



Annual Report 2019

ANZ STADIUM • BANKWEST STADIUM • McDONALD JONES STADIUM
NEWCASTLE ENTERTAINMENT CENTRE AND SHOWGROUND • WIN SPORTS & ENTERTAINMENT CENTRES

Contents

Letter of Submission	1	FINANCIAL STATEMENTS		5 Disability Inclusions and Action Plan	67
Chairman’s Report	2	Venues NSW 2018/19 Independent Auditor’s Report	31	6 Legislation and Legal Issues	67
Chief Executive Officer’s Report	3	Venues NSW 2018/19 Financial Statements	34	7 Privacy	67
Highlights	4			8 Government Information (Public Access)	67
Portfolio	5	APPENDICES		9 Protected Disclosures	68
Hunter Region	6	1 Principal Officers	63	10 Audit, Risk and Insurance	68
Illawarra Region	8	2 Board and Sub-Committee Meetings	64	11 Insurance	68
Greater Sydney Region	10	3 Human Resources	65	Internal Audit and Risk Management Attestation	69
Governance	12	Staff Profile	65	Cybersecurity Certification	70
Board	12	Senior Executive Profile	65	12 Expenditure on Consultants	71
Sub-Committees	14	Exceptional Movements in Wages, Salaries and Allowances	65	13 Payments of Accounts	71
Operational Structure	15	Personnel Policies and Practices	66	14 Investment Performance	71
Strategy and Objectives	16	Workforce Diversity	66	15 Liability Management Performance	71
Operational Performance	17	Workplace Health and Safety	66	16 Customer Feedback	72
Safety and Security	21	4 Multicultural Policies and Services Program	67	17 Report Production and Access	72
Infrastructure Strategy	23				
Community Engagement	27				
Setting the Standard	28				



F19/372

The Hon. Dr Geoff Lee
Minister for Sport, Multiculturalism, Seniors and Veterans
Minister for Skills and Tertiary Education
52 Martin Place
SYDNEY NSW 2000

Annual Report for Year Ending 30 June 2019

Dear Minister Lee

In accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984* and the Regulation under the Act, we are pleased to submit the Venues NSW Annual Report for year ending 30 June 2019 for your information and presentation to the Parliament of New South Wales.

This Annual Report outlines Venues NSW’s performance for the year ending 30 June 2019 in the context of strategic priorities and responsibilities. Our accomplishments were made possible by the expertise and commitment of the Board, Executive Management and staff as well as our operating partners. We thank them for their dedication and contribution towards the Venues NSW achievements for 2018/19.

Yours sincerely

Christine McLoughlin
Chairman
22/10/2019

John Quayle
Deputy Chairman
22/10/2019

Venues NSW ABN 26 283 293 435
Level 3, East Stand, ANZ Stadium, 15 Edwin Flack Avenue, Sydney Olympic Park, NSW 2127 | PO Box 7059, Silverwater, NSW 1811
Telephone +61 2 8754 7979 | Email info@venuesnsw.com | www.venuesnsw.com

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

Chairman's Report

Venues NSW is proud of the development of Bankwest Stadium now recognised as a dynamic, high-functioning venue that strengthens the connection between the community, not only in Western Sydney but across the State of NSW.

The world-class venue redefines the sports fan experience bringing people closer to the action than ever before and offers state-of-the-art facilities which celebrates sport and entertainment.

On behalf of the Venues NSW Board, I am pleased to present the Annual Report 2018/19.

The last reporting year has been one of significant change and renewal for the Venues NSW portfolio, and wider sporting and entertainment sectors. The Board continues to deliver on its strategic priority areas, with oversight of our key infrastructure projects and community and stakeholder engagement being key areas of focus.

One of our major milestones for the year has been the delivery and opening of the new Stadium in Parramatta on 14 April 2019. I am pleased to say the \$330 million construction of the venue commenced in mid-2017 and was completed on time and on budget. In December 2018, the NSW Government secured Bankwest as the naming rights partner through a seven-year sponsorship deal.

Venues NSW is proud of the development of Bankwest Stadium now recognised as a dynamic, high-functioning venue that strengthens the connection between the community, not only in Western Sydney but across the State of NSW.

The world-class venue redefines the sports fan experience bringing people closer to the action than ever before and offers state-of-the-art facilities which celebrates sport and entertainment.

Women's sport is at a tipping point and we are incredibly proud of the way in which the new stadium caters for and showcases both women's and men's sport. Bankwest Stadium's facilities will celebrate both men's and women's sport in a way not seen before in Sydney and this is necessary for all sporting venues to ensure diversity and inclusion in sport.

ANZ Stadium's roll call of memorable moments continues to grow as Sydney's largest major events stadium celebrated its 20-year anniversary in March 2019. ANZ Stadium Members commemorated the special milestone at our Annual Members Dinner.

The NSW Government approved \$810 million to redevelop ANZ Stadium into a world class 70,000 seat rectangular venue, enabling Sydney to attract and play host to the best events in the world. The redevelopment will also drive significant growth in the NSW visitor economy, contribute to the growth of a strong sporting, entertainment and cultural sector, and support long-term liveability for the people of New South Wales. The Venues NSW Board is pleased to be working collaboratively with the NSW Government to ensure a spectacular outcome for the State.

Our regional venues in the Illawarra and Hunter regions continue to deliver an outstanding line-up of sporting and entertainment events for both regional communities and visitors.

While Venues NSW is primarily an organisation that delivers a range of sporting and entertainment events, maintaining strong community partnerships is at the core of what we do. Throughout the year, and along with our venue operators, we continued to work with a range of charities and community service organisations including Ronald McDonald House (Bankwest Stadium), Sydney Children's Hospital Foundation (ANZ Stadium), Beanie for Brain Cancer and Variety (McDonald Jones Stadium), and KidzWish Foundation (WIN Sports and Entertainment Centres).

On behalf of the Board, I would like to take this opportunity to thank outgoing Board Member Noel Cornish AM for his dedicated support to Venues NSW, and especially for his guidance and industry knowledge across the strategic initiatives of the organisation.

The annual report is a summary of the outstanding outcomes achieved throughout the Venues NSW portfolio and is testament to the hard work and commitment of the Venues NSW staff, our operators, hirers and stakeholders over the past year. I am proud of what we have achieved, and I look forward to continuing the momentum we have had over the past few years to deliver terrific outcomes for New South Wales.



Christine McLoughlin



Chief Executive Officer's Report

Customer experience and customer service is a key priority of the NSW Government. We are committed to delivering an improved and high-quality fan and customer experience across all our venues.

During 2018/19, Venues NSW continued to achieve both community and commercial benefits across the state by improving access to and participation in sporting and cultural events across our diverse portfolio of world-class facilities.

Venues NSW continued to put the customer at the centre of everything we do and delivered a number of key projects in 2018/19, which aligned with the NSW Premier's Priorities of delivering infrastructure, a strong economy, and well-connected communities.

The anticipated delivery of the new Bankwest Stadium, affectionately coined by the Hon. Gladys Berejiklian, NSW Premier, as 'The People's Stadium', was a significant achievement for Venues NSW, the sporting and entertainment industry and the wider community. The Community Open Day, held in April 2019 welcomed more than 30,000 people through the gates, and by 30 June 2019 more than 214,000 people had visited the venue across a range of sporting and corporate events.

Bankwest Stadium was designed for the fans with the event experience front of mind. The 30,000-seat venue boasts the steepest stands in the country. With 360-degree LED screens wrapped around the field of play, it has been designed to amplify sound and create atmosphere with colour and vibrancy. It truly delivers the best fan and customer experience and now sets the standard for all our venues.

The new stadium has already secured several major national and international sport and entertainment events for the year ahead, including Cold Chisel, Elton John, Western Sydney Wanderers v Leeds United, the 2020 HSBC Sydney 7s, and Wallabies v Samoa International Test.

ANZ Stadium continues to deliver a strong line-up of events such as hosting thousands of Sydney students who participated in the Invictus Games' adaptive sports, and more than 190,000 fans who collectively came out to see Eminem, Taylor Swift and Bon Jovi live on stage.

In the last reporting year, Venues NSW conducted a major review of our organisational structure to enable us to respond to the increasing dynamic nature of the sports and entertainment industry. Venues NSW proudly welcomed the appointment of its new Executive Management Team across Finance, Operations and Customer Experience Divisions. Customer experience and customer service is a major priority of the NSW Government and, as such, we are committed to delivering an improved and high-quality fan and customer experience across all our venues.

The year ahead will see us working closer than ever with our stakeholders to progress work on the Hunter Sports and Entertainment Precinct as well as the redevelopment of the ANZ Stadium which the NSW Government has since progressed on its commitment to invest. Venues NSW and VenuesLive, the ANZ Stadium operator, are working with the ANZ Stadium Club Members and stakeholders to ensure a seamless transition in the lead up to the temporary closure of the Stadium.

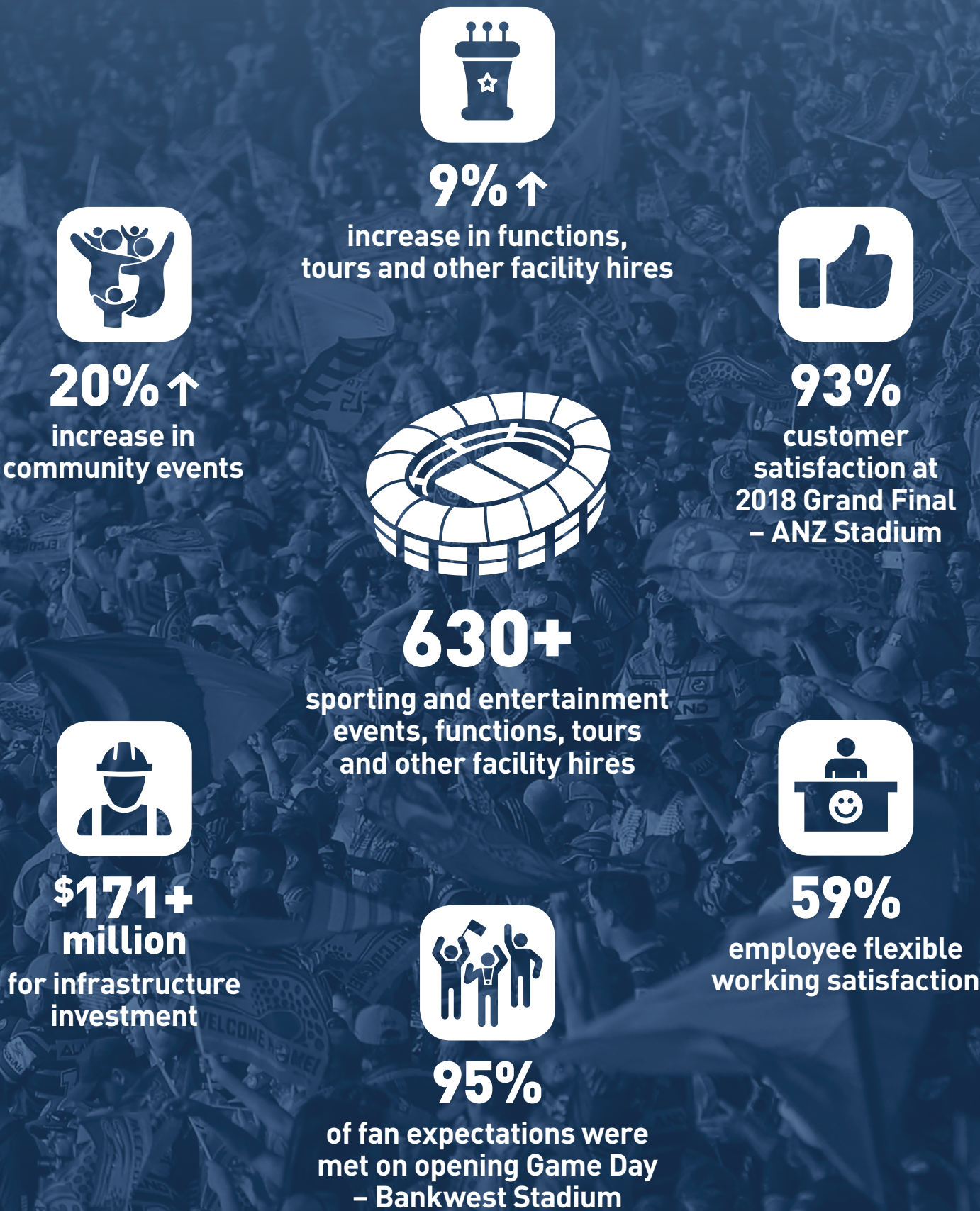
Venues NSW has a strong focus on commercial viability and on securing its position as independent and financially sustainable. I look forward to continuing the great relationships with our customers, stakeholders and our Board to ensure we improve on our dynamic network of sporting and entertainment venues.



Paul Doorn



Venues NSW Highlights



Venues NSW Portfolio

Venues NSW is the owner, coordinator and promoter of a portfolio of key publicly owned sports and entertainment sites in New South Wales.

- Our venues include:
- ANZ Stadium at Sydney Olympic Park in Homebush (Greater Sydney region)
 - Bankwest Stadium and a parcel of land in Parramatta (Greater Sydney region)
 - WIN Sports & Entertainment Centres and land used for training fields in Wollongong (Illawarra region)
 - McDonald Jones Stadium, Newcastle Entertainment Centre and Showground, and several parcels of land in Newcastle (Hunter region)

We take an integrated management approach to our stadia and entertainment centres. This includes developing partnerships between the venues and the sporting codes, the entertainment and event industry, audiences, local businesses, NSW Government agencies and community groups. Our network throughout the State allows us to combine internal resources and harness a vast employee skillset, all of which helps us deliver key projects and secure outstanding national and international content.

Venues NSW operates as a Public Non-Financial Corporation under the NSW Treasury Commercial Policy Framework. The organisation raises revenue through commercial activities such as:

- Venue hire
- Event ticketing, hospitality and catering sales
- Advertising
- Leasing
- Membership
- Naming rights
- Sponsorship agreements.

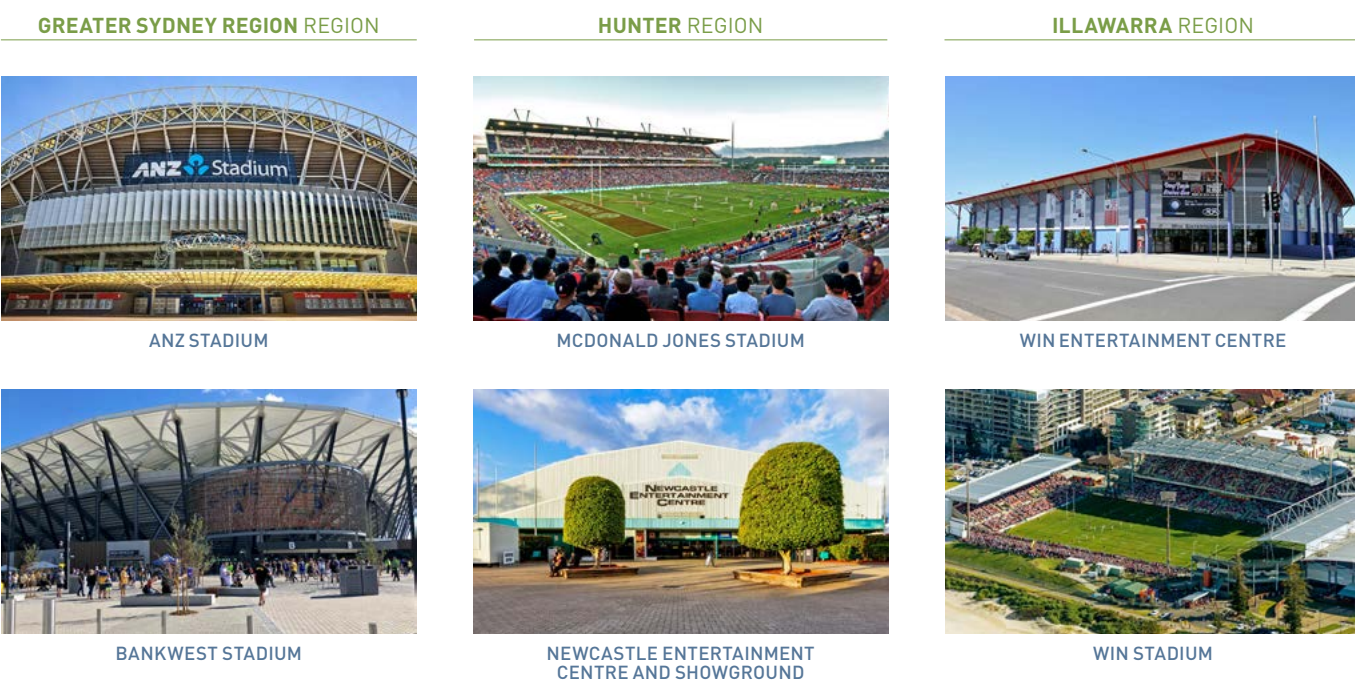
Venues NSW seeks to balance its commercial objectives with its non-commercial obligations through its support of important community social initiatives. Therefore, at times, Venues NSW provides services to clients and groups on a subsidised basis or provides in-kind support to community fundraising or charity activities.

Venues NSW Governance

Venues NSW is a single Statutory Authority. Established under the *Sporting Venues Authority Act 2008*, Venues NSW is a regional sporting venues authority headed by a Board. The Board reports to the Minister appointed. Venues NSW, on behalf of the appointed Minister, manages functions outlined in the *Act* and *Crown Land Management Act 2016* (relating to certain crown land) that form part of our portfolio.

Venues NSW forms part of the NSW Government's Public Sector Stronger Communities Cluster along with the employing office, the Office of Sport. Together, we form a group of aligned entities including the Sydney Cricket Ground and Sports Trust and NSW Institute of Sport.

Our Stadia and Entertainment Centres



Venues NSW Portfolio Hunter Region

The Hunter Sports and Entertainment Precinct covers 63 hectares of NSW Government-owned land, five kilometres from the Newcastle CBD. The Precinct includes McDonald Jones Stadium, Newcastle Entertainment Centre and Showground, and other sporting assets and facilities.



McDonald Jones stadium

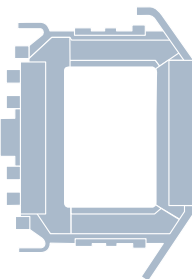
McDonald Jones Stadium is a multi-purpose outdoor stadium with a capacity of 30,000 spectators and multiple function spaces with the largest having a capacity of 350 guests. Opened in 1970, it expanded with major grandstand additions in 2005 and 2011 and received a field of play surface upgrade in 2014. The rectangular field accommodates international standard rugby league, rugby union and football.

Attendance

373,432
Total annual visitors

346,724
Sporting event visitors

26,708
Visitors for other events
including functions, tours and facility hire



30,000 seats

Anchor Tenants — Newcastle Knights (NRL)
Newcastle Jets (Hyundai A-League)

Key Events



Sport

- NRL Telstra Premiership Newcastle Knights games
- Hyundai A-League Newcastle Jets football matches
- Matildas v Chile international football match
- Super Rugby NSW Waratahs game



Exhibitions

- Japanese Car Club
- Street Society Car Show
- Hunter MG Car Club Euro Day



Community Events

- Hunter Research Medical Institute Open Day
- Farmer's Markets
- Variety Club Christmas Party
- Newcastle Knights Community Launch
- Vinnies CEO Sleepout
- Westpac Rescue Helicopter Leaders Leap
- The Smith Family Christmas Hamper Distribution

Social Media Engagement

8,738
total followers

McDonald Jones Stadium reached more than
4 million people
across its social channels



Newcastle Entertainment Centre

The Newcastle Entertainment Centre, opened in 1992, has a capacity for 4,500 square metres of exhibition space that allows for concerts, sports, exhibitions, conferences and gala functions. Newcastle Showground features a show ring includes a 1,650 square metre exhibition pavilion. It is home to the annual Newcastle Regional Show and the Newcastle City Farmer's Market, and is also used for a range of exhibitions and shows. The sites are operated by ASM Global on behalf of Venues NSW.

Attendance

401,793
Total annual visitors

10,495
Sporting event visitors

391,298
Visitors for other events
including concerts, functions, tours and facility hire



ENTERTAINMENT CENTRE
7,000 seats
SHOWGROUND
3,000 seats



Anchor Tenants — Newcastle Agricultural, Horticultural & Industrial Association
Newcastle City Farmers Market

Key Events



Concerts and Shows

- Disney on Ice
- Wizard of Oz
- Keith Urban
- Queens of the Stone Age
- Bill Bailey
- Starstruck
- Cher
- Bob Dylan
- Human Nature
- Daniel O'Donnell



Sport

- PBR Bull Riding
- Roller Derby
- Supertrackers Speedway
- Samsung Diamonds International Netball



Exhibitions

- Newcastle Caravan Camping and Holiday Expo
- Newcastle Outdoor Adventure & Motoring Expo
- Bunnings Trade Show
- Stitches & Craft Expo
- Antique Fair
- Bridal Expo



Community Events

- Newcastle Regional Show
- World's Biggest Car Boot Sale
- Hunter Homeless Connect
- Hunter Life Education
- Westpac Rescue Helicopter Ball
- Special Children's Christmas Party
- Farmer's Market

Social Media Engagement

12,691
total followers

Newcastle Entertainment Centre reached more than
2.3 million people
across its social channels



The Westfield Matildas returned to the Stadium to secure an inspiring win over Chile, 5 to nil (November 2018)



A Super Rugby match that stunned crowds as the Sunwolves of Japan kept NSW Waratahs just out of the game with a win 31 to 29 (March 2019)



McDonald Jones Stadium saw the biggest sporting crowd with more than 22,000 attending the Newcastle Knights v Sydney Roosters NRL match (May 2019)



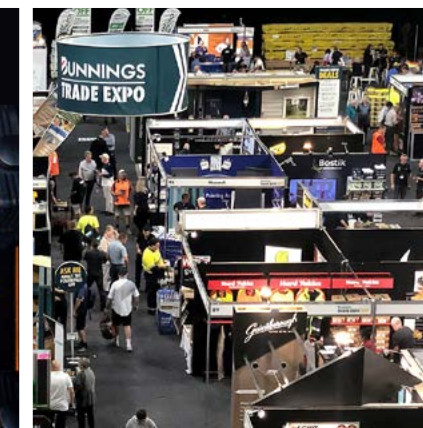
Samsung Diamonds took on England bringing international netball to Newcastle as part of the Quad Series and Constellation Cup (September 2018)



Continuing her five-decade career, Cher stunned audiences with a dazzling singing performance on her Here We Go Again! Tour (September 2018)



In his first world tour in two years, Keith Urban's Graffiti U World Tour engaged fans in an unprecedented large-scale visual production (January 2019)



Bunnings Trade Expo ensured tradies were able to meet industry suppliers and partners, see new product innovation and gain technical knowledge (May 2019)

Venues NSW Portfolio Illawarra Region

The Illawarra Sports and Entertainment Precinct comprises WIN Entertainment Centre, WIN Stadium and land currently used as a training field. Both venues back onto Wollongong's City Beach, just a one-minute drive from the city centre.



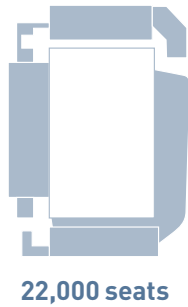
WIN Stadium is used by a variety of codes including international standard rugby league, rugby union and football. The Stadium's facilities also include a function centre for social and business events.

Attendance

74,088
Total annual visitors

70,768
Sporting event visitors

3,320
Visitors for other events
including functions, tours and facility hire



22,000 seats

Anchor Tenants — St. George Illawarra Dragons
Wollongong Wolves Football Club

Key Events



Sport

- St. George Illawarra Dragons
- Wollongong Wolves
- Sydney FC WLeague match
- Local football, Rugby League and Rugby Union including grand finals for all three codes

Social Media Engagement



7,099
total followers



WIN Stadium reached more than
1.3 million people
across its social channels



WIN Entertainment Centre is the largest venue on the south coast and its multi-configuration flexibility enables it to be hired as a multi-purpose space, from concerts to conferences, and bull-riding to basketball. The Centre celebrated its 20th anniversary in October 2018.

Attendance



122,289
Total annual visitors



43,743
Sporting event visitors



78,546
Visitors for other events
including concerts, functions, tours and facility hire



6,000 seats



Anchor Tenant — Illawarra Hawks

Key Fact



WIN Entertainment Centre celebrated its 20-year anniversary in October 2018

Key Events



Concerts and Shows

- Disney on Ice
- The Wiggles
- We Will Rock You
- Cher
- Bryan Adams
- Bob Dylan
- Charlie Pride
- Billy Ocean
- Human Nature
- Streetbeatz Hip Hop
- Swan Lake on Ice
- Les Miserables
- Wakakirri
- Southern Stars



Sport

- Illawarra Hawks National Basketball League matches
- Down Under CrossFit Championship



Community Events

- Kidzwish Charity Christmas Party and Charity Ball
- Illawarra International Women's Day Luncheon
- Stars of Wollongong Dance for Cancer

Social Media Engagement



7,655
total followers



WIN Entertainment Centre reached more than
9.3 million people
across its social channels



Thousands of spectators turned out for the Dragons v Sea Eagles clash (April 2019)



The playing field at WIN Stadium was converted into a Beer Garden during the Crossfit Championship (May 2019)



Local crowds supported the Wollongong Wolves (June 2019)



Thousands of basketball fans continued to show support for the Illawarra Hawks National Basketball League (NBL) team, with WIN Entertainment Centre hosting their many season and finals-series home games



160 athletes and 40 teams from across the world competed in an intense three-day competition at the Down Under Crossfit Championship (May 2019)



Forever a family favourite, Disney on Ice celebrated Mickey and Friends to a combined crowd of more than 21,200 fans over nine shows (June 2019)



The Imperial Ice Stars brought their stunning adaption of the Tchaikovsky classic Swan Lake to patrons (July 2018)

Venues NSW Portfolio Greater Sydney Region

Sydney is home to Venues NSW's biggest stadiums, with ANZ Stadium at Sydney Olympic Park and the new Bankwest Stadium at Parramatta.



ANZ Stadium is a multi-purpose outdoor stadium in Sydney Olympic Park. Built to host the 2000 Olympics, it was reconfigured in 2003 to reduce capacity from 110,000 to 83,500. ANZ Stadium's dynamic design allows it to host a range of sporting codes including some of Australia's biggest football matches, plus a range of concert and entertainment events. ANZ Stadium is operated by VenuesLive Management Services PTY Limited (VenuesLive) on behalf of Venues NSW.

Attendance



Anchor Tenants — Canterbury Bulldogs
South Sydney Rabbitohs

Key Fact

ANZ Stadium celebrated its 20-year milestone on 6 March 2019

Key Events



Concerts and Shows

- Taylor Swift
- Eminem
- Bon Jovi
- Monster Jam



Sport

- NRL Grand Final – Sydney Roosters v Melbourne Storm
- NRL Finals
- Bledisloe Cup – Wallabies v New Zealand
- Socceroos v Lebanon
- Canterbury Bulldogs
- South Sydney Rabbitohs
- Parramatta Eels
- Invictus Games
- Wests Tigers
- Western Sydney Wanderers A-League matches



Community Events

- Bengali New Year Festival
- Jesus Loves Australia
- Allara Learning training program
- The Change Room – rehabilitation program
- Physical Disability Rugby League World Club Challenge
- 2019 Zest Awards
- ANZ Members' Dinner

Social Media Engagement



161,796
total followers



ANZ Stadium reached more than **31.8** million people across its social channels

bankwest STADIUM

Bankwest Stadium officially opened in April 2019 and features the steepest stands in the country, bringing fans closer to the action - designed to amplify crowd noise, with 360-degree LED screens to create a wall of colour. The Stadium is operated by VenuesLive on behalf of Venues NSW.

Attendance



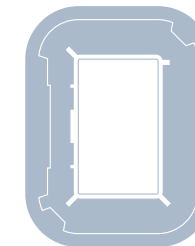
214,926
Total annual visitors



172,697
Sporting event visitors



42,229
Visitors for other events
including functions, tours and facility hire



30,000 seats



Anchor Tenants — Parramatta Eels
Western Sydney Wanderers FC

Key Facts



More than 30,000 people attended the Community Open Day on Sunday 14 April



Low food and beverage pricing at Bankwest Stadium means fans pay less than \$5 for seven key footy fare staples

Key Events



Sport

- Parramatta Eels and Wests Tigers NRL games
- NSW Waratahs Super Rugby matches
- NSW Rugby League Grand Final



Community Events

- Community Open Day
- Wednesday Night Lights
- NSWRL Junior Rugby League Grand Finals
- Stay Kind Cup Eels v Broncos

Social Media Engagement



13,230
total followers



Bankwest Stadium reached more than **25.5** million people across its social channels



Official turning on of the Bankwest Stadium illuminated sign (May 2019)



Sydney Roosters won the 2018 NRL Grand Final against Melbourne Storm, which was attended by more than 82,000 fans (September 2018)



More than 37,500 adrenaline enthusiasts experienced the turbo-charged madness of Monster Jam (October 2018)



Despite a deluge of rain, more than 70,000 Swifties flocked to Taylor Swift's Reputation Stadium Tour (November 2018)



Fans first look at the new Bankwest Stadium during the Community Open Day and Official Opening (April 2019)



Round 6 NRL clash between the Parramatta Eels and Wests Tigers (April 2019)



Bankwest Stadium hosted a number of conferences and business functions including the Western Sydney Business Chamber Corporate Launch of Bankwest Stadium (April 2019)

Venues NSW Governance

Venues NSW Board

Venues NSW is overseen by a Board which is responsible for the strategic direction, determining policies and overseeing the overall performance of the entity in accordance with the *Sporting Venues Authority Act 2008*. The Board now comprises eight members (from nine members and one

observer role in 2017/18). All Board member positions are skills-based and independent. An outline of meetings held, attendance and remuneration are detailed in Appendix 2 – **Board and Sub-Committee Meetings**.



Christine McLoughlin Chairman

APPOINTED 30 APRIL 2017

Christine McLoughlin is a highly regarded business leader and established non-executive director with over 25-years' experience as an Executive in ASX Top 30 Companies. She is now serving on

a number of Boards as a non-executive director, which includes the role of Chairman of Venues NSW.

Christine is also the Chairman of the Suncorp Group and a Director of nib Holdings Ltd. In the not-for-profit sector she is a Director of the McGrath Foundation and Chairman and Co-Founder of the Minerva Network.

Her former roles include Chairman of the Stadium Australia Group (ANZ Stadium), Director of Whitehaven Coal Ltd, Director of Spark Infrastructure Group, Deputy Chairman of The Smith Family, inaugural Chairman of the Australian Payments Council, and held non-executive directorships with Westpac's Insurance businesses, Australian Nuclear Science and Technology Organisation (ANTSO), Victoria's Transport Accident Commission, St James Ethics Centre and AMP Foundation.

The former Telstra Business Woman of the Year has a Bachelor of Law (Hons) / Arts from Australian National University, is a Fellow of the Australian Institute of Company Directors and a member of Chief Executive Women.



John Quayle Deputy Chairman

APPOINTED MARCH 2012
REAPPOINTED 30 APRIL 2017

John Quayle is an experienced sports administrator with an illustrious career in sports, club and venue management. He continues to Chair the Project

Steering Committee, overseeing the Western Sydney Stadium through construction to its opening as Bankwest Stadium in April 2019.

His former roles include Venues NSW Chairman from 2012-2017, Chief Executive of the Australian and NSW Rugby League, and General Manager of Venues and Precincts for the Sydney Olympic Games.

John co-founded MI Associates and was a consultant for the 2004 Athens Olympics, 2006 Asian Games and 2007 Pan American Games.



Danny Bhandari

BOARD-APPOINTED 1 AUGUST 2016
REAPPOINTED 30 APRIL 2017

APPOINTED TO THE STAKEHOLDER,
MEMBERSHIP AND TECHNOLOGY COMMITTEE
8 MAY 2017

Danny Bhandari is the founder of A3D Capital, a Private Portfolio Management provider and is an experienced non-executive director in commercial,

financial, sporting and not-for-profit environments.

He co-founded and was CEO of Tibra Capital, a global securities trading and technology company. Danny is an active investor, company director and adviser in the areas of sport, finance and technology.

He has previously served as the inaugural Chairman of the Sydney Thunder Advisory Board, on the Board of Cricket NSW and as a director of the Tibra Capital Foundation.



Lesley Grant

BOARD-APPOINTED 30 APRIL 2017

APPOINTED CHAIR, STAKEHOLDER,
MEMBERSHIP AND TECHNOLOGY COMMITTEE
8 MAY 2017

Lesley Grant is a senior business executive and non-executive director with extensive experience in the airline industry across customer, brand, marketing, operations, digital, new

ventures and human resources.

Currently Group Executive - People, Culture and Corporate Affairs at Qantas, her former roles include Chief Executive Officer - Qantas Loyalty, Director of the Australian Brandenburg Orchestra, Director of Taylor Fry Pty Ltd, Director of the Qantas Foundation and a non-executive director of UNICEF Australia.

Lesley is a member of Chief Executive Women.



Ian Hammond

APPOINTED 30 APRIL 2017 TO 1 MAY 2019
REAPPOINTED 8 JULY 2019

APPOINTED CHAIR, AUDIT AND RISK COMMITTEE
13 SEPTEMBER 2017

Ian Hammond has considerable experience in finance and risk management. He is a non-executive director of Suncorp Group Ltd and Perpetual Ltd, and non-profit groups

including Chris O'Brien's Lifehouse and Mission Australia. Ian is a Director of Queensland Trustee Pty Ltd, a related entity of Perpetual Ltd.

His former roles include Director of Citibank Australia, Stadium Australia Group (ANZ Stadium) and partner at PwC Australia, where for 26 years he held a range of senior management positions.

Ian represented Australia on the International Accounting Standards Board and was previously a member of the Australian Accounting Standards Board.



Phil Kearns AM

BOARD-APPOINTED 30 APRIL 2017

APPOINTED TO THE STAKEHOLDER,
MEMBERSHIP AND TECHNOLOGY COMMITTEE
8 MAY 2017

Phil Kearns is Managing Director and CEO of InterRISK Australia Pty Ltd, an equity partner business of ASX-listed Austbrokers Holdings Limited.

He spent more than a decade leading organisations specialising in financial services, IT recruitment and training. Phil is a Director of AV Jennings Pty Ltd and his former roles include Director, Stadium Australia Group (ANZ Stadium) and Director of the Children's Cancer Institute Australia.

Phil was appointed a Member of the Order of Australia for significant service to the community through support for charitable organisations, to business, and to rugby union at the elite level. He played 67 tests for the Wallabies (1989-1999) and captained the team ten times, currently commentates for FoxSports and founded non-profit organisation Balmoral Burn. Phil has an Arts Degree majoring in Economics and Economic History from the University of NSW.



Sally Loane

BOARD-APPOINTED 30 APRIL 2017

APPOINTED TO THE STAKEHOLDER,
MEMBERSHIP AND TECHNOLOGY COMMITTEE
8 MAY 2017

Sally Loane is a senior business executive and company director with extensive experience across a range of sectors including media, financial services, food and beverage manufacturing, professional

sport, community organisations and corporate affairs.

She is CEO of the Financial Services Council and holds non-executive directorships with Destination NSW and Avner Pancreatic Cancer Foundation. Sally is a Director of the Committee for Sydney, a Governor of the Cerebral Palsy Research Foundation, an Ambassador for Business Events Sydney. Her former roles include Director of Media and Public Affairs (Coca-Cola Amatil), and non-executive directorships with Waratahs Rugby and SCEGGS Darlinghurst.

Sally spent 25 years in media as a journalist, broadcaster and columnist, and is a member of Chief Executive Women.



Glenn Turner AM

APPOINTED MARCH 2012
REAPPOINTED 30 APRIL 2017

APPOINTED TO THE AUDIT AND RISK COMMITTEE
13 SEPTEMBER 2017

Glenn Turner has 30 years' experience as a senior executive in mining, manufacturing, engineering and construction industries across five continents.

He was appointed a Member of the Order of Australia in 2019 for his significant service to the community of the Hunter. He previously occupied non-executive roles in public and private companies in a variety of industry and services sectors and provided his expertise to the Western Sydney Stadium Project Steering Committee until the Stadium's opening in April 2019.

Glenn's former roles include Chairman of the former Hunter Region Sporting Venues Authority and Chairman of the Hunter Medical Research Institute.



Noel Cornish AM

BOARD-APPOINTED 30 APRIL 2017 TO 1 MAY 2019

APPOINTED TO THE AUDIT AND RISK COMMITTEE
SEPTEMBER 2017 TO 1 MAY 2019

Noel Cornish AM is Chairman of Snowy Hydro Ltd, Chairman of IMB Ltd and holds non-executive directorships of Forestry Corporation NSW and UOW Global Enterprises.

His former roles include National President of Ai Group, Deputy Chancellor of the University of Wollongong, Chief Executive of BlueScope Ltd's Australian and New Zealand steel manufacturing businesses and President NorthStar BHP LLC in Ohio USA.

Noel was appointed a Member of the Order of Australia in 2017 for his outstanding service to business leadership and the community. He has a Bachelor of Science (Metallurgy) and a Master of Engineering Science from the University of Newcastle. He is also a fellow of the Australian Institute of Company Directors.



Matt Miller

APPOINTED 4 FEBRUARY 2016
REAPPOINTED (OBSERVER)
30 APRIL 2017 TO 1 JULY 2019

Matt Miller was the Chief Executive of the Office of Sport until his retirement in 2019. His primary role has been to lead sport policy and strategy and oversee co-ordination of sport-related advice, services and facilities across New South

Wales. His role includes collaborative leadership and support for the NSW Institute of Sport, Sydney Olympic Park Authority, Venues NSW and Sydney Cricket and Sports Ground Trust.

His former roles include CEO of the Australian Sports Commission, Queensland Commissioner for Fair Trading and CEO of the Australian Child Support Agency.

Matt holds a Bachelor of Engineering, Bachelor of Economics and Master of Science.

Venues NSW Governance

Venues NSW Board Sub-Committees

The Board is supported by two sub-committees:

Audit and Risk Committee

The Committee provides independent assistance to the Board by monitoring, reviewing and providing advice regarding Venues NSW governance processes, internal audit, risk management and control framework, compliance management and its external accountability obligations.

The Committee members are elected subject to appointment in accordance with the *NSW Government's Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members*. During the reporting period, the Audit and Risk Committee had three non-executive directors appointed – Ian Hammond (Chair), Glenn Turner and Noel Cornish (until 1 May 2019).

The Committee had four scheduled and three out-of-session meetings to consider strategic, risk or financial matters:

19 July 2018 <i>Out of Session</i>	11 March 2019
11 September 2018	18 April 2019 <i>Out of Session</i>
26 November 2018	11 June 2019
18 February 2019 <i>Out of Session</i>	

Refer to Appendix 2 – **Board and Sub-Committee Meetings** for committee member meeting attendance and remuneration.
Refer to Appendix 10 – **Audit, Risk and Insurance** for an outline of internal audit and risk management activities during 2018/19.

Stakeholder, Membership and Technology Committee

This Committee was established to provide strategic input, guidance and recommendations to the Board on matters relating to stakeholder and community engagement, as well as technology and digital priorities. The Committee also advises the Board on the ANZ Stadium Membership program.

The Committee provides advice to the Board regarding consultation with stakeholders relating to programs and projects, improving services, technology and facilities to enhance the end-user experience.

The Committee is formed with four non-executive directors appointed – Lesley Grant (Chair), Danny Bhandari, Phil Kearns, Sally Loane, and one executive director Paul Doorn (Chief Executive Officer, Venues NSW).

The Committee discussed stakeholder, membership and technology matters at five scheduled meetings:

2 July 2018	1 March 2019
29 August 2018	3 June 2019
16 November 2018	

Refer to Appendix 2 – **Board and Sub-Committee Meetings** for committee member meeting attendance and remuneration.



The Venues NSW Board (left to right): Ian Hammond, Glenn Turner, Sally Loane, Danny Bhandari, Christine McLoughlin, John Quayle, Lesley Grant, Phil Kearns and Noel Cornish.

Venues NSW Operational Structure

Venues NSW operates from three locations – Newcastle (Hunter region), Wollongong (Illawarra region) and head office at Sydney Olympic Park (Greater Sydney region).

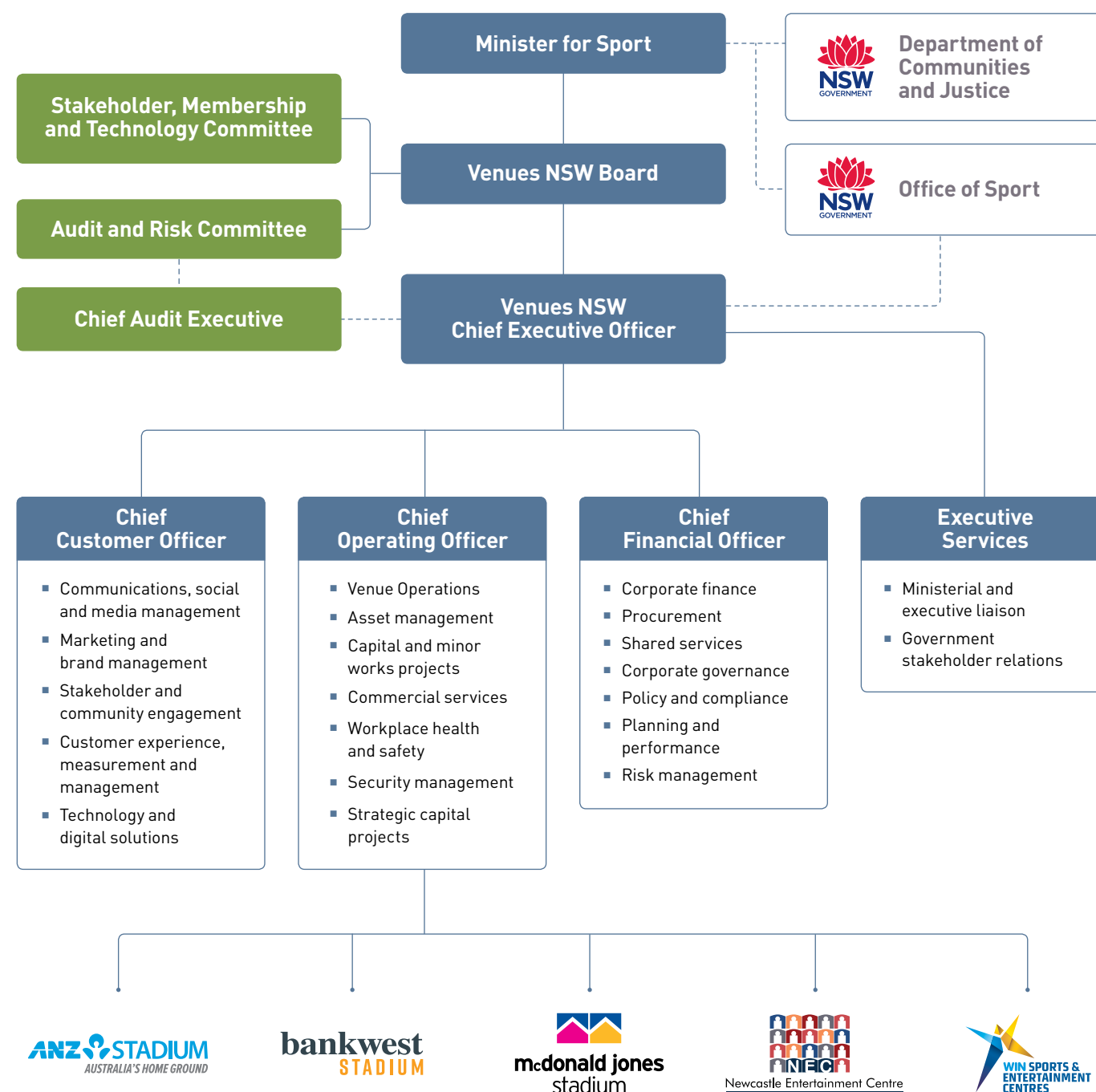
Venues NSW head office operates from ANZ Stadium and during the year implemented its new organisational structure. The Operational Structure is outlined in Figure 1.

Venues NSW and the Office of Sport reviewed and re-entered a Service Level Agreement in January 2019 for the provision

of corporate service activities including finance, information technology, human resources, communications, information management and asset management.

Venues NSW has contracted venue management operators – ASM Global (formerly AEG Ogden) for Newcastle Entertainment Centre and Showground, and VenuesLive for ANZ Stadium and Bankwest Stadium.

FIGURE 1 Venues NSW Operational Structure



Venues NSW Strategy and Objectives

Our Vision

To create leading destinations for sport, entertainment and leisure.

Strategic Priorities

Venues NSW's strategic priorities align to five customer-focused objectives:



Operational Performance



Safety and Security



Infrastructure Strategy



Community Engagement



Setting the Standard

Our Values

We are committed to realising greater value for the people of NSW. Embracing our new strategic direction and working collaboratively with the sports and entertainment sector, government agencies and other partners will help make our venues more relevant. Focusing on partnerships will help us deliver improved outcomes and increased returns on the NSW Government stadia investment.

Our Guiding Principles

- Focus on core competency
- Incentivise to drive outcomes
- Ensure future requirements underpin strategy
- Analysis to inform decisions
- Utilise the private sector
- Partner with communities
- Foster a customer centric environment
- Operating sustainably

Our Purpose

Through the delivery of high-quality, high functioning venues and precincts we:

- Create opportunities to connect communities
- Provide vibrant, safe and active gathering spaces
- Support the wider visitor economy and tourism economy across New South Wales



Operational Performance

Goal Maximise organisational efficiencies and the utilisation of our assets to optimise the return to Government.

Key Strategies

- Continued operationalisation for the new Western Sydney Stadium. Co-ordinating handover of the Stadium from the construction contractor and Infrastructure NSW to the operator VenuesLive.
- Develop a Venues NSW Commerciality Framework Implementation Plan (in response to the NSW Government's Commerciality Framework for the NSW Government Stadia Network).
- Benchmark performance.
- Investigate revenue enhancement and efficiency opportunities.
- Increase content across our venues.

Attendance and Events

Venues NSW welcomed more than two million people to its venues during 2018/19. We have seen attendance increases in community events of 20 per cent, local sport by 11 per cent, and functions, tours and other facility hires increase by nine per cent on the previous year of operations. However, a decline in the number of international sport, exhibitions and blockbuster concert events this financial year led to a 21 per cent decline in overall attendance figures.

Our venues are used for a variety of business, community and cultural activities on non-match days. The Meetings & Special Events business, along with stadium tours at some of our venues, drives additional visitation outside of the sporting and entertainment calendar. Our sport and entertainment venues held more than 630 total events, welcoming a 15 per cent increase in the number of community events.

An outline of our attendance and events is shown in Figure 1 and Figure 2.

Key Performance Indicators



+2% on target

(-21%) increased attendance at our venues (Target: -23%)



-0.2%↓

achieved in operational profitability at our venues as measured by the EBITDA* margin (Target: 1.4%)

*Earnings before interest, tax, depreciation and amortization

Key Facts



20%↑
increase in community events



9%↑
increase in functions, tours and other facility hires



11%↑
increase in local sports

FIGURE 1 Percentage of total attendance 2018/19 by event type

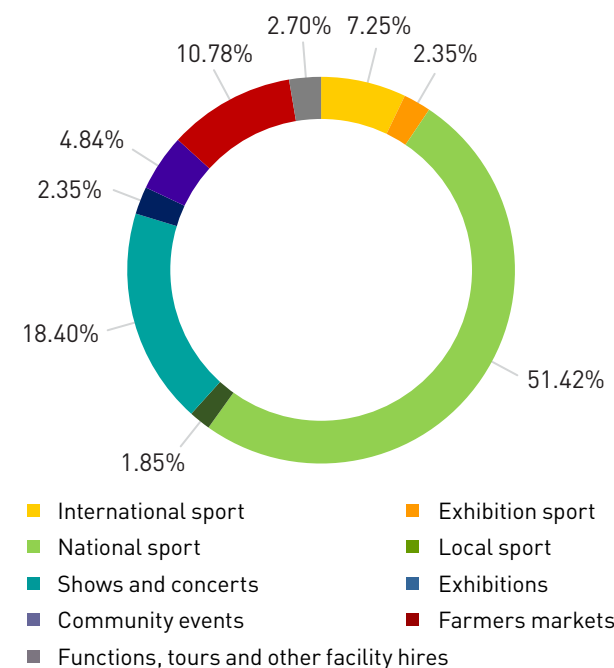
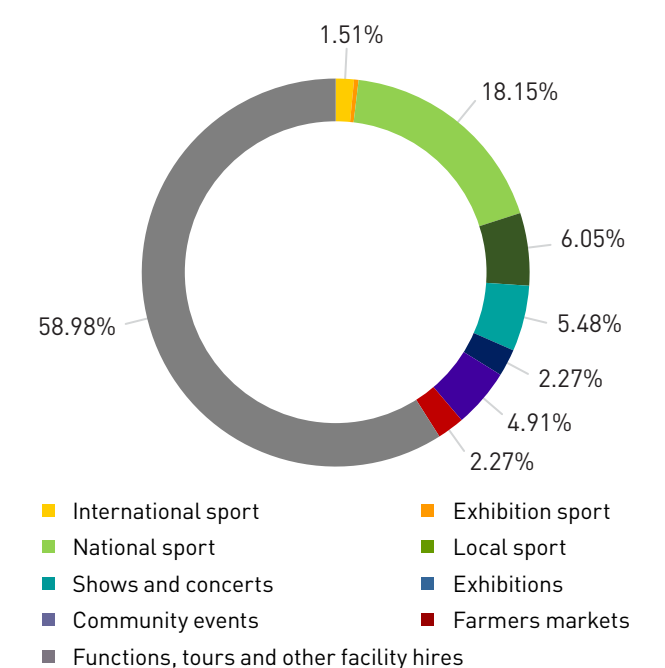


FIGURE 2 Percentage of total events 2018/19 by event type





Operational Performance

Venues NSW celebrated a number of milestones during the year

Bankwest Stadium officially opened in April 2019. This new 30,000 seat sporting and entertainment venue has delivered a new spectator experience in Sydney. More than 200,000 visitors have passed through the gates since April. We are proud that the Stadium has seen the return of home ground clubs the Parramatta Eels and Western Sydney Wanderers and also welcomed Wests Tigers and NSW Waratahs to their new home ground. The Stadium has also acquired exciting 2020 content such as Cold Chisel's 'Blood Moon 2020 Tour' concert in January 2020 and Elton John's 'Farewell Yellow Brick Road Tour' concert in March 2020.

Venues NSW worked tirelessly with the appointed operator VenuesLive to coordinate the handover of the asset from Lendlease (construction contractor) and Infrastructure NSW (project proponent). The collaborative efforts of these key stakeholders and others resulted in the Stadium being built on time and on budget to deliver a spectacular opening.

ANZ Stadium celebrated its 20-year anniversary in March 2019. Many unforgettable events have occurred within the Stadium from its first event – an NRL double-header on 6 March 1999 which reached attendances of more than 104,000 people – through to those that have become part of Australia's sporting folklore – Cathy Freeman's dash that unified the nation, the John Aloisi penalty shootout heart-stopper that broke the Socceroos' 32-year World Cup hoodoo, the despair of the 2003 Rugby World Cup final, and we cannot forget the exhilaration of global music acts such as U2, AC/DC, and more recently Taylor Swift, Eminem and Bon Jovi.

WIN Entertainment Centre also celebrated its 20-year anniversary, representing a major milestone for the Illawarra region. The venue has hosted more than 1400 events and more than 3 million people across the two decades. Since the late nineties, WIN Entertainment Centre has featured some of the biggest acts in the world from Ed Sheeran, Bob Dylan and Bryan Adams to Cirque du Soleil and Swan Lake on Ice. Local events such as the Illawarra Hawks games, Southern Stars and the Illawarra Business Chamber (IBC) Awards have also been some of the most memorable.



The Hon. Gladys Berejiklian, NSW Premier, officially opened Bankwest Stadium on 14 April 2019 as part of the Community Open Day



March 2019 was the 20-year milestone for ANZ Stadium



WIN Entertainment Centre celebrated its 20-year anniversary in September 2018



During the year, eight murals depicting the Illawarra coastline, local flora and Australian icons who have entertained at the venue were painted on the external walls of WIN Entertainment Centre

Key Fact



**Assets of
\$974 million**

At the year's end, Venues NSW holds assets of \$974 million in 2018/19 compared to \$839 million (in 2017/18).

While Venues NSW recorded an \$152,000 operating deficit from day-to-day operations, it was an improvement on the re-forecasted budgeted deficit of more the \$371,000. Sound financial management during the year, along with managing significant organisational change projects such as the opening of Bankwest Stadium, aided in controlling the end of year result. A breakdown of Venues NSW revenue and expenditure is shown in Figures 3 and 4.

Venues NSW received \$147 million in grant funding from the NSW Government for the construction of the new Western Sydney Stadium (Bankwest Stadium) and recorded \$40 million depreciation.

FIGURE 3 Total Revenue for 2018/19, by type

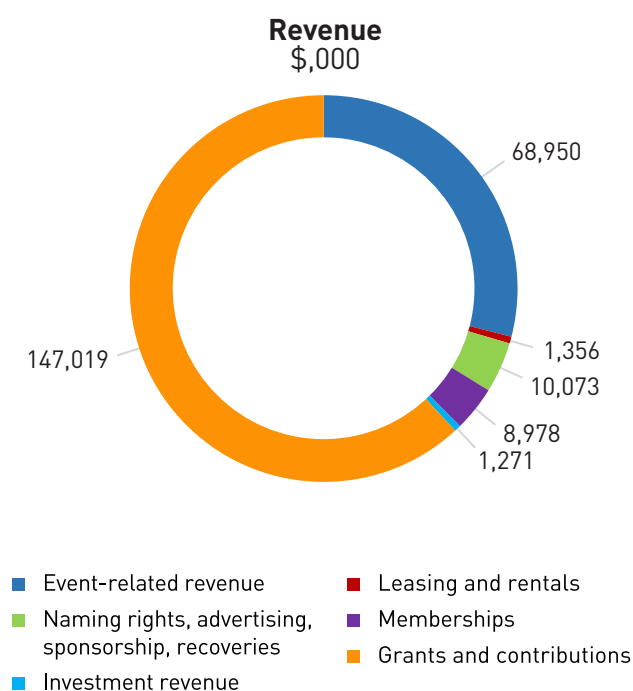
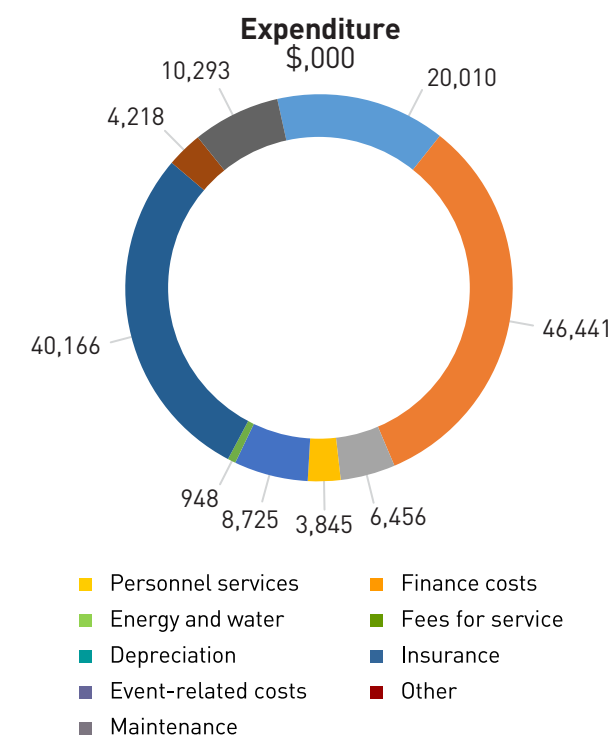


FIGURE 4 Total Expenditure for 2018/19, by type





Operational Performance

Key Facts



7%

Commercial leases and licenses contribute to total other revenue



44%

Stadium membership contributes to total other revenue



73%

Hospitality and catering contribute to total event-related revenue



Function rooms at McDonald Jones Stadium cater for a variety of events



Newcastle Entertainment Centre hosts a variety of events including the Westfield Rescue Helicopter Service's annual Hunter Rescue Ball (May 2019)



WIN Entertainment Centre can re-configure for large-scale gala dinners including the Stars of Wollongong (June 2019)

Commercial Leases and Licenses

Venues NSW own, manage, lease and license property for retail, hospitality, players' facilities, administration, car parking and other purposes. Venues NSW received \$1.36 million in revenue or seven per cent of the total other revenue in 2018/19.

We lease our venues to cater for a range of commercial, community, sport and recreational activities, along with food and beverage outlets. While most of these leases are commercial in nature, we have several non-commercial arrangements which form part of our community service obligations to support sporting clubs and associations.

Stadium Membership

ANZ Stadium continued its Membership program in 2018/19 which contributed \$9 million in revenue.

Hospitality and Catering

Exhibitions, large-scale conferences and gala dinners are an important part of Venues NSW business. Event and catering services provided by Venues NSW to venue hirers, members and patrons formed a key source of revenue and in 2018/19 contributed \$51 million or 73 per cent of total event-related revenue.

“

Food and beverage prices at sporting events were reduced by an average 15 to 20 per cent at ANZ Stadium from June 2019, after a similar pricing strategy was successfully rolled out at Bankwest Stadium in April 2019.

”



Safety and Security

Goal Keeping our venues safe.

Key Strategies

- Review security, safety and environmental policies in line with current accepted best-practice guidelines.
- Working within the Australian Government's Australia's Strategy for Protecting Crowded Places from Terrorism Framework.
- Leverage our best-practice safety and security systems and operations across our stadia network.

Enterprise Risk Management Effectiveness Rating

	Target	Actual
Safety	Moderate	High
Security	Moderate	Moderate

Key Facts



86%

of my workgroup pursues safe work practices



91%

of employees know how to address a health and safety issue identified

Key Performance Indicators



73% rating

in employee awareness of Safety and Wellbeing Strategy (Target: 70.4% by 2022)



77% rating

in employee consultation on matters affecting safety in the workplace (Target: 73%)



167

employee and contractor personal injuries (Target: 50% decrease by 2023)



59

patron personal injuries (Target: 50% decrease by 2023)



Venues NSW is committed to protecting the lives of people using and visiting our stadia and entertainment centres



Safety and Security

Safety

Venues NSW remains focused on ensuring our staff and visitors remain safe throughout our venues. Key initiatives undertaken during the financial year 2018/19 include:

- Conducted an independent Compliance Gap Analysis by Deloitte Touche Tohmatsu Ltd (Deloitte) of Venues NSW's Workplace Health and Safety (WHS) Framework (a management system) against AS/NZS 4801:2001 to provide a level of assurance that the Framework, on implementation, would meet compliance and operational needs.
 - Responding to 15 actions for improvement identified through the conduct of the WHS Management System Internal Audit within required timeframes.
 - Continued development of a stand-alone WHS Framework, taking a systematic approach in managing WHS across Venues NSW stadia and entertainment centres.
 - Employment of a WHS Business Partner, positioned to drive improved WHS performance, and engagement of WHS consultant in provision of advisory services.
 - Implementation of the WHS Framework commenced in early 2019, conducting workshops to focus on developing strategies for a comprehensive implementation process.
 - Improved levels of reporting within the WHS Framework, focused on establishing effective, consistent measurement tools and processes that lead to valid and reliable data to form a consolidated dashboard report.
 - In March 2019, forming part of the NSW Government's Sector Plan an initiative led by SafeWork NSW, Venues NSW conducted a WHS Sector Plan Self-Assessment across three focus areas:
 - Embedding a health and safety landscape
 - Focus on key priority areas (aging work infrastructure, hazardous chemicals, fatigue, musculoskeletal, etc)
 - Exemplar Sector.
- Venues NSW achieved performance results of between 50%-60% across the three focus areas. This result represented the status of early implementation of the WHS Framework across the organisation.
- WHS due diligence training aligned to the Venues NSW's WHS Framework as well as WHS legislation and Codes of Practice.
 - Provision of training initiatives including WHS due diligence, mock court trail and other on-the-job activities, exercises and drills aligned with the Venues NSW WHS Framework and relevant WHS legislation and codes of practice.

As part of demonstrating continuous improvement towards health and safety, Venues NSW undertook site visits to verify the implementation of the WHS Framework at McDonald Jones Stadium and WIN Sports and Entertainment Centres. These sites demonstrated their proactive commencement of implementing the WHS Framework's requirements, including staff awareness and assigning WHS responsibilities and accountabilities.

Venues NSW seeks to thoroughly embed the WHS Framework, working collaboratively with staff, contractors, operators and other stakeholders in the 2019/20 financial year and looks forward to improved reporting and safety results.

Security

Venues NSW is committed to protecting the lives of people working in, using and visiting crowded spaces, such as our stadia and entertainment centres.

We work closely with the NSW Police and other intelligence agencies to continually monitor the international and local security climate against threats and other incidents. We use this information to continually assess levels of security across our operations in collaboration with our venue operators and hiring partners and other emergency response agencies.

During 2018/19, Venues NSW undertook the following initiatives:

- Implemented improvements identified as a result of a review conducted by Hatamoto Pty Ltd against Safe Places Vehicle Management Guidelines. Preparatory work – planning and development consent has been undertaken to commence capital works to improve hostile vehicle risk mitigation measures across McDonald Jones Stadium and WIN Sports and Entertainment Centres.
- Conducted an independent review of implementation actions resulting from the Venues Crisis and Emergency Plans Internal Audit 2016, undertaken by Deloitte.
- Conducted an internal audit of Business Continuity Plans across Venues NSW operated sites – Head Office, McDonald Jones Stadium and WIN Sports and Entertainment Centres.
- Invested in physical and electronic security infrastructure such as the installation of additional lighting, fencing and CCTV across the venues.

Key Facts



of employees responded that they are comfortable notifying their manager if they become aware of any risks at work



of our visitors to Bankwest Stadium were satisfied or very satisfied with Safety & Security



Venues NSW uses the information it receives from the NSW Police and other agencies to ensure levels of security and safety are high across all of its venues



Infrastructure Strategy

Goal Employing leading infrastructure strategy and management approaches.

Key Strategies

- Develop a Venues NSW Infrastructure Strategy.
- Operationalisation of the new Western Sydney Stadium – Bankwest Stadium.
- Refurbishment of ANZ Stadium. This will involve being proactive in developing viable options for the State Government. A working group (ANZ Stadium Forum) will assist in driving this strategy.
- Development of Hunter Sports & Entertainment Precinct Detailed Concept Plan and Business Case.
- Commencement of Illawarra Sport & Entertainment Precinct concept planning.

Key Performance Indicator



\$171+ million

for infrastructure investment

Infrastructure Strategy Performance

Venues NSW continues to focus on key capital works and planning projects across the three regions.

Bankwest Stadium

The new Western Sydney Stadium, now known as Bankwest Stadium, was opened in April 2019. The collaborative efforts of the construction company, Lendlease, and project manager, Infrastructure NSW, ensured construction of the Stadium was on time and on budget.

The Stadium boasts undercover seating for 30,000 people, with big screens and LED technology creating an intimate, cosy and undeniable atmosphere of colour and sound. It offers five levels of premium function spaces, high-quality affordable food and beverage options and superior broadcast facilities. Bankwest Stadium has delivered improved security and administration, public plaza areas and landscaping. The project generated approximately 1,200 jobs during construction and employs up to 900 during operational periods. In the short time since it has opened, the Stadium has catered for a range of sporting, entertainment and community events.

Satisfaction Rating Highlights



97%

Stadium's connectivity (Wi-Fi) by fans



98%

Bankwest Stadium's viewing experience by visitors



92%

Ease of finding your way and getting to the Stadium



Fans at the Parramatta Eels match against the West Tigers (April 2019)



Infrastructure Strategy

ANZ Stadium Redevelopment Project

At the time of producing this Annual Report 2018/19, the NSW Government announced its funding commitment to progress with the \$810 million redevelopment of Stadium Australia (ANZ Stadium). Venues NSW is proud to be delivering the biggest rectangular stadium in the country – a world-class 70,000 seat stadium in the heart of Sydney – enabling New South Wales to host the best national and international events in the world.

An improved customer and fan experience will see 46,000

seats move up to 25 metres closer to the action, enhanced food and beverage offerings will be delivered throughout the Stadium, and an extended roofline will provide greater coverage to ensure a premium experience for all spectators.

Infrastructure NSW, the project proponent, is preparing an Environmental Impact Statement (EIS) as part of the State Significant Development Application to be lodged with the Department of Planning, Industry and Environment. The EIS is expected to go on public exhibition in late 2019.

Hunter Sports & Entertainment Precinct

In 2017, the NSW Government prepared a concept plan *A Vision for the Hunter Sports & Entertainment Precinct* after receiving unsolicited EOI proposals for the site. *A Vision for the Hunter Sports & Entertainment Precinct* provides the foundation for a coordinated and staged development strategy.

The Concept Plan proposes several new uses to boost Newcastle's offering as a sporting, entertainment, and tourism destination and drive the entertainment and visitor economy. These include:

- A new multi-purpose entertainment and convention centre to replace the ageing Newcastle Entertainment Centre
- A consolidated multi-purpose sports facility
- An event plaza
- A 3½ star hotel
- A multi-story car park
- A mix of retail, commercial and residential development
- Improved green spaces along with landscaped walkways and cycle pathways providing better connections within and to the Precinct.

A Detailed Concept Plan and Strategic Business Case has been developed by Hunter and Central Coast Development Corporation (HCCDC) on behalf of Venues NSW following community consultation on the initial Concept Plan in 2017.

The Precinct has been identified as a key piece of regional infrastructure and a catalyst area in the *Greater Newcastle Metropolitan Plan 2036*. HCCDC is charged with delivering the Plan for the NSW Government.

The Hunter Sports & Entertainment Precinct is identified as one of the catalyst areas of metropolitan significance that will drive the transformation of Greater Newcastle. A revitalised Precinct is recognised as having great potential to deliver enhanced economic and social benefits to the region.

Implementation of the Concept Plan will provide the opportunity to achieve community and commercial benefits – improving access to, and participation in, sporting and cultural events. Enveloping the Stadium into the surrounding area will allow the NSW Government to create a modern, easy access, inter-connected Precinct that is on par with national and international best practice that will drive increased tourism and entertainment into the Hunter region.



Aerial view of the Hunter Sports & Entertainment Precinct

Illawarra Sports & Entertainment Precinct

Venues NSW has sought to engage other government agencies and interested parties, to undertake a planning process for the Illawarra Sports & Entertainment Precinct. It is an important precinct that is located on the waterfront and sits between the ocean and the Wollongong City Precinct. The site currently includes the WIN Sports and Entertainment Centres, and land used currently as a training field.

Notably the WIN Entertainment Centre, which opened in 1998 as a basketball court, is now used as a multi-use facility. The largest venue of its kind on the south coast, it is used for a range of events from ice-skating to acrobatics and tennis to gala-dinners. To compete with other national and state purpose-built facilities, to remain relevant and uphold a commercially sustainable site, Venues NSW needs to plan for future needs and examine how to best use the venues and activate the

surrounding precinct – all day, every day, not just event days.

During 2018/19, Venues NSW initiated an analysis of functional requirements and rigorous feasibility assessment to initiate forming a draft plan for the Precinct. The draft Plan is to be driven by a multi-agency Steering Committee to maximise a whole-of-government approach to achieve the highest economic impact, jobs growth, tourism and cultural impact.

The draft plan will explore ways to improve the activation and use of the site, to support the visitor economy, job growth and other benefits for the Illawarra.

Priorities for Venues NSW are to deliver modern, contemporary infrastructure within sport and entertainment precincts, and present the highest quality content in the State, now and into the future.



Aerial view of WIN Sports and Entertainment Centres

Strategic and Operational Asset Management

A total of \$171 million was invested on major and minor works across the Venues NSW network of stadia and entertainment centres. Venues NSW receives no government funding for its operations, however receives ad-hoc major capital works project funding.

Capital Infrastructure Investment

A total of \$167 million was expended on major capital works during 2018/19. This covered a number of key projects including:

- Capital works investment, funded by the NSW Government, covered the construction of Bankwest Stadium, fit-out (furniture, fittings and equipment) and pre-operational costs.
- Enhancements for Bankwest Stadium were funded through the Commonwealth Government. A grant of \$20 million was received by Venues NSW for the previous Pirtek Stadium Upgrade Project, subsequently re-allocated to the new Western Sydney Stadium project on the NSW Government's decision to knock-down and rebuild the Stadium.
- Completion of significant repairs to the WIN Stadium's Northern Grandstand structure and roof restoration.

Current Capital Works Projects

Venues NSW has a number of capital works projects that span the current and future years. More than \$1 million was expended in 2018/19 and we have allocated nearly \$15 million in the 2019/20 budget for the following capital works:

Hostile Vehicle Mitigation

A review conducted by Hatamoto Pty Ltd against *Safe Places Vehicle Management Guidelines* identified opportunities for improvements. Preparatory work – planning and development consent – has been completed and works commenced to improve hostile vehicle risk mitigation measures across McDonald Jones Stadium, and WIN Sports and Entertainment Centres.



Safety bollards were installed outside WIN Sports and Entertainment Centres, as part of the Hostile Vehicle Mitigation program



Infrastructure Strategy

Cladding

As a result of a Government wide audit on cladding to improve fire safety in April 2018, the Stadium was assessed by Public Works Advisory and was found to have Alucobond on the Western Grandstand. Alucobond, a combustible aluminium composite cladding system, no longer complied with the *Building Code of Australia 2016 (Amendment 1)* for use as an external cladding system.

Venues NSW instigated immediate remediation actions to remove the cladding in the northern and southern fire isolated internal stairwells in April 2019. Temporary façade improvements are currently underway. Re-cladding of the internal and external facade of the Western Grandstand will occur during 2019/20 to comply with the *Environmental Planning and Assessment Amendment (Identification of Buildings with External Combustible Cladding) Regulation 2018*.



Compliant cladding material was installed at the bottom of the non-fire isolated stairwell

Turf Replacement

McDonald Jones Stadium undertook turf repair works in 2018/19. More than 2,000 metres of Ready to Play Turf was installed in March 2019. During 2019/20, the turf across the Stadium's entire playing field will be replaced.

Minor Works Investment

Venues NSW invested nearly \$5 million in minor works across the stadia and entertainment centres. These works included an upgrade of water pipes, CCTV camera installations, WiFi installations and upgrades, lighting towers maintenance and safety enhancements, scoreboard, floor and foyer furnishings, general building and pitch maintenance and minor equipment replacements.

Environment Sustainability

Venues NSW is embarking on improving the environmental suitability of all our venues and seeks to embrace new and innovative business practices.

ANZ Stadium

ANZ Stadium is a world-leading sustainable venue. Innovative measures ensure the stadium operates in an environmentally functional and cost-effective way. These measures include: recycling rainwater from the roof into underground tanks to irrigate the pitch, a range of passive design measures including ventilation and natural cooling/heating, and an onsite gas fired co-generation system.

In the wake of large-scale events such as the NRL Grand Final and Adele or Ed Sheeran concerts, we collect and dispose of more than 10 tonnes of rubbish through recycling initiatives.

“
Approximately 200 tonnes
of waste are recycled each
year at ANZ Stadium.
”

Out on the arena, tonnes of grass clippings and worn turf are recycled each year, often propping up fairways and greens at golf courses in Western Sydney.

The Stadium also uses recycled water to flush toilets. The sewage from the stadium goes to the Sydney Olympic Park Water Reclamation and Management Scheme (WRAMS), gets treated and sent back into the Stadium to be used for toilet flushing.

Bankwest Stadium

We delivered a new stadium that was made locally and built sustainably. The steel used to build Bankwest Stadium is Australian steel, manufactured locally and fabricated by several Western Sydney businesses.

The 100kWh solar panel system (309 individual solar panels) hidden above the fabric line of the roof generates renewable energy and the stadium boasts a 260KL rainwater tank which is used to collect rainwater from the roof which is reused for toilet flushing.

Our target is to achieve LEED v4 Gold certification, which would make Bankwest Stadium one of the first stadiums in Australia and the world to receive this recognition.



Community Engagement

Goal Collaborating with communities to increase utilisation.

Key Strategies

- Proactively manage and engage stakeholders.
- Develop a Venues NSW Community Service Obligations Framework.

Stakeholder Engagement

The Venues NSW Board and Executive engaged with and hosted government, industry and community stakeholders at a variety of corporate events and business forums throughout the year. Key highlights include:

- Bledisloe Cup, August 2018
- Illawarra Region Stakeholder and Engagement Event, October 2018
- Invictus Games Pre-closing event, October 2018
- NRL Grand Final, October 2018
- Bankwest Stadium Official Opening event, April 2019
- Minerva Network event and stadium tour, April 2019
- Eminem, Bon Jovi, Taylor Swift, Cher and Bob Dylan
- Corporate events

Community Service Obligations

Venues NSW continues to build on community service obligations, undertaking non-commercial activities that would not normally be part of a fully operating commercial entity. As part of its functions, and as outlined in the *Sporting Venues Authorities Act 2008*, Venues NSW encourages the use and enjoyment of its land by the community, sporting groups and recreational users.

Every year, we actively support key initiatives that support participation in events and activities for our diverse community including Aboriginal and Torres Strait Islanders, people with disability, multicultural communities and gender equality organisations. We offer the provision of a suite for visitors with sensory issues, access to a prayer room (or other suitable rooms) and all our venues honour the Carer Card Program.

We work with our hiring partners, event promoters, venue operators and managers to offer complimentary tickets and subsidies to the community, schools, various charity groups and sporting organisations to help support coaching or skills clinics, mentoring programs, and temporary storage.



WIN Stadium donated the venue for the KidzWish Foundation's annual Christmas concert (November 2018)

Key Performance Indicator

6.4 rating
in customer satisfaction
(Target: 7.5/10 by 2021)



Bankwest Stadium hosted an event for the Minerva Network (April 2019)

We put our support behind community causes and charity programs. Various activities were undertaken in our network during the year, including:

- McDonald Jones Stadium donated the venue for a number of community initiatives including: the Westpac Rescue Helicopter Service for Leaders Leap; Mark Hughes Foundation to use the stadium's storage facility as the distribution HUB for the Beanie for Brain Cancer campaign; The Variety Club, including subsidisation of all security and cleaning costs for the annual Variety Club Christmas Party; and the Opportunity Collective which delivers a mentoring program to professional women.
- WIN Stadium continued to lend its support to KidzWish Foundation by donating the venue for the charity's annual Christmas concert.
- Illawarra International Women's Day Luncheon encouraged the 830 attendees to #BalanceforBetter and help forge a more gender-balanced world, with humanitarian and bestselling author Rabia Siddique leading the discussion as keynote speaker at WIN Entertainment Centre.
- ANZ Stadium continued to support Westmead Children's Hospital – its fundraising efforts at the annual ANZ Stadium Members' Club Dinner raised \$30,000, and staff spent a day volunteering at the Hospital.
- ANZ Stadium supports various programs such as Milly's Mission to help raise funds for Ronald McDonald House, and The Change Room program held at ANZ Stadium by former coach Matt Elliott program founder and mentor which focuses on building emotional capacities and resilience to change.
- ANZ Stadium hosted a number of events including a Laugh Out Loud Comedy Breakfast which raises much-needed funds for Special Olympics Australia.
- Supporting the Minerva Network - professional sportswomen learning to maximise their opportunities on and off the field, enabled by a network of leading businesswomen.



Setting the Standard

Goal A world-leading organisation that develops innovative systems and processes that enhance the experience at our venues.

Key Strategies

- Develop and implement a Stadia Technology Framework and Digital Investment Strategy.
- Identify, invest and adopt digital strategies and smart technologies to enhance fan experiences.
- Transform into a customer-centric business, with integrated technology and cohesive relationships across the stadia network.
- Define the overall Customer Experience Strategy across our venues. Collaborate across the NSW Government's stadia network, and the national and international stadia network.
- Benchmark fan engagement across all our venues with the aim of achieving a target.

Key Performance Indicators



59% rating
in employee engagement
(Target: 2% increase by 2022)



19.25% ↑
increase in social media followers
(Target: 10% increase by 2021)



1,512,064
total unique website visitors

Fan Experience Journey

Venues NSW aspires to set the standard for excellence in stadia management and customer experience. To achieve this we developed a fan experience strategy to define and drive a single view of customers. The aim is to create an optimal customer experience whilst ensuring effective and responsible investment and allocation of public funds across our venues. The strategy focuses on:

- Ensuring that customer needs guide the design of new venue experiences.
- A focus on quality and consistency in the delivery of the fan experience across all venues.
- Enhancing venue and precinct diversity and utilisation.

A number of priorities areas have been identified:

- Improving Customer Insight across all venues
- Creating Engaged Communities
- Growing our Brands
- Designing for the Future



We want to create a great destination experience. To do that we need to better understand our customers' needs.



Smart Technology

The new Bankwest Stadium app and Rewards program was released in May 2019. The rewards program, called Bankwest Stadium SCORE is free for visitors to join and has been developed to enhance the fan experience at the Stadium. SCORE provides patrons access to a wide range of benefits including exclusive food and beverage offers, competitions and promotions, monthly prizes, priority ticket access, and rewards for attending events at the Stadium.

The new app also provides all the customer information about the Stadium including upcoming events, maps, food and beverage choices (and rewards when patrons use their unique digital barcode), facts and questions and more.

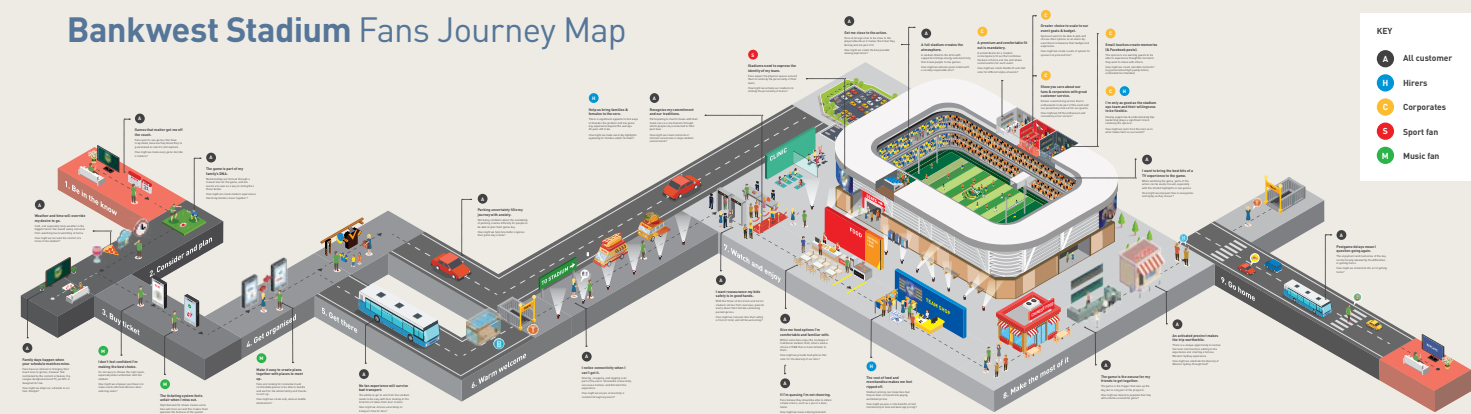
Improving Customer Insight

During 2018/19, Venues NSW embarked on a journey of discovery to identify hirer, fan and corporate needs that will shape where we focus efforts to enhance stadium and entertainment centre experiences. In collaboration with top research firms, Venues NSW undertook a series of interviews across sports fans, music fans, corporates, hirers and other stakeholders, held discovery workshops to understand the unique customer needs, and defined the ultimate fan

value proposition. The initial scope of work was restricted to Bankwest Stadium, however it is now being leveraged to inform the experience across the wider stadium network.

Venues NSW is set to launch a bold Customer Experience Measurement Program in 2019/20 to build on the knowledge base formed, and to enhance our understanding of fan, hirer and corporate needs across specific venues in the portfolio.

Bankwest Stadium Fans Journey Map



Measuring Customer Satisfaction

On the opening of Bankwest Stadium, Venues NSW conducted surveys to understand customer expectations, measure first experiences and seek opportunities to improve fan satisfaction. Face-to-face customer surveys were conducted at the Community Open Day on 14 April 2019, and at the first event, an NRL match between the Parramatta Eels and Wests Tigers on 22 April 2019. Customer satisfaction was very high:

Key Facts

96%

of respondents at the Community Open Day said their expectations had been met

97%

of respondents at the Parramatta Eels v Wests Tigers match said their expectations had been met

Four key themes came out of the customer feedback: patrons spoke of the spectacular viewing, the great atmosphere, the amenities available and great food selection as the highlights of their experience. Venues NSW continues to work with our operator to further enhance the customer experience as a result of feedback received such as additional wayfinding signage and increased communication to patrons on integrated transport.

Venues NSW is in the process of establishing an ongoing customer satisfaction measurement program as part of the Customer Experience Strategy. EY Sweeney conducted research on the NRL Grand Final (Roosters v Storm) satisfaction at ANZ Stadium in 2018, where results showed that attendees were highly satisfied with their experience at the 2018 NRL Grand Final. More than nine in 10 attendees (93 per cent) had an enjoyable experience at the Grand Final, with three in five (59 per cent) indicating they "enjoyed it a lot". Attendees attributed their enjoyable experience to the Stadium providing a good atmosphere (48 per cent) and also because their team won (32 per cent).

Research was also conducted at Bankwest Stadium for the opening game day. The overall goal of the survey was to understand fan expectations, experiences and re-collections at the Stadium's first game in April 2019 with Parramatta Eels v West Tigers. Overall, people loved the Stadium with 95 per cent of fan expectations being met.



You aren't watching the game, you're in it!





Setting the Standard



Focus on getting the simple things right.



Enhanced Customer Feedback Capture

Venues NSW understands that paying attention to our customers through various feedback mechanisms is a key factor to ensuring customer satisfaction and loyalty. In 2018/19, Venues NSW commenced recalibrating our customer feedback mechanisms, making it easier for us to gather data on customer touch-points, to collect and respond to the customer voice. This work included:

- A review to design and implement a consistent approach to capture and manage customer feedback across the Venues NSW stadia network.
- Developed a Feedback and Complaints Handling Policy and Procedure designed to make the handling of customer feedback consistent.
- Undertook market research to identify a suitable software solution and commenced procurement activity for that solution – to support customer feedback collection, tracking (including escalation) and reporting capabilities.
- Implementation to commence during 2019/20 across all sites.

Venues NSW, including our operators and service providers, encourage customer feedback through various means including via our website, email and telephone. In addition to these direct methods of feedback, 26 sites are the subject of many thousands of comments, likes and hashtags on popular social media platforms.

Branding and Promotion

Venues NSW collaborated with Sky News' *The Business of Sport* program for a 12-episode series to showcase the backstory of sport including venues and the people who make sporting events possible. A Bankwest Stadium segment, which aired on 22 June 2019, featured interviews with key industry personalities and stakeholders and showcased the venue as a stadium of the future. The segment connected with an audience of almost 112,000 people across national, regional networks and digital channels.

Venues NSW also commenced the production of four-minute long video vignettes to document the build of Bankwest Stadium. The short sharp focus of topics takes the general viewer behind the scenes of Bankwest Stadium from the design and architecture, grounds man and turf maintenance through to supporting local business and the Community Open Day.

Online and Social Media Engagement

Our venues oversee the functions of their own social media channels, enabling them to deliver content that is specific to the events they host and of interest to fans, codes, clubs, hirers and other stakeholders.

The last 12 months has delivered an increase in overall followers and reach for Venues NSW. Bankwest Stadium delivered unrivalled results, reaching a total of more than 25.5 million people across its social media channels.

Venues NSW continued to build the public profile and brand of the organisation through our LinkedIn network and YouTube channel.



72.8 million people
reached overall across our portfolio



211,757 followers
across our social media network

Employee Engagement

Venues NSW followed the State Government-approved recruitment and selection process to realise its new organisational structure. The structural changes were initiated following the approval in mid-2018 to increase Venues NSW head office employees from seven to 21 full-time equivalent employees. Venues NSW has and will continue to experience rapid shifts in its workforce as it responds to a number of strategic and operational projects.

The NSW Public Sector Employee Survey *People Matters 2019* was independently conducted across June and July 2019. Nearly 60% of Venues NSW staff across Head Office, and our staff from owned and operated sites, McDonald Jones Stadium and WIN Sports and Entertainment Centre participated. The survey is designed to measure eight key factors across engagement with:

- Work
- Senior managers
- Communication
- High performance
- Public sector values
- Diversity and inclusion
- Flexible working satisfaction
- Action on results.

Key Fact

Venues NSW headline measure for Flexible working satisfaction received a positive rating of



59%

(six points higher than 2017/18)



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 Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement 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 Authority as at 30 June 2019, 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 the *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 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.

Other Information

The Authority's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board of the Authority are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the 'Statement by Members of the Board of Management'.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards 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 are responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

- that the Authority carried out its 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

Delegate of the Auditor-General for New South Wales

30 September 2019
SYDNEY

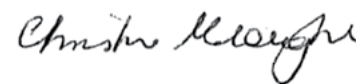
Venues NSW Statement by Members of the Board of Management

FOR THE PERIOD ENDED 30 JUNE 2019

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 2019 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 2019 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 future refurbishment of ANZ Stadium is disclosed in Note 1(b)(ii) and Note 21.



Ms Christine McLoughlin
Chairman

Date: 30/9/19



Mr Ian Hammond
Board Member

Date: 30/9/19

Venues NSW Statement of Comprehensive Income

FOR THE PERIOD ENDED 30 JUNE 2019

	NOTES	2019 \$'000	2018 CONSOLIDATED \$'000	2018 PARENT \$'000
Revenue				
Event-related revenue	2(a)	68,950	79,471	79,471
Investment revenue	2(b)	1,271	999	999
Grants and contributions	2(c)	147,019	141,878	141,878
Other revenue	2(d)	20,407	26,674	26,674
Total revenue		237,647	249,022	249,022
Expenses excluding losses				
Operating expenses -				
Personnel services	3(a)	20,010	17,409	17,409
Event-related costs	3(b)	46,441	45,786	45,786
Other operating expenses	3(c)	30,267	21,046	21,046
Depreciation and amortisation	3(d)	40,166	34,709	34,709
Finance costs	3(e)	4,218	4,021	4,021
Total Expenses excluding losses		141,102	122,971	122,971
Operating Result		96,545	126,051	126,051
Gains/(losses) on disposal	4	-	(13)	(13)
Other losses	5	-	(111)	(111)
Net result		96,545	125,927	125,927
Other comprehensive income				
Net increase/(decrease) in property, plant and equipment revaluation surplus		22,284	11,752	11,752
Total other comprehensive income		22,284	11,752	11,752
TOTAL COMPREHENSIVE INCOME		118,829	137,679	137,679

The accompanying notes form part of these financial statements.

Venues NSW Statement of Financial Position

FOR THE PERIOD ENDED 30 JUNE 2019

	NOTES	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	127,284	116,727
Receivables	7	16,866	24,199
Inventories	8	2,262	1,592
Total Current Assets		146,412	142,518
Non-Current Assets			
Receivables	7	396	668
Property, plant and equipment	9 & 10		
Leasehold improvements		260,560	249,980
Land and buildings		546,555	243,069
Plant and equipment		17,954	28,163
Work in progress		2,285	174,594
Total property, plant and equipment		827,354	695,806
Total Non-Current Assets		827,750	696,474
Total Assets		974,162	838,992
LIABILITIES			
Current Liabilities			
Payables	11	37,683	42,798
Provisions	12	5,681	2,908
Borrowings	13	221,500	193,240
Other current liabilities	14	58,618	40,166
Total Current Liabilities		323,482	279,112
Non-Current Liabilities			
Payables	11	-	27,842
Provisions	12	414	349
Other non-current liabilities	14	2,867	3,119
Total Non-Current Liabilities		3,281	31,310
Total Liabilities		326,763	310,422
Net Assets		647,399	528,570
EQUITY			
Reserves		53,249	30,965
Accumulated funds		594,150	497,605
Total Equity		647,399	528,570

The accompanying notes form part of these financial statements.

Venues NSW Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2019

NOTES	2019		
	ACCUMULATED FUNDS \$'000	ASSET REVALUATION SURPLUS \$'000	TOTAL \$'000
Balance as at 1 July 2018	497,605	30,965	528,570
Net result for the year	96,545	-	96,545
Other comprehensive income:			
Net increase in property, plant and equipment revaluation surplus	-	22,284	22,284
Total other comprehensive income	-	22,284	22,284
Total comprehensive income for the year	96,545	22,284	118,829
Balance as at 30 June 2019	594,150	53,249	647,399

NOTES	2018		
	ACCUMULATED FUNDS \$'000	ASSET REVALUATION SURPLUS \$'000	TOTAL \$'000
Balance as at 1 July 2017	371,678	19,213	390,891
Net result for the year	125,927	-	125,927
Other comprehensive income:			
Net increase in property, plant and equipment revaluation surplus	-	11,752	11,752
Total other comprehensive income	-	11,752	11,752
Total comprehensive income for the year	125,927	11,752	137,679
Balance as at 30 June 2018	497,605	30,965	528,570

The accompanying notes form part of these financial statements.

Venues NSW Statement of Cash Flows

FOR THE PERIOD ENDED 30 JUNE 2019

NOTES	2019 \$'000	2018 CONSOLIDATED \$'000	2018 PARENT \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Personnel services	17,172	17,105	17,105
Suppliers for goods and services	31,369	67,688	67,688
Finance costs	4,214	4,021	4,021
Other	21,119	14,596	14,596
Total Payments	73,874	103,410	103,410
Receipts			
Sale of goods and services	87,311	106,109	106,109
Interest received	1,271	999	999
Grants and contributions	147,019	141,878	141,878
Total Receipts	235,601	248,986	248,986
NET CASH FLOWS FROM OPERATING ACTIVITIES	161,727	145,576	145,576
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	3	-	-
Purchase of property, plant and equipment	(149,433)	(154,146)	(154,146)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(149,430)	(154,146)	(154,146)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment to DIT	(30,000)	(50,000)	(50,000)
Borrowings	28,260	80,000	80,000
NET CASH FLOWS FROM FINANCING ACTIVITIES	(1,740)	30,000	30,000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	10,557	21,430	21,430
Opening cash and cash equivalents	116,727	95,297	95,297
CLOSING CASH AND CASH EQUIVALENTS	127,284	116,727	116,727

The accompanying notes form part of these financial statements.

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies

(a) Reporting entity

Venues NSW is a NSW government statutory body and is controlled by the State of New South Wales. 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, comprised all the entities under its control (refer Note 1 (c)). For the prior year comparative, Venues NSW had a subsidiary, the Newcastle International Sports Centre Club. The Club was dissolved on 22 December 2017.

These financial statements for the year ended 30 June 2019 have been authorised for issue by the Board on 30 September 2019.

(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* (the Act) and *Public Finance and Audit Regulation 2015* and
- Treasurer's Directions issued under the Act.

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 per cent 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, 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. On 29 March 2018, the NSW Premier announced the Government will undertake a refurbishment of the stadium. As at 30 June 2019, as no decision had been made, 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. On 8 August 2019 the State Government approved the \$810 million refurbishment of ANZ Stadium, subject to certain conditions. As a result, the impact of the accelerated depreciation has been reflected as a "non-adjusting event after the reporting period" in accordance with AASB110.

(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 2019 Venues NSW had total assets of \$974.4 million and total liabilities of \$326.8 million, leaving net assets of \$647.6 million. Current assets were \$177.1 million lower than current liabilities due to the short term borrowings of \$221.5 million for ANZ Stadium from NSW Treasury Corporation. The borrowings are held as short term liabilities, rolled over on maturity, until the decision on the funding model of the refurbishment of ANZ Stadium is determined. This will provide the direction required to allow Venues NSW to determine its borrowing policy and debt maturity profile. In addition, \$22.5 million of current liabilities at 30 June 2019 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 (\$221.5 million drawn down as at 30 June 2019), therefore further funding is available if required.

(c) Principles of consolidation

Venues NSW's only subsidiary, Newcastle International Sports Centre Club was dissolved on 22 December 2017.

During the year and prior to it being dissolved, Venues NSW recognised the entity as a subsidiary and a consolidated statement of comprehensive income and a consolidated statement of cash flows were therefore presented covering the period from 1 July 2017 to the time it was dissolved on 22 December 2017. The Statement of Financial Position as at 30 June was therefore prepared on a single entity basis.

(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 General Government Sector 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) Venue and ground hire revenues and costs recovered from hirers

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 straightline 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 in other current liabilities on the statement of financial position.

(vii) Investment revenue

Interest revenue is recognised using the effective interest method. 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.

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

(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 agreement 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 after the end of the reporting period are measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSW TC 18/13) 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.

(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.

(iii) 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 McDonald Jones Stadium and Newcastle Entertainment Centre and Showground on 31 March 2018,

Western Sydney Stadium (land only) on 15 June 2018 and at WIN Sports and Entertainment Centres on 31 March 2019, and were 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 2018. The Sydney Olympic Park Authority valuation has been assessed to be appropriate and used to ensure the stadium is recorded at fair value as at the reporting date. The value in the Venues NSW accounts is held as leasehold improvements, proportional to the term of the lease, after which the Stadium reverts to the Sydney Olympic Park Authority.

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. Interim revaluations consist of a valuer applying relevant indexation factors to the carrying amount of the assets. An interim revaluation was completed on assets not subject to a full revaluation in the current year, as at 31 March 2019. Venues NSW used an external professionally qualified valuer to undertake the interim revaluation to ensure assets are held at fair value, in accordance with AASB 13 and TPP 14-01. No adjustments were made to the asset values as the impact of applying the indexation factors on the asset values was immaterial (2% of land and building assets that were not subject to a full revaluation during 2018/19).

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. If any indication exists, or when annual impairment testing for an asset is required, Venues NSW estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(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
Leasehold	12

* Leasehold useful life is the time remaining of the agreement with SOPA for the operating rights of ANZ Stadium.

(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

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

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.

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) Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

(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

Impairment under AASB 9 (from 1 July 2018)

The entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the entity applies a simplified approach in calculating ECLs. The entity recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

Impairment under AASB 139 (for comparative period ended 30 June 2018)

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The entity first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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 original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses 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 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.

(iii) Borrowings

Borrowings are financial liabilities initially measured at fair value and subsequently measured at amortised cost. Gains or losses are recognised in the net result for the year on derecognition of borrowings, as well as through the amortisation process.

(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.

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

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

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(j)(iii).

(ii) Accumulated Funds

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

(o) 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 AASB 112 Income Taxes.

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

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

(i) Effective for the first time in 2018-19

The entity has adopted AASB 9 Financial Instruments (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

The entity applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 Financial Instruments: Recognition and Measurement (AASB 139). Any differences arising from the adoption of AASB 9 would be recognised directly in accumulated funds and other components of equity. Venues NSW did not have any differences resulting from the introduction of AASB 9.

a) Classification and measurement of financial instruments

On 1 July 2018 (the date of initial application of AASB 9), the entity's management has assessed which business models apply to the financial assets held by the entity and has classified its financial instruments into the appropriate AASB 9 categories.

Under AASB 9, subsequent measurement of debt financial assets is based on assessing the contractual cash flow characteristics of the debt instrument and the entity's business model for managing the instrument.

The assessment of the entity's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The classification and measurement requirements of AASB 9 did not have a significant impact to the entity. The entity continued measuring at fair value, all financial assets previously held at fair value under AASB 139.

The following are the changes in the classification of the entity's financial assets:

- Trade receivables and other financial assets (i.e., term deposits) classified as 'Loans and receivables' under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.
- The entity has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the entity's financial liabilities.

In summary, upon the adoption of AASB 9, the entity had the following required or elected reclassifications as at 1 July 2018:

	MEASUREMENT CATEGORY		CARRYING AMOUNT		
	AASB 139	AASB 9	ORIGINAL \$'000	NEW \$'000	DIFFERENCE \$'000
Trade receivables	L&R	Amortised cost	10,275	10,275	-

b) Impairment

The adoption of AASB 9 has changed the entity's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the entity to prepare a provision matrix, including external inputs, in order to determine an allowance for ECLs for all debt instruments not held at fair value through profit or loss. The entity has determined, due to the nature of the receivables, there is no requirement to take up an allowance for ECLs at this time.

(iii) Issued but not effective

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

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods.

Transition disclosures

- AASB 15 *Revenue from Contracts with Customers*, AASB 2014-5 *Amendments to Australian Accounting Standards* arising from AASB 15 and AASB 1058 *Income of Not-for-Profits*
AASB 15 *Revenue from Contracts with Customers* (AASB 15) is effective for reporting periods commencing on or after 1 January 2019. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised when control of goods or services is transferred to the customer at amounts that reflect the consideration to which Venues NSW expects to be entitled in exchange for transferring the goods or services to the customer. Under AASB 118 *Revenue* (AASB 118), revenue recognition is currently based on when risks and rewards are transferred.

AASB 1058 *Income of Not-for-Profits* (AASB 1058) is effective for reporting periods commencing on or after 1 January 2019 and will replace most of the existing requirements in AASB 1004 *Contributions* (AASB 1004). The scope of AASB 1004 is now limited mainly to parliamentary appropriations, administrative arrangements and contributions by owners. Under AASB 1058, Venues NSW will need to determine whether a transaction is consideration received below fair value principally to enable Venues NSW to further its objectives (accounted for under AASB 1058) or a revenue contract with a customer (accounted for under AASB 15).

The standards will result in the identification of separate performance obligations that will not change the timing of recognition for some revenues, including revenues relating to sales of goods and services and specific purpose grants and subsidies.

Under AASB 1058, Venues NSW will recognise as liabilities, obligations for funding received where there is an obligation to construct recognisable non-financial assets controlled by Venues NSW.

Venues NSW will adopt AASB 15 and AASB 1058 on 1 July 2019 through application of the full retrospective transition approach. Recognition and measurement principles of the new standards will be applied for the current year and comparative year as though AASB 15 and AASB 1058 had always applied.

The impacts to balances resulting from the adoption of AASB 15 and AASB 1058 have been assessed by Venues NSW as not being significant.

■ AASB 16 Leases

AASB 16 Leases (AASB 16) is effective from reporting periods commencing on or after 1 January 2019.

For lessees, AASB 16 will result in most leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is largely removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised at the commencement of the lease. The only exceptions are short-term and low-value leases. AASB 16 will therefore increase assets and liabilities reported on the Statement of Financial Position. It will also increase depreciation and interest expenses and reduce operating lease rental expenses on the Statement of Comprehensive Income. Expenses recognised in the earlier years of the lease term will be higher as the interest charges will be calculated on a larger lease liability balance. Existing finance leases are not expected to be significantly impacted from the transition to AASB 16.

Venue NSW will adopt AASB 16 on 1 July 2019 through application of the partial retrospective approach, where only the current year is adjusted as though AASB 16 had always applied. Comparative information will not be restated. Venues NSW will also adopt the practical expedient whereby the fair value of the right-of use asset will be the same as the lease liability at 1 July 2019.

Based on the impact assessments Venues NSW has undertaken on currently available information, Venues NSW has no material operating leases that will be impacted by the new Standard.

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

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

- AASB 17 Insurance Contracts (effective 1 January 2021)
- AASB 1058 Income of Not-for-profit Entities (effective 1 January 2019)
- AASB 1059 Service Concession Arrangements: Grantors (effective 1 Jan 2019)
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (effective 1 January 2019)
- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfer of investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments* (effective 1 January 2019)
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments* (effective 1 January 2019)
- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation* (effective 1 January 2019)
- AASB2 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures* (effective 1 January 2019)
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle* (effective 1 January 2019)
- AASB 2018-2 *Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement* (effective 1 January 2019)
- AASB 2018-3 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements* (effective 1 January 2019)
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors* (effective 1 Jan 2019)
- AASB 2018-5 *Amendments to Australian Accounting Standards - Deferral of AASB 1059* (effective 1 January 2019)
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business* (effective 1 January 2020)
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material* (effective 1 January 2020)
- AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* (effective 1 January 2019)
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration (Not-for-profits only)* (effective 1 January 2019)
- *Interpretation 23 Uncertainty over Income Tax Treatment* (effective 1 Jan 2019)

Management has assessed the new Standards and concludes the adoption of these Standards in the period of initial application is not anticipated to have a material impact on the financial statements.

2. Revenue

(a) Event-related revenue

	2019 \$'000	2018 CONSOLIDATED \$'000	2018 PARENT \$'000
Venue and ground hire	10,471	11,039	11,039
Cost recovered from hirers	7,805	5,941	5,941
Food and beverage sales	36,994	40,934	40,934
Hospitality	13,664	21,512	21,512
Other	16	45	45
Total	68,950	79,471	79,471

(b) Investment revenue

Interest revenue	1,271	999	999
Total	1,271	999	999

(c) Grants and contributions

NSW State Government	147,019	141,878	141,878
Other	-	-	-
Total	147,019	141,878	141,878

The 2018-19 grant of \$147.0m (2017-18 \$141.9m for BankWest Stadium) is funding for BankWest and WIN Stadiums.

(d) Other revenue

Leasing and rentals	1,356	1,346	1,346
Car park revenue	96	104	104
Membership revenue	8,978	10,150	10,150
First-time recognition of assets from valuation	-	394	394
Naming rights, advertising, sponsorship, recoveries and other	9,977	14,680	14,680
Total	20,407	26,674	26,674

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

3. Expenses Excluding Losses

(a) Personnel services

	2019 \$'000	2018 CONSOLIDATED \$'000	2018 PARENT \$'000
Personnel services from Office of Sport			
Salaries and wages (including annual leave)	3,582	2,353	2,353
Superannuation - defined contribution plan	301	371	371
Long service leave (including on costs)	66	73	73
Workers' compensation insurance	48	40	40
Payroll tax and fringe benefits tax	258	283	283
Personnel services from operators	15,755	14,289	14,289
Total	20,010	17,409	17,409

Employee related expenses of \$371,590 (2018: \$399,435) have been capitalised in the BankWest Stadium project and therefore excluded from the above.

(b) Event-related costs

Cost of sales	46,441	45,786	45,786
Total	46,441	45,786	45,786

(c) Other operating expenses

Maintenance	8,725	4,717	4,717
Electricity and gas	3,454	2,847	2,847
Fees for services required	6,456	3,988	3,988
Rates	2,216	2,244	2,244
Purchases of minor equipment	2,259	238	238
Computer system expenses	1,129	968	968
Water charges	391	410	410
Insurance	948	832	832
Auditor's remuneration - audit of financial statements	292	259	259
Marketing/Advertising	682	909	909
Postage and telephone	416	484	484
Security	876	725	725
Travel	215	148	148
Printing and stationery	235	258	258
Motor vehicle expenses	88	100	100
Training	186	191	191
Legal	147	407	407
Consultants	85	40	40
Other	1,467	1,281	1,281
Total	30,267	21,046	21,046

(d) Depreciation and amortisation

Depreciation

Buildings	9,812	7,322	7,322
Plant and equipment	2,450	1,962	1,962
Total	12,262	9,284	9,284

Amortisation

Leasehold improvements	27,904	25,425	25,425
Total	40,166	34,709	34,709

(e) Finance costs

Interest charges	3,800	3,015	3,015
Unwinding of DIT payable	418	1,006	1,006
Total	4,218	4,021	4,021

4. Gain / (Losses) on Disposal

Proceeds from disposal of plant and equipment	3	-	-
Less written down value of assets disposed	(3)	(13)	(13)
Net gain on disposal of plant and equipment	-	(13)	(13)

5. Other Gains / (Losses)

Impairment of receivables/bad debts	-	(111)	(111)
Total	-	(111)	(111)

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

6. Current Assets – Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Unrestricted		
Cash at bank and on hand	61,643	77,992
Treasury Corporation deposits	12,000	-
Restricted		
Cash at bank - Cash held on behalf of hirers (i)	35,578	21,076
Treasury Corporation deposits (ii)	17,287	16,893
Cash held in dedicated accounts to satisfy conditions under the ANZ Stadium Project Agreement (iii)	776	766
Total	127,284	116,727

- (i) Cash at bank - Cash held on behalf of hirers relates to cash collected in advance for upcoming events and is quarantined from operating funds.
- (ii) Restricted Treasury Corporation deposits are Commonwealth contributed funds for BankWest Stadium related expenditure.
- (iii) 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.

7. Current / Non-Current Assets – Receivables

Current		
Sales of goods and services	12,185	10,275
Less: Expected credit losses	-	-
Prepayments	3,695	9,074
GST receivable	344	4,352
Accrued income	390	395
Other accounts receivable	252	103
Total Current Receivables	16,866	24,199
Movement in the allowance for impairment		
Balance at 1 July	-	-
Amounts written off during the period	-	(111)
Amounts recovered during the period	-	-
Increase (decrease) in allowance recognised in profit or loss	-	111
Balance at 30 June	-	-
Non-Current		
Prepayments	396	668
	396	668

8. Current Assets – Inventories

	2019 \$'000	2018 \$'000
Stock at cost	2,262	1,592
	2,262	1,592

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
At 1 July 2018 - fair value					
Gross carrying amount	369,326	42,474	174,594	300,830	887,224
Accumulated depreciation and impairment	(126,257)	(14,311)	-	(50,850)	(191,418)
Net carrying amount	243,069	28,163	174,594	249,980	695,806
At 30 June 2019 - fair value					
Gross carrying amount	687,374	34,491	2,285	339,314	1,063,464
Accumulated depreciation and impairment	(140,819)	(16,537)	-	(78,754)	(235,643)
Net carrying amount	546,555	17,954	2,285	260,560	827,354

Reconciliation

Period ended 30 June 2019

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.

	2019				
	LAND AND BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	WORK IN PROGRESS \$'000	LEASEHOLD IMPROVEMENTS \$'000	TOTAL \$'000
Net carrying amount at start of year	243,069	28,163	174,594	249,980	695,806
Additions		6,660	142,773	-	149,433
Depreciation expense	(9,812)	(2,450)	-	(27,904)	(40,166)
Reclassifications	-	(14,992)	-	14,992	-
Transfers from WIP	314,506	576	(315,082)	-	-
Net revaluation increment/(decrement)	(1,208)	-	-	23,492	22,284
WDV of assets sold	-	(3)	-	-	(3)
Net carrying amount at end of year	546,555	17,954	2,285	260,560	827,354

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 PERIOD ENDED 30 JUNE 2019

9. Non-Current Assets – Property, Plant and Equipment (continued)

	2018				
	LAND AND BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	WORK IN PROGRESS \$'000	LEASEHOLD IMPROVEMENTS \$'000	TOTAL \$'000
At 1 July 2017 - fair value					
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
At 30 June 2018 - fair value					
Gross carrying amount	369,326	42,474	174,594	300,830	887,224
Accumulated depreciation and impairment	(126,257)	(14,311)	-	(50,850)	(191,418)
Net carrying amount	243,069	28,163	174,594	249,980	695,806

Reconciliation Period ended 30 June 2018

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.

	2018				
	LAND AND BUILDINGS \$'000	PLANT AND EQUIPMENT \$'000	WORK IN PROGRESS \$'000	LEASEHOLD IMPROVEMENTS \$'000	TOTAL \$'000
Net carrying amount at start of year	236,638	23,893	28,287	275,405	564,223
Additions	-	6,738	147,408	-	154,146
First-time asset recognition	394	-	-	-	394
Depreciation expense	(7,322)	(1,962)	-	(25,425)	(34,709)
Reclassifications	-	(563)	576	-	13
Transfers from WIP	1,607	70	(1,677)	-	-
Net revaluation increment	11,752	-	-	-	11,752
WDV of assets sold	-	(13)	-	-	(13)
Net carrying amount at end of year	243,069	28,163	174,594	249,980	695,806

10. Fair value measurement of non-financial assets

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL FAIR VALUE \$'000
Fair value hierarchy				
2019 Property, plant and equipment (Note 9)				
Land and buildings		-	546,555	546,555
Leasehold Improvements		-	260,560	260,560
	-	-	807,115	807,115
2018 Property, plant and equipment (Note 9)				
Land and buildings	-	-	243,069	243,069
Leasehold Improvements	-	-	249,980	249,980
	-	-	493,049	493,049

There were no transfers between Level's 1, 2 and Level 3 during the year.

Valuation Techniques, Input and Processes

Venues NSW assets are specialised with unobservable input hierarchy due to a lack of market evidence. Depreciated replacement cost (DRC) was used to value Venues NSW's land and building assets. When DRC is used, they are classified as level 3 input. Venues NSW engages external, independent valuers to perform the valuation of property assets required for financial reporting purposes. The valuation reports are reviewed by management before adjustments are made to the carrying value of land and building assets.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Reconciliation of recurring Level 3 fair value measurements

	LAND AND BUILDINGS \$'000	LEASEHOLD IMPROVEMENT \$'000	TOTAL RECURRING LEVEL 3 FAIR VALUE \$'000
2019			
Fair value as at 1 July 2018	243,069	249,980	493,049
Depreciation	(9,812)	(27,904)	(37,716)
Asset Impairment		14,992	14,992
Transfer from WIP to buildings	314,506	-	314,308
Revaluation increment	(1,208)	23,492	22,284
Fair value as at 30 June 2018	546,555	260,560	807,115
2018			
Fair value as at 1 July 2017	236,638	275,405	512,043
Depreciation	(7,322)	(25,425)	(32,747)
First-time asset recognition	394	-	394
Transfer from WIP to buildings	1,607	-	1,607
Revaluation increment	11,752	-	11,752
Fair value as at 30 June 2017	243,069	249,980	493,049

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

11. Current / Non-Current Liabilities – Payables

	2019 \$'000	2018 \$'000
Current		
Creditors	337	9,250
Accrued expenses	4,546	2,407
Other payables	4,958	1,141
Payable to DIT for the acquisition of SHPL	27,842	30,000
Total	37,683	42,798
Non-current		
Payable to DIT for the acquisition of SHPL (face value 2017-18 \$28.26 million)	-	27,842
	-	27,842

12. Current / Non-Current Liabilities – Provisions

Current		
Personnel services	3,531	2,908
Remediation provision	2,150	-
Total Provisions	5,681	2,908
<i>Movement in provisions</i>		
Carrying amount at start of period	-	-
Additional provisions recognised	2,150	-
Amounts used	-	-
Carrying amount at end of period	2,150	-
Non-Current		
Personnel services	414	349
Total Non-Current Provisions	414	349

13. Current Liabilities – Borrowings

	2019 \$'000	2018 \$'000
Current		
TCorp loan	221,500	193,240
221,500	193,240	
Changes in liabilities arising from financing activities	\$'000	\$'000
Borrowings as at 1 July	193,240	193,240
Additional borrowings during year	28,260	-
Borrowings as at 30 June	221,500	193,240

Venues NSW has approval to borrow up to \$250 million (30 June 2018: \$250 million) 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 installment amounts to DIT. Once the NSW Government finalises the decision in relation to the scope and timing of the refurbishment of ANZ Stadium, 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.

\$221.5 million was utilised as at 30 June 2019 (30 June 2018: \$193.2 million).

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 18.

14. Current / Non-Current Liabilities – Other Liabilities

	2019 \$'000	2018 \$'000
Current		
Income in advance	22,485	19,090
Deposits held and ticket sale receipts on behalf of hirers	36,133	21,076
58,618	40,166	
Non-Current		
Income in advance	2,867	3,119
2,867	3,119	

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

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:

	2019 \$'000	2018 \$'000
Not later than one year	3,115	173,763
Later than one year and not later than five years	-	-
Total (including GST)	3,115	173,763

2018 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	130	8
Later than one year and not later than five years	169	18
Total (including GST)	299	26

16. Contingent Liabilities and Contingent Assets

The Members of the Board of Management are not aware of any significant or material contingent asset or liability 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

	2019 \$'000	2018 \$'000
Net cash flows from operating activities	161,727	145,576
Depreciation and amortisation	(40,166)	(34,709)
Increase (decrease) in receivables	(1,954)	3,403
Increase (decrease) in inventories	670	71
Increase (decrease) in prepayments	(5,651)	(9,393)
Decrease (increase) in payables	2,957	1,638
Decrease (increase) in provisions	(2,838)	(279)
Decrease (increase) in other liabilities	(18,200)	19,226
First-time recognition of assets	-	394
Net result	96,545	125,927

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.

Financial instrument categories

(i) As at 30 June 2019 under AASB 9

CLASS	NOTE	CATEGORY	CARRYING AMOUNT \$'000
Financial Assets			
Cash and cash equivalents	6	N/A	127,284
Receivables ¹	7	Amortised cost	12,827
Financial Liabilities			
Payables ²	11	Financial liabilities measured at amortised cost	37,683
Borrowings	13	Financial liabilities measured at amortised cost	221,500

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

(ii) As at 30 June 2018 under AASB 139 (comparative period)

CLASS	NOTE	CATEGORY	CARRYING AMOUNT \$'000
Financial Assets			
Cash and cash equivalents	6	N/A	116,727
Receivables ¹	7	Loans and receivables (at amortised cost)	10,773
Financial Liabilities			
Payables ²	11	Financial liabilities measured at amortised cost	70,640
Borrowings	13	Financial liabilities measured at amortised cost	193,240

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

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. 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.

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

18. Financial instruments (continued)

(ii) Receivables – trade debtors

Accounting policy for impairment of trade debtors and other financial assets under AASB 9

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.

The entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The entity has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 120 days past due.

The entity is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019. Based on past experience, debtors that are not past due \$10,993,000 (2018: \$6,369,000) and less than 3 months past due \$1,015,000 (2018: \$2,997,000) are not considered impaired. Together these represent 99% (2018: 91%) of the total trade debtors. Due to the nature of Venues NSW receivables and, based on the past history of losses, Venues NSW has determined the expected credit loss rate as being immaterial.

Accounting policy for impairment of trade debtors and other financial assets under AASB 139 (comparative period only).

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 and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

For the comparative period 30 June 2018, the ageing analysis of trade debtors is as follows:

	2018		
	TOTAL \$'000	PAST DUE BUT NOT IMPAIRED \$'000	CONSIDERED IMPAIRED \$'000
Parent			
< 3 months overdue	2,997	2,997	-
> 3 months overdue	909	909	-
	3,906	3,906	-

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) Authority Deposits

Under AASB 9

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. These deposits are considered to be low credit risk, and Venues NSW did not recognise a low allowance for the period. The deposits at balance date were earning an average interest rate of 2.24% (2018 – 2.25%), while over the year the weighted average interest rate was 2.24% (2018 – 2.25%) on a weighted average balance during the year of \$24,107,000 (2018 – \$16,618,000).

Under AASB 139 (comparative period)

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. None of these assets are past due or impaired.

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 TCorp to fund the acquisition of SHPL. The outstanding loan balance was \$221.5 million at 30 June 2019 (30 June 2018: \$193.2 million).

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 INTERES RATE	VARIABLE INTEREST RATE	NON-INTEREST BEARING	< 1 YR	1-5 YRS	> 5 YRS
2019								
Total:								
Payables	N/A	37,683	-	-	37,683	37,683	-	-
Borrowings - Tcorp	2.00	221,500	-	221,500	-	221,500	-	-
		259,183	-	221,500	37,683	259,183	-	-
2018								
Total:								
Payables	N/A	70,640	-	-	70,640	42,798	27,842	-
Borrowings - Tcorp	2.08	193,240	-	193,240	-	193,240	-	-
		263,880	-	193,240	70,640	236,038	27,842	-

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.

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

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.

2019 \$'000				
	-1%			+1%
CARRYING AMOUNT	PROFIT	EQUITY	PROFIT	EQUITY
Financial assets				
Cash and cash equivalents	127,284	(1,273)	(1,273)	1,273
	127,284	(1,273)	(1,273)	1,273

2018 \$'000				
	-1%			+1%
CARRYING AMOUNT	PROFIT	EQUITY	PROFIT	EQUITY
Financial assets				
Cash and cash equivalents	116,727	(1,167)	(1,167)	1,167
	116,727	(1,167)	(1,167)	1,167

Other price risk - TCorp Hour-Glass facilities

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

FACILITY	INVESTMENT SECTORS	INVESTMENT HORIZON	2019 \$'000	2018 \$'000
Cash facility	Cash, money market instruments	up to 1.5 years	29,287	16,893

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	
		2019 \$'000	2018 \$'000
Hour-Glass Investment - Cash facility	+/- 5%	1,464	845

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 \$177.1 million as at 30 June 2019.

A significant portion of current liabilities of Venues NSW as at 30 June 2019 relates 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 and the TCorp borrowings to acquire SHPL. 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.

	2019 \$'000	2018 \$'000
Current assets	146,412	142,518
Current liabilities	(323,482)	(279,112)
Net current liabilities	(177,070)	(136,594)
Revenue received / receivable in advance	22,485	19,090
TCorp borrowings for SHPL acquisition	221,500	193,240
Effective net current assets	66,915	75,736

Venues NSW Notes to the Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2019

20. Related Party Disclosures

Key management personnel and related entities

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.

Key management personnel compensation

Key management personnel compensation, which is for the Chief Executive Officer and the Board Members, are as follows:

	2019 \$'000	2018 \$'000
Short-term employee benefits	637	619
Other long-term benefits	14	12
Total remuneration	651	631

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

Board Members are encouraged to attend major events in Corporate Suites at our venues for the purposes of business and community stakeholder engagement. In addition, Board Members also have access to up to 4 complimentary tickets for certain events when available.

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 2018-19, Venues NSW had related party transactions with the following entities:

- Office of Sport in relation to the provision of personnel services (as per Note 3(a)) and a grant payment of \$4.9 million for WIN Stadium,
- Payments to the Sydney Olympic Park Authority with respect of ANZ Stadium, \$3.8 million (2017-18: \$4.4 million),
- Treasury Corporation (TCorp) with regards to borrowing \$221.5 million (2018: \$193.2 million) to fund the acquisition of SHPL, along with the related interest expense of \$3.8 million (2018: \$3.0 million),
- Infrastructure NSW, who were paid \$135.5 million (2018: \$143.8 million) for the construction of Western Sydney Stadium and,
- Restart NSW, who paid Venues NSW \$142.1 million (2018: \$141.9 million) to fund the construction of BankWest Stadium, as per the NSW Government's commitment.

These transactions were conducted at arm's length (noting the above payment from Restart NSW was a grant from the NSW Government).

21. Events after the Reporting Period

Except as noted below, there has not arisen in the interval between 30 June 2019 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.

On 8 August 2019, the State Government approved the \$810 million refurbishment of ANZ Stadium, commencing in June 2020, subject to certain conditions. The financial impact is estimated at \$123 million of accelerated depreciation and write-offs, which will be incurred in Venues NSW 2019-20 Financial Statements.

Appendices

1 Principal officers	4 Multicultural policies and services program	11 Insurance
2 Board and sub-committee meetings	5 Disability inclusions and action plan	Internal audit and risk management statement Cyber security annual attestation
3 Human resources	6 Legislation and legal issues	12 Expenditure on consultants
Staff profile	7 Privacy	13 Payments of accounts
Senior executive profile	8 Government information (public access)	14 Investment performance
Exceptional movements in wages, salaries, and allowances	9 Protected disclosures	15 Liability management performance
Personnel policies and practices	10 Audit, risk and insurance	16 Customer feedback
Workforce diversity		17 Report production and access
Workplace health and safety		

Appendix 1 Principal officers 2018/19



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. Paul holds a Master of Education from University of Wollongong and a Graduate Diploma, Public Administration from University of Sydney.



Joe Achmar
Chief Financial Officer

ACTING APPOINTMENT 25 SEPTEMBER 2017
APPOINTED 11 NOVEMBER 2018

Joe Achmar is a highly experienced finance executive. Joining Venues NSW in September 2017, his responsibilities include funds and capital management, financial management, reporting, treasury, administration and the compliance functions ensuring the financial sustainability of Venues NSW and the achievement of commercial, operational and environment objectives.

Joe has extensive property and infrastructure experience ranging from facilities management, property management and funds management having worked for Ernst & Young, AMP Capital and most recently as Chief Financial Officer of the Campus Living Villages Fund. He volunteers as a non-executive director of the International Performing Writers' Association. Joe has a Bachelor of Business and is an associate member of the Institute of Chartered Accountants.



Kristin Haynes
Chief Customer Officer

APPOINTED 12 DECEMBER 2018

Kristin Haynes is a seasoned executive who has delivered positive, sustainable and measurable change to the customer experience across organisations including Vodafone Australia, Telstra, Suncorp Group and News Corp Australia. Appointed in December 2018, Kristin is responsible for defining the Customer framework that leverages data and insight to continuously improve the fan experience across all venues.

In 2014, Kristin was the recipient of the Telstra CEO Award for her innovative customer connection program, and in 2017 she was awarded 'Customer Experience Leader of the Year' at the annual CXO Leaders' Summit for her contribution to Customer Advocacy at News Corp Australia. Kristin holds a Master of Commerce (Marketing) and a Bachelor of Law/Bachelor of Commerce.

Appendices

Appendix 1 Principal officers 2018/19 (cont)



Dianne Rigg
Chief Operating Officer

APPOINTED 21 JANUARY 2019

Dianne Rigg joined Venues NSW as the Chief Operating Officer overseeing the daily operation of our six sports and entertainment venues. She has an impressive 25-year career in the leisure, tourism, and entertainment industries holding executive positions internationally and nationally with Village Roadshow Theme Parks.

Dianne has an incredible wealth of knowledge with expertise that lies in successfully driving superior operations and overall corporate performance in a highly competitive market. A transformational change agent, Dianne brings experience across internal staff transformation, creating operational efficiencies, and revitalising community engagement programs for the benefit of the general public and local communities.

Dianne holds a Master of Business Administration (MBA) from James Cook University and was awarded an academic medal for these studies.



Pat Wilson
Chief Operating Officer

APPOINTED 9 JUNE 2017 – 20 JANUARY 2019
DIRECTOR OF MAJOR PROJECTS 21 JANUARY – 25 APRIL 2019

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, he was the General Manager, Events and Operations with the Sydney Cricket and Sports Ground Trust. During that time, Pat was involved with presenting the Major League Baseball event at the Sydney Cricket Ground in 2014. He holds an Associate Diploma in Leisure Studies, an 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 and sub-committee meetings

For the financial year 2018/19, Venues NSW Board and sub-committees – the Audit and Risk Committee and the Stakeholder, Membership and Technology Committee – attendance and remuneration rates are provided in Table 1. During the year, the Venues NSW Board held Out-of-Session meetings or conducted resolutions via written circular to consider matters of strategic importance.

TABLE 1 Venues NSW Board Members 2018/19, by meeting type, by meeting attendance count, by remuneration paid

MEMBER	BOARD			AUDIT AND RISK COMMITTEE		STAKEHOLDER, MEMBERSHIP AND TECHNOLOGY COMMITTEE
	SCHEDULED MEETING ATTENDANCE	OUT-OF-SESSION MEETING ATTENDANCE	FIXED BASED REMUNERATION ACTUAL \$	MEETING ATTENDANCE	REMUNERATION ACTUAL \$	
Christine McLoughlin	10	2	60,000			
John Quayle	10	2	30,000			
Danny Bhandari	9	2	30,000			5
Noel Cornish*	8	1	25,005	7	11,347	
Lesley Grant	9	0	30,000			5
Ian Hammond#	7	0	25,055	7	16,212	
Phil Kearns	10	1	30,000			3
Sally Loane	7	1	30,000			3
Glenn Turner	10	2	30,000	7	11,347	
Matt Miller [Observer]	6	N/A	Nil			
Paul Doorn [Chief Executive Officer]						5

Notes: *Chair, Audit and Risk Committee receive an annual fixed base remuneration of \$16,213 per annum. Audit and Risk Committee members receive a remuneration of \$1,621 per meeting.

#Board appointment term ended 30 April 2019. Ian Hammond reappointed 8 July 2019.

Appendix 3 Human resources

Staff Profile

Staff were employed for Venues NSW through the Office of Sport (as the executive agency with employment powers) during the reporting period. The annual average number of full-time equivalent (FTE) staff was 34.6 compared to 24.7 in 2017/18 (refer to Table 1). As at 30 June 2019, the non-casual staff headcount was 35 and casual staff was 30. Most of the casual staff are employed on an as-required basis to support events at WIN Sports and Entertainment Centres.

TABLE 1 Venues NSW remuneration of substantive position, headcount of employees from 2016/17 to 2018/19 by category, by gender

REMUNERATION OF SUBSTANTIVE POSITION	2016/17		2017/18		2018/19	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
\$0 - \$48,119	0	0	0	2	0	0
\$48,119 - \$63,199	0	1	2	4	2	4
\$63,199 - \$70,652	1	1	2	2	3	1
\$70,652 - \$89,406	3	3	3	2	2	3
\$89,406 - \$115,617	0	1	0	4	0	5
\$115,617 - \$144,521	4	2	3	1	5	5
\$144,521 > (Non-SES)	0	0	0	0	1	0
\$144,521 > (SES)	2	0	2	0	2	2
Grand Total / Average Remuneration	10	8	12	15	15	20

Senior Executive Profile

18.9 per cent of Venues NSW's total employee-related expenditure in the 2018/19 financial year was related to senior executives, which has increased by 2.3 per cent from 2017/18.

TABLE 2 Venues NSW count of Public Service senior executives employed by band, gender and remuneration range

BAND	AS AT 30 JUNE 2018			AS AT 30 JUNE 2019		
	MALE	FEMALE	AVERAGE REMUNERATION	MALE	FEMALE	AVERAGE REMUNERATION
Band 2 (Executive Director Level) \$268,001 to \$337,100	1	0	\$313,820	1	0	\$325,045
Band 1 (Director Level) \$187,900 to \$268,000	1	0	\$205,000	1	2	\$239,886
Grand Total / Average Remuneration	2	0	\$259,410	2	2	\$261,176

Exceptional Movements In Wages, Salaries and Allowances

NSW Venues staff are employed under various Award instruments as outlined.

On 21 June 2017, the Industrial Relations Commission under the *Crown Employees (Public Sector – Salaries) Award 2017*, provided an increase in salaries and salary-related allowances of 2.5 per cent from the commencement of the first full pay period on or after 1 July 2018 for non-executive employees of Venues NSW not engaged under other Awards.

On 7 August 2018, 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 2018.

On 13 February 2019, the Industrial Relations Commission made the Office of Sport WIN Sports and Entertainment Centres Australian Workers Union (State) Award 2018 operative on and from 22 January 2019, providing for a 2.5 per cent increase in salaries and salary-related allowances for Venues NSW employees engaged at the WIN Sports and Entertainment Centres excepting Security Officers.

On 24 September 2018, the Industrial Relations Commission under the State Wage Case 2018 varied the Security Industry (State) Award, to provide for a 2.5 per cent increase in salaries and salary-related allowances from the first full pay period commencing on or after 16 December 2018 for employees engaged as Security Officers at the WIN Sports and Entertainment Centres.

On 13 March 2019, the Industrial Relations Commission made the Venues NSW Award 2018, providing for a 2.5 per cent salary increase from the first full pay period on or after 22 January 2019 for employees engaged at Newcastle Entertainment Centre and McDonald Jones Stadium at Newcastle.

Appendices

Personnel Policies and Practices

Venues NSW staff are employed through the Office of Sport, as the lead agency. Venues NSW established a Service Level Agreement (SLA) with the Office of Sport on 22 January 2019. During 2018/19, the Office of Sport’s Corporate Services Group delivered certain corporate services including transactional accounting, information technology, human resources and payroll. The SLA details the scope and quality of the services to be provided by the Office of Sport.

Workforce Diversity

Venues NSW aims to recruit and promote employees that are representative of the wider NSW population. We are committed to being free from all discrimination in compliance with workforce diversity obligations pursuant to the *Government Sector Employment (GSE) Act 2013* and GSE Rules. 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 fewer than 20 employees. For Venues NSW at 30 June 2019, this ruling applied across all workforce diversity group categories (refer to Table 3).

TABLE 3 Venues NSW Workforce Diversity Groups, by year (2017, 2018 and 2019)

WORKFORCE DIVERSITY GROUP	BENCHMARK	2017	2018	2019
Women	50%	44.4%	50.0%	43.0%
Aboriginal People and Torres Strait Islanders	2.6%	0%	11.5%	8.6%
People whose First Language Spoken as a Child was not English	19.0%	0%	0%	5.7%
People with a Disability	No target	0%	0%	0%
People with a Disability Requiring Work-related Adjustment	1.5%	0%	0%	0%

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

Workplace Health and Safety

Venues NSW is committed to maintaining a safe, healthy and supportive work environment at all times. During 2018/19, Venues NSW finalised the core development of a Workplace Health and Safety Management System and commenced implementation in early 2019. Along with the Office of Sport group of entities, Venues NSW responded to the whole of NSW Government’s Sector Plan to address key action areas to improve safe and health workplaces for all workers. An outline of key Workplace Health and Safety activities undertaken during the financial year is under **Safety and Security**.

Workplace Health and Safety Performance

In line with the *Work Health and Safety Act 2011*, 4 notifiable incidents were reported to SafeWork NSW. Additionally, Venues NSW recorded 7 lost-time injuries and 17 medically treated injuries across all venues with a lost time injury frequency rate of 11 and a medically treated injury frequency rate of 29. These calculations give Venues NSW a method to benchmark future WHS performance.

Across the Venues NSW network of stadia and entertainment centres (including venues under operator contracts) Venues NSW recorded:

- 158 employee incidents
- 59 patron incidents
- 9 contractor incidents

This represents a total of 226 Incidents reported for the 2018/19 FY.

Prosecutions under the *Work Health and Safety Act 2011*. No prosecution action has been taken against Venues NSW in 2018/19.

Appendix 4 Multicultural policies and services program

Venues NSW advocates for multicultural sporting, recreation and community events throughout our six venues. Venues NSW continues to develop its Multicultural Plan to ensure people of all nationalities can enjoy visiting our venues. During 2018/19 notable events included:

- ANZ Stadium hosted the Bengali Festival, the largest Bangladeshi festival held in Australia, with more than 7,000 people attending the most recent festival held on 23 March 2019.
- Wakakirri 2018, a festival for primary and secondary schools was hosted at the WIN Entertainment Centre in on 16 August 2019. Wakakirri is a word from the Aboriginal Wangaaypuwan people meaning “to dance a story”. More than 1,800 patrons experienced this uniquely Australian story-dance event.

Appendix 5 Disability inclusions and action plan

Venues NSW continues to consolidate its Disability Inclusion Action Plan, first developed in 2016, to ensure people with disabilities can participate equally in activities at our venues. The Plan’s primary objective is 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 continues to foster a culture promoting accessibility and inclusiveness of people with a disability through increasing number of disabled toilets, increased number of disable car parks, improving access to key social or viewing zones and services, and working with our hiring and ticketing partners to improve access and seating arrangements.

In addition, we are endeavouring to implement new initiatives such as an accessible shuttle bus service operates in conjunction with events between Parramatta Interchange and Bankwest Stadium for patrons with accessibility or mobility needs.

Appendix 6 Legislation and legal issues

During 2018/19, Venues NSW has not been affected by any significant changes to the principal legislation nor any significant judicial decision relevant to our core business.

Appendix 7 Privacy

Venues NSW conducts operations in line with the *Privacy and Personal Information Protection Act 1988*. Venues NSW staff (employees of the executive agency, the Office of Sport) adhere to the Code of Conduct and Ethics policy requiring employees to maintain confidentially and identifies the Act as relevant legislation. The Office of Sport’s Privacy Statement is published on the website 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 2018/19 either directly or through the Office of Sport (under shared corporate services arrangements).

Appendix 8 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 2018/19, Venues NSW provided information publicly on the following websites:

- venuesnsw.com (the main portal for Venues NSW)
- mcdonaldjonesstadium.com (McDonald Jones Stadium website)
- wsec.com.au (WIN Sports and Entertainment Centres website)
- nec.net.au (Newcastle Entertainment Centre website, managed under venue operator agreement)
- anzstadium.com.au (ANZ Stadium website, managed under venue operator agreement)
- bankweststadium.com.au (Bankwest Stadium website, managed under venue operator agreement)

During the reporting period, the Office of Sport (on behalf of Venues NSW) received no formal or informal access applications.

Appendices

Appendix 9 Protected disclosures

The *Protected Disclosures Act 1994* (NSW) offers protection to public officials who make disclosure that concern 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 10 Audit, risk and insurance

The Audit and Risk Committee operated for the first full year, since formally separating from approved shared-arrangements with the Office and Sport. Venues NSW audit and risk functions operate in accordance with *NSW Treasury Policy Paper 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector*.

To ensure separation of the Committee’s function for oversight and that of the administration function of the business, no Venues NSW employees form part of the Committee. However, the Venues NSW Executive Management Team and the Assurance and Governance Manager (appointed Chief Audit Officer) of Venues NSW attend. Additional observers also attend the meeting or present papers, including representatives of the Office of Sport, Audit Office of NSW and external firm O’Conner Marsden.

Venues NSW operates a co-source model for the conduct of internal audit activities; engaging O’Conner Marsden to undertake audits during the financial year. Three audits were conducted during the reporting period on the following topics:

- Procurement and Expenditure (including Credit Card, Petty Cash, Travel and Payroll)
- Emergency Management (follow-up Review of the Venue Crisis and Emergency Management findings from the audit conducted in 2015) and Business Continuity Management
- Privacy and Information Security Management

Venues NSW continued to implement the Risk Management Framework (approved in July 2018). The Risk Management Framework outlined the principles, systems, methodology, resources and tools to support a risk management function. The Framework’s included articulation of enhancing a positive risk culture, the organisations risk appetite and aims is to improve Venues NSW’s decision making on risks and risk management by reducing uncertainty and increasing the likelihood that organisational objectives will be achieved.

Appendix 11 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 worker’s compensation, health and general liability, property, motor vehicle and other miscellaneous cover.

Internal Audit and Risk Management Attestation Statement for the 2018/19 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 2018/19 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
Risk Management Framework		
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
Internal Audit Function		
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
Audit and Risk Committee		
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, Ian Hammond (Term of appointment from 13/9/17 to 12/9/20)
- Independent Member 1, Noel Cornish (Term of appointment from 13/9/17 to 1/5/19)
- Independent Member 2, Glenn Turner (Term of appointment from 13/9/17 to 12/9/20)

Christine McLoughlin
Chairman
Venues NSW Board
In accordance with a resolution of the Venues NSW Board of Management
30/09/2019

Kerri Grott
Chief Audit Executive
for 2018-19 financial year
Phone: 02 8754 7986

Appendices



CORP18/2615

Mr Tony Chapman
NSW Chief Cyber Security Officer
Cyber Security NSW
Digital.nsw and Customer Service ICT
Department of Customer Service
cybersecuritypolicy@finance.nsw.go.au

Cyber Security Annual Attestation Statement
for the 2018/19 Financial Year for Venues NSW

I, Christine McLoughlin, on behalf of the Venues NSW Board, am of the opinion that Venues NSW have managed cyber security risks in a manner consistent with the mandatory requirements set out in the NSW Government Cyber Security Policy.

This includes assessment and management of cyber security risks relating to information and systems of Venues NSW.

The Office of Sport was the information and communicators technology services provider for Venues NSW for the 2018/19 financial year. Assurance has been provided by the Office of Sport that controls to mitigate identified risks to the digital information and digital information system that supports Venues NSW were adequate. In addition, Governance is in place to manage the cyber-security maturity and initiatives, and there exists a current cyber incident response plan which has been tested during the reporting period.

An independent review and audit of the Venues NSW’s adherence to the Office of Sports Information Security Management System Policies, and an assessment against the mandatory requirements of the NSW Cyber Security Policy was undertaken found to be adequate or being properly addressed in a timely manner.

Yours sincerely

Christine McLoughlin
Chairman
Venues NSW Board

30/09/2019

cc: Karen Jones, A/Chief Executive, Office of Sport

Venues NSW ABN 26 283 293 435
Level 3, East Stand, ANZ Stadium, 15 Edwin Flack Avenue, Sydney Olympic Park, NSW 2127 | PO Box 7059, Silverwater, NSW 1811
Telephone +61 2 8754 7979 | Email info@venuesnsw.com | www.venuesnsw.com

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

Appendix 12 Expenditure on consultants

During 2018/19, Venues NSW engaged five consultants for provision of Management Services with expenditure totalling \$85,006. This is a \$44,936 increase from 2018/19.

Appendix 13 Payment of accounts

A schedule of accounts payable performance at end-of-quarter for financial year 2018/19 is provided at Table 2 and Table 3.

TABLE 2 Venues NSW Outstanding Invoices for 2018/19, by timeframe, at end of each quarter

QUARTER	CURRENT (WITHIN DUE DATE) \$'000	BETWEEN 30 AND 60 DAYS OVERDUE \$'000	BETWEEN 60 AND 90 DAYS OVERDUE \$'000	OVER 90 DAYS OVERDUE \$'000
Sep-18	3,938,120.21	330,310.61	127,106.67	26,229.71
Dec-18	15,973,371.89	224,966.39	43,084.30	38,636.36
Mar-19	5,245,688.37	213,803.75	1,847,766.50	728,664.90
Jun-19	3,905,800.75	726,631.34	270,166.38	553,714.13

TABLE 3 Venues NSW Accounts Paid on Time for 2018/19, at end of each quarter

QUARTER	PAID ON TIME ACTUAL	ACCOUNTS PAID ON TIME (\$'000)	ACCOUNTS DUE FOR PAYMENT (\$'000)
Sep-18	87.90%	3,938,120.21	4,421,767.20
Dec-18	86%	15,973,371.89	16,280,058.94
Mar-19	85.82%	5,245,688.37	8,035,923.52
Jun-19	87.82%	3,905,800.75	5,456,312.60

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.

Appendix 14 Investment performance

During 2018/19, Venues NSW funds were invested in the NSW Treasury Corporation (TCorp) Cash Fund. The annual rate of return on the fund was 2.2 per cent. Interest received on investments totalled \$532,538 as compared to interest of \$325,114 received in the previous year.

Appendix 15 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 average borrowing rate in the period 1 July 2018 to 30 June 2019 was 1.98 per cent (2017/18 was 1.86 per cent).

Appendices

Appendix 16 Customer feedback

Direct feedback from patrons, members and other stakeholders is recorded and considered in the broader customer experience frame. A full outline of customer related initiatives in 2018/19 please refer to **Setting the Standard** pp 28.

We also undertake a number of independent customer surveys to gather member and patron feedback through arrange of mechanisms such as mystery shopper, guided interviews, focus groups.

During the year (to 30 June 2019) 240 negative customer feedback and enquires were received and the new Bankwest Stadium receiving 10 compliments in the first three-months of opening. Main negative themes are as follows:

- Staff Performance /Customer Service
- Food and Beverage
- Ticketing
- Seating faults
- Noise/Audio
- Sight obstruction/restricted/visibility
- Parking

Particularly from our regional venues, sight obstruction/restricted/visibility is a new theme appearing in our feedback compared to last year. Venues NSW reported 130 less or 35 per cent decrease on negative customer feedback compared to 2017/18. This includes the addition of Bankwest Stadium that now accounts for 32 per cent of the total feedback received across Venues NSW.

Key themes from 2017/18 that have not appeared this financial year include public transport, lost property (being reclassified as an enquiry as opposed to a complaint) and medical issues (being reclassified to Workplace Health and Safety forming part of incident or near-miss management).

The reduction in public transport issues may be attributed to Venues NSW implementing improved transport and way-finding initiatives during the year such as introduction of the free shuttle bus service (six routes in Newcastle) for Newcastle Knights NRL games at McDonald Jones Stadium, and the introduction of integrated ticketing at all Bankwest Stadium events, and an additional number of bus services to ANZ Stadium at major Stadium events.

Appendix 17 Report production and access

The Venues NSW Annual Report 2018/19 was produced at a cost of \$9,020 (excluding GST), and is available in electronic format online from the Venues NSW website at venuesnsw.com



Venues NSW ABN 26 283 293 435

Office Level 3, East Stand, ANZ Stadium
15 Edwin Flack Avenue, Sydney Olympic Park NSW 2127
PO Box 7059, Silverwater NSW 1811

General Enquiries Tel + 61 2 8754 7979
Email info@venuesnsw.com

Office Hours Monday to Friday, 9am – 5pm
Please note that business hours at each venue are in line with the nature of events.
www.venuesnsw.com

ANZ Stadium

15 Edwin Flack Avenue, Sydney Olympic Park NSW 2127
Locked Bag 1999, Sydney Olympic Park NSW 2127

General Enquiries Tel + 61 2 8765 2000
Fax + 61 2 8765 2800
Email admin@anzstadium.com.au
anzstadium.com.au

Bankwest Stadium

11-13 O'Connell Street, Parramatta NSW 2150
Locked Bag 1999, Sydney Olympic Park NSW 2127

General Enquiries Tel + 61 2 7800 5400
Email admin@bankweststadium.com.au
bankweststadium.com.au

McDonald Jones Stadium

294 Turton Road, Broadmeadow NSW 2292
PO Box 83, New Lambton NSW 2305

General Enquiries Tel + 61 2 4064 3050
Email info@mcdonaldjonesstadium.com
mcdonaldjonesstadium.com

Newcastle Entertainment Centre and Showground

Brown Road, Broadmeadow NSW 2292
PO Box 280, Waratah NSW 2298

General Enquiries Tel + 61 2 4921 2100
Fax + 61 2 4921 2199
Email admin@nec.net.au
nec.net.au

WIN Sports & Entertainment Centres

Cnr Crown and Harbour Streets, Wollongong NSW 2500
PO Box 3100, Wollongong NSW 2520

General Enquiries Tel + 61 2 4220 2800
Fax + 61 2 4220 2801
Email info@wsec.com.au
wsec.com.au