and Sports Ground Trust. She has a Bachelor of Business Communications and is a former lecturer at the Venue Management Association (VMA) Venue Management School.

#### **Jim Taggart**

*Appointed 2 March 2012 to 1 March 2017*

Jim Taggart holds a Masters in Commerce, a Masters in Education, and is completing a Masters in Applied Finance at Charles Sturt University. He holds a Doctorate in Business Administration from Southern Cross University and a Diploma in Teaching. He is an adjunct professor at Notre Dame University and Western Sydney University. He is Deputy Chairman of Regional Development Australia and Chairman of two private companies located in Australia. He is a past Chairman of the Sydney Hills Business Chamber and a former Chair of the Salvation Army’s Red Shield Appeal for Western Sydney.

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