Place Management NSW

Annual Report 2019-20, including Luna Park Reserve Trust Annual Report 2019-20

- Financial statements for the year ended 30 June 2020
- Statutory information

Place Management NSW
Level 4, 66 Harrington Street, Sydney NSW 2000
PO Box N408, Grosvenor Place NSW 1220
Tel 02 9240 8500 | www.property.nsw.gov.au

The Hon. Rob Stokes MP
Minister for Planning and Public Spaces
GPO Box 5341
SYDNEY NSW 2001

Dear Minister,

Place Management NSW and Luna Park Reserve Trust Annual Report 2019-20

I am pleased to submit the Annual Report for Place Management NSW and Luna Park Reserve Trust, for the year ended 30 June 2020, for presentation to Parliament.

This report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and regulations under those Acts.

Yours sincerely

Sam Romaniuk
Chief Executive Officer
Place Management NSW
Manager of Luna Park Reserve Trust

Contents

1. Charter

Place Management NSW (PMNSW) is a statutory corporation and its statutory functions are to:

- protect and enhance the natural and cultural heritage of the foreshore area;
- promote, coordinate, manage, undertake and secure the orderly and economic development and use of the foreshore area, including the provision of infrastructure; and
- promote, coordinate, organise, manage, undertake, secure, provide and conduct cultural, educational, commercial, tourist, recreational, entertainment and transport activities and facilities.

PMNSW is not limited to exercising its functions in relation to land within the foreshore area and includes the management of the Luna Park Reserve Trust (LPRT).

2. Aims and objectives

Under the Place Management NSW Act, PMNSW is responsible for Sydney's most historically and culturally significant waterfront locations. These responsibilities include the care, protection, management and promotion of this land and its important buildings.

PMNSW owns, manages and transforms Sydney's key State-significant heritage and cultural precincts — The Rocks and Darling Harbour — into vibrant, welcoming places that support, sustain and inspire locals and visitors.

Every year PMNSW brings Sydney's foreshore to life in The Rocks and Darling Harbour with a colourful mix of some of the city's biggest and most popular events. It also cares for the natural and built environments that make the precincts the popular destinations they are today, attracting more than 40 million visitors annually.

PMNSW manages significant commercial and retail leases, provides security, cleaning, building maintenance and other asset management services, and cares for the public domain and over 100 heritage items.

PMNSW also holds ownership of State-significant sites including Ballast Point and manages other major waterfront assets around Sydney Harbour on behalf of other agencies, such as King Street Wharf. It owns land, parks, wharves and boardwalks at Pyrmont and is responsible for leases and licences and market stall holders in The Rocks.

Luna Park Reserve Trust

LPRT is responsible for the care, control and management of the 3.13 hectares of Milsons Point that make up Luna Park Reserve.

LPRT oversees a 40-year operating lease for the Luna Park site and manages the Heritage and Infrastructure Fund to conserve and improve the park's heritage and infrastructure features.

LPRT was established in 1990 under the *Luna Park Site Act 1990.* Luna Park Reserve is dedicated under the *Crown Land Management Act 2016* for the purpose of public recreation, amusement and entertainment.

The Minister for Innovation and Better Regulation has administrative responsibility for the Luna Park Reserve and oversees LPRT, any land dealings at Luna Park and its general administration.

The Minister for Planning is the consent authority for any development at Luna Park, which is listed as a Schedule 3 site (State Significant) under *State Environmental Planning Policy (State Significant Precincts) 2005*. Luna Park Sydney Pty Ltd, an independent commercial operator, has complete operational responsibility for the day-to-day running of the park.

LPRT works closely with Luna Park Sydney to ensure that the site remains a viable amusement park and entertainment precinct.

LPRT financial statements can be found following PMNSW's financial statements.

3. Access

Place Management NSW
66 Harrington Street, The Rocks
PO Box N408, Grosvenor Place NSW 1220
T: 02 9240 8500
feedback@property.nsw.gov.au
www.property.nsw.gov.au

Core business hours are 8:30am – 5:00pm Monday to Friday.

4. Management and structure

Role of the Board

The Place Management NSW (PMNSW) Board is appointed in accordance with the *Place Management NSW Act 1998*. The Board oversees PMNSW's policies, management and performance, sets strategic direction for the entity and monitors compliance with statutory requirements. The Board monitors organisational performance against strategic objectives.

PMNSW's CEO is responsible for the day-to-day management of PMNSW in accordance with specific policies and general direction of the Board and is subject to the control and direction of the Minister.

Board

During the 2020 financial year, the PMNSW's Board consisted of**:**

Ex-Officio Members:

- Sam Romaniuk CEO, Place Management NSW (from 3 September 2019)
- Sarah Cleggett, A/CEO, Place Management NSW (until 3 September 2019)
- Alison Frame, Deputy Secretary, Housing and Property, Department of Planning, Industry and Environment (until 4 May 2020)
- Alex O'Mara, Group Deputy Secretary, Planning and Public Spaces, Department of Planning, Industry and Environment (from 4 May 2020)

Members appointed by the Minister:

- The Hon Helen Coonan (Chair)
- Katie Page (until March 2020)
- Garry Browne
- Jill Davies
- Jennifer Lambert

Board meetings and attendance

Three Board meetings were held in 2019-20. Dates and attendees are outlined in the table below.

Attendees	16 Sep 2019	9 Dec 2019	12 March 2020	TOTAL
Helen Coonan	Yes	Yes	Yes	3/3
Alison Frame	Yes	No	Yes	2/3
Alex O'Mara	n/a	n/a	n/a	0/0
Sam Romaniuk	Yes	Yes	Yes	3/3
Sarah Cleggett	n/a	n/a	n/a	0/0
Jill Davies	Yes	Yes	Yes	3/3
Jennifer Lambert	Yes	Yes	Yes	3/3
Garry Browne	No	Yes	Yes	3/3
Katie Page	Yes	No	n/a	2/3

The Hon. Helen Coonan
BA, LLB

Board member
Chair, Place Management NSW

Non-Executive Director
Chair, Australian Financial Complaints Authority
Chair, Minerals Council Australia
Chair, Crown Resorts Foundation
Chair, Crown Resorts Limited
Chair, Supervised Investments Australia Limited
Co-Chair, GRACosway Pty LtdNon-Executive Director, Snowy Hydro Limited
Non-Executive Director, Australian Children's Television Foundation
Advisory Board
J.P. Morgan
Allegis Partners
Appointed as the PMNSW Chair from 1 July 2016 for a period of one year. Reappointed from 4 August 2016 for a period of one year. Reappointed from 4 August 2017 for a period of one year. Helen was reappointed from 30 July 2018 for a period of two years.

Sam Romaniuk
B.Com, LLB, CA
Chief Executive Officer, Place Management NSW

Board Member
Place Management NSW
Appointed as Chief Executive Officer 22 December 2015. Pursuant to the *Place Management NSW Act 1998*, the Chief Executive Officer is an ex-officio Board member.

Sarah Cleggett (From 1 July 2019 to 3 September 2020)
B.Com (Mktg& Hosp), MBA (Executive)
A/Chief Executive Officer, Place Management NSW

Board Member
Place Management NSW
Appointed as a/Chief Executive Officer 18 April 2019. Pursuant to the *Place Management NSW Act 1998*, the Chief Executive Officer is an ex-officio Board member.

Alison Frame (From 1 July 2019 to 4 May 2020)

Deputy Secretary, Housing and Property Group, Department of Planning, Industry and Environment.
Appointed as a delegate to the board on behalf of the Secretary of the Department of Planning, Industry and Environment. Pursuant to the *Place Management NSW Act 1998*, the Secretary is an ex-officio Board member. The Secretary delegated their position to the Deputy Secretary, Housing and Property Group.

Jill Davies
B.Econ, CA, GAICD
Principal, Global Strategy & Events Consulting

Board Member

Appointed to the Place Management NSW Board on 1 July 2017 for a period of three years as an independent board member.

Non-Executive Director
Sydney Olympic Park Authority
Roads and Maritime Services W2B Project

Jennifer Lambert
B.Bus, MEcon, AICD, CA ANZ

Board Member
Appointed to the Place Management NSW Board on 1 July 2017 for a period of three years as an independent board member.

Director
Shore Council
Sydney Church of England Grammar School
Mosman Church of England Preparatory School
Mission Australia

Garry Browne
B.Bus, HBS OPM, AICD
Chairman, Stuart Alexander Pty Ltd.

Board Member
Appointed to the Place Management NSW Board on 30 November 2017 for a period of three years as an independent board member.

Director
Life Education Australia
UTS Faculty of Science Industry Advisory Group and The Indigenous Residential College
International House Residential College, UNSWCentre for Social Impact – Advisory Council
The Rotary Foundation
Australian War Memorial ANZAC Foundation

Katie Page

Board Member
Appointed to the Place Management NSW Board on 1 July 2017 for a period of three years as an independent board member. Katie Page resigned from the Board in March 2020.

Executive Director - Harvey Norman Holdings Limited

Non-Executive Director
Pertama Holdings Ltd (Singapore)
Space Furniture Pte Ltd (Singapore)
The Bradman Foundation

Trustee
Sydney Cricket Ground and Sports Trust
Member
UWS Foundation Council

5. Summary review of operations

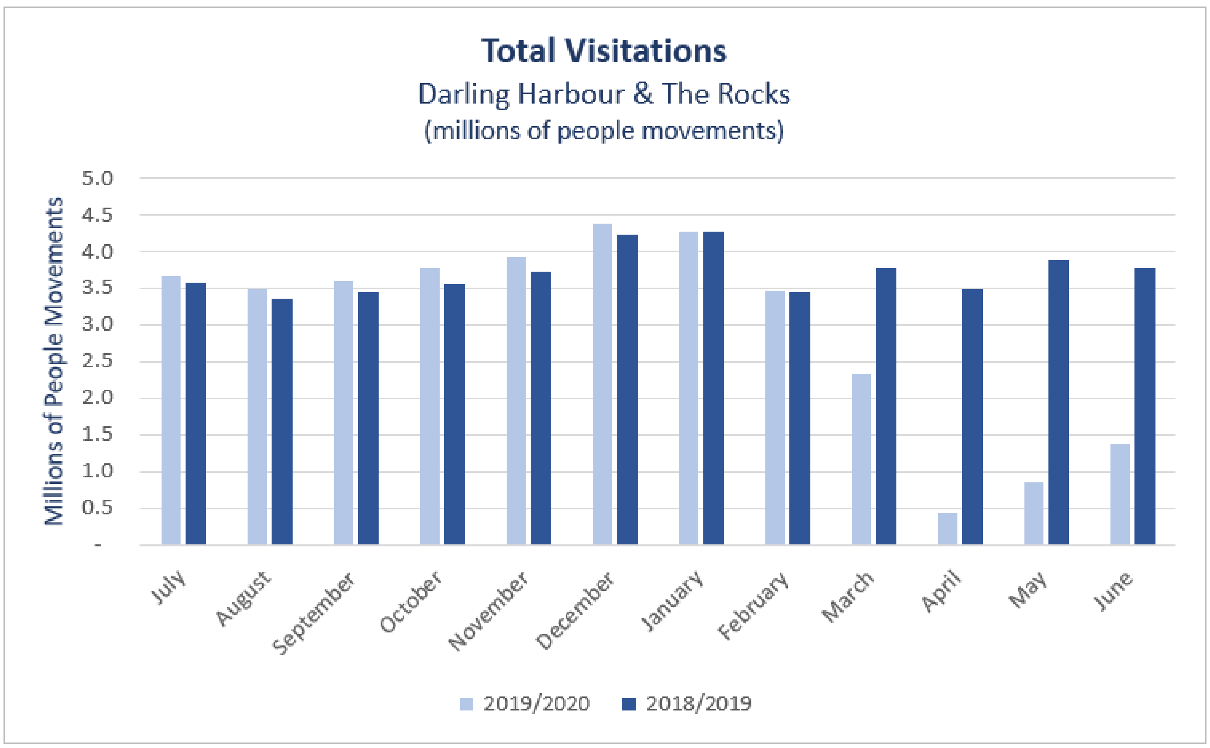
PMNSW manages retail leases and market stallholders in The Rocks and Darling Harbour precincts.

The Rocks, Circular Quay, and Darling Harbour are significant cultural and heritage precincts for Sydney, NSW, and Australia. They are popular destinations for local and international visitors and contribute significantly to the State's economy.

About 11.7 million people movements were recorded in The Rocks in 2019-20, with people enjoying the entertainment, shopping and dining experiences on offer. This was a 24.5% decrease on the previous year.

About 23.9 million people movements were recorded in Darling Harbour in 2019-20, with people enjoying attractions, entertainment, events, shopping and dining experiences on offer in the precinct. This was a 17.7% decrease on the previous year. [1]

The restrictions arising from compliance with Public Health Orders in response to COVID 19 reduced people movements to The Rocks and Darling Harbour from March 2020.



[1] Visitor numbers recorded from electronic people counters installed in The Rocks and Darling Harbour.

International Convention Centre, Sydney

The 2019-20 year for ICC Sydney turned out to be a year in two parts. Until March 2020, Australia's premier convention, exhibition and entertainment venue was on track for a record year in delivering on its financial and economic targets. The momentum achieved in the first eight months was abruptly halted by the outbreak of the of the coronavirus (Covid-19) pandemic. Travel and gathering restrictions led to the cancellation of all events and staffing was temporarily scaled back.

Despite four months of lost activity, ICC Sydney delivered 487 core events in the 2019-20 financial year, generating A$510 million in delegate expenditure, of which 73% (A$372 million) came from interstate and international visitors. This resulted in more than 981,445 overnight stays, driving continued investment in local hotel refurbishment and development. Employment relating to the expenditure of delegates led to the creation of 2,806 jobs.

During the year, ICC Sydney hosted 18 major international events and 96 national conventions attracting 70,593 international delegates and 195,273 delegates from interstate. The exhibition industry also plays a fundamental role in the venue's success, with 41 exhibition events held over the year.

Client satisfaction for 2019-20 was excellent, at 100%, with a likelihood to recommend also at 100% up from 99% last year. Delegate satisfaction scores were also outstanding with overall satisfaction at 98%, and 98% likelihood to recommend.

Meanwhile, through its legacy program, ICC Sydney is providing opportunities for a broad cross-section of the community and driving positive financial, social and environmental impacts across New South Wales. It also became the first convention centre in Australia to launch a Reconciliation Action Plan.

ICC Sydney continued to demonstrate its global leadership again in 2019-20, adding a further 14 awards and accolades to the 17 achieved last year. This year's awards were secured in recognition of its design, venue operation, culinary services, sustainability, training and its extraordinary people.

6. Funds granted to non-government community organisations

PMNSW did not award funding grants to any non-government community organisations in 2019-20.

7. Management and activities

PMNSW aims to uphold community, social, heritage and commercial interests by providing world-class places and experiences. This multidisciplinary experience extends to asset management, retail and commercial leasing, strategic planning and heritage, as well as events and marketing.

PMNSW works to ensure the activation of our precincts for the mutual benefit of tenants, visitors and the taxpayers of NSW.

8. Human resources

Employment Statistics

Division	2015[2,3]	2016[2,3]	2017[2,3]	2018[2,3]	2019[2,3]	2020
Senior Executive	3	-	5	4.0	4.0	3.4
Senior Officer	18	13	-	-	-	-
Ongoing	107.7	99.3	20.6	26.4	37.2	36.2
Temporary	10.6	16.5	7.8	2.0	1.0	3
Graduate	-	-	1	-	1.0-	1
Total	**139.3**	**128.8**	**34.4**	**32.4**	**43.2**	**43.6**

	2019[4,5,6]				2020[4,5,6]			
Senior Executive Band	Female	**Male**	**Total**	**% Representation by Women**	**Female**	**Male**	**Total**	**% Representation by Women**
Band 4 (Secretary)					0	0	0	**0%**
Band 3 (Deputy Secretary)					0	0	0	**0%**
Band 2 (Executive Director)	1	0	1	**100%**	0	1	1	**0%**
Band 1 (Director)	1	2	3	**33%**	2	1	3	**66%**
Total	**2**	**2**	**4**	**50%**	**2**	**2**	**4**	**50%**

	2019[7]		2020[7]	
Senior Executive Band	**Range $**	**Average Remuneration $**	**Range $**	**Average Remuneration $**
Band 4 (Secretary)	475,151 – 548,950	0	$487,051-$562,650	0
Band 3 (Deputy Secretary)	337,101 – 475,150	0	$345,551-$487,050	0
Band 2 (Executive Director)	268,001 – 337,100	268,001	$274,701-$345,550	303,549
Band 1 (Director)	187,900 – 268,000	229,491	$192,600-$274,700	247,065

2 Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

3 Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016, 29 June 2017, 28 June 2018 and 27 June 2019

4 Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.

5 Statistics are based on Workforce Profile census data as at 28 June 2018 and 27 June 2019, June 2020

6 All employees reported in 2018 and 2019 and 2020 are appointed under the Government Sector Employment Act. Salary band based on current assignment including those on a temporary above level assignment for more than two months.

7 Salary ranges effective at the Workforce Profile census dates of 28 June 2019 and 27 June 2020

Employee related costs 2019-20	Amount
Executive	$1,288,296
Non-Executive	$5,794,096
Total	$7,082,392
Ratio Senior Executive	18%

In 2019-20, 18.2% of employee related expenditure was for senior executives, compared with 2018-19 which was 17.91%

9. Workforce Diversity

Trends in the Representation of Workforce Diversity Groups					
Workforce Diversity Group	**Benchmark**	**2017**	**2018**	**2019**	**2020**
Women[8]	**50%**	64.9%	63.6%	52.3%	55.5%
Aboriginal People and/or Torres Strait Islander People[9]	**3.3%**	3.2%	3.2%	2.3%	2.2%
People whose First Language Spoken as a Child was not English[10]	**23.2%**	12.6%	13.2%	9.1%	6.6%
People with a Disability[11]	**5.6%**	0.0%	3.2%	2.3%	0.0%
with a Disability Requiring Work-Related Adjustment[11]	**N/A**	0.0%	0.0%	0.0%	0.0%

[8] The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

[9] The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

[10] A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 22.3% is the percentage of the NSW general population born in a country where English is not the predominant language.

[11] In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

10. Consultants

Place Management NSW (PMNSW) engages consultants for specialised work on an as-needed basis, including for economic appraisals and financial services.

In 2019-20, PMNSW did not engage any consultants.

11. Disability inclusion action plans

All Multicultural Plan and Disability Inclusion Action Plans initiatives for Place now fall under the Department of Planning, Industry and Environment and will be reported in their Annual Report.

12. Consumer response

PMNSW, responded efficiently and effectively to feedback from customers, tenants and visitors to its precincts.

PMNSW encouraged feedback from the general public via an email address published on its corporate website, www.property.nsw.gov.au. Through this channel 112 compliments, complaints and enquiries were received in 2019-20.

In response to the Premier's Priority to improve government services, a Complaint Handling Improvement Program (CHIP) module was introduced on the Property NSW website. The number of complaints received during the year on this platform reduced from 5 in 2018-19 to 0 in 2019-20.

Additionally, there were six matters that attracted more than one letter or correspondent in 2019-20:

- **Campbell's Stores Subleases:** Complaints were received about the treatment of potential sublessees by the lessee. As there was no breach of the head lease identified, the complainants were referred to the Small Business Commissioner as the appropriate forum for mediation of retail disputes.
- **Cancellation of Pyrmont Markets:** PMNSW has reviewed the information it provides to event organisers to ensure that compliance and safety requirements are clear from the time of booking.
- **Motorbike Parking Charges in The Rocks:** PMNSW reviewed its charges to ensure that they were consistent with the City of Sydney charges.
- **Temporary Fencing at Darling Harbour:** PMNSW has commenced the design process for new edging treatments at Darling Harbour that balance the risk with a greater connection to the water.
- **COVID related issues:** PMNSW advised The Rocks Market stallholders and tenants that it would be guided by the relevant regulations from the Department of Health on lockdown and operational requirements. PMNSW advised commercial tenants that it would be implementing the commercial leasing COVID code.
- **Leasing of heritage premises at East Circular Quay:** Customers of an existing lessee complained regarding the awarding of a restaurant tender. PMNSW provided information on the tender process including independent probity oversight.

13. Payment of accounts – Place Management NSW

The table below highlights Place Management NSW's account payment performance for 2019-20.

ACCOUNT PAYMENT PMNSW PERFORMANCE 2019-20	1ST QTR	2ND QTR	3RD QTR	4TH QTR	Grand Total
ALL SUPPLIERS					
Value of Invoices Paid ($'000)					
Paid on/ before due date	27,314	19,620	21,357	26,868	95,159
<30 Days Past Due Date	44,175	51,990	42,040	8,753	146,958
>30<60 Days Past Due Date	3,449	1,015	1,497	7,099	13,061
>60<90 Days Past Due Date	2,043	1,450	368	393	4,254
>90 Days Past Due Date	8,219	1,122	1,800	1,803	12,943
Total Value of Invoices Paid ($'000)	**85,200**	**75,197**	**67,061**	**44,916**	**272,375**
% Paid on Time - By Value	**32%**	**26%**	**32%**	**60%**	**35%**
Number of Invoices Paid					
Paid On / Before Due Date	538	442	408	322	1,710
Paid Past Due Date	460	364	401	421	1,646
Total Number of Invoices Paid	**998**	**806**	**809**	**743**	**3,356**
% Paid on Time - By Number	**54%**	**55%**	**50%**	**43%**	**51%**
Interest Paid					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0
SMALL BUSINESS SUPPLIERS					
Value of Invoices Paid ($'000)					
Paid on/ before due date	15	13	0	1	29
<30 Days Past Due Date	99	108	56	89	352
>30<60 Days Past Due Date	0	12	1	57	70
>60<90 Days Past Due Date	0	0	30	19	49
>90 Days Past Due Date	18	4	39	2	62
Total Value of Invoices Paid ($'000)	**132**	**137**	**125**	**168**	**562**
Total Value Paid on Time %	**11%**	**10%**	**0%**	**1%**	**5%**
Number of Invoices Paid					
Paid On / Before Due Date	2	4	0	1	7
Paid Past Due Date	13	21	23	21	78
Total Number of Invoices Paid	**15**	**25**	**23**	**22**	**85**
% Paid on Time - By Number	**13%**	**16%**	**0%**	**5%**	**8%**
Interest Paid					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0

14. Payment of accounts – Luna Park Reserve Trust

The table below highlights Luna Park Reserve Trust's account payment performance for 2019-20.

ACCOUNT PAYMENT LPRT PERFORMANCE 2019-20	1ST QTR	2ND QTR	3RD QTR	4TH QTR	Grand Total
ALL SUPPLIERS					
Value of Invoices Paid ($'000)					
Paid on/ before due date	371	77	73	25	546
<30 Days Past Due Date	342	38	156	60	596
>30<60 Days Past Due Date	4	19	5	0	28
>60<90 Days Past Due Date	30	0	0	1	31
>90 Days Past Due Date	351	298	495	732	1,875
Total Value of Invoices Paid ($'000)	**1,098**	**432**	**729**	**818**	**3,077**
% Paid on Time - By Value	**34%**	**18%**	**10%**	**3%**	**18%**
Number of Invoices Paid					
Paid On / Before Due Date	13	23	4	4	44
Paid Past Due Date	18	28	11	13	70
Total Number of Invoices Paid	**31**	**51**	**15**	**17**	**114**
% Paid on Time - By Number	**42%**	**45%**	**27%**	**24%**	**39%**
Interest Paid					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0
SMALL BUSINESS SUPPLIERS					
Value of Invoices Paid ($'000)					
Paid on/ before due date	0	0	0	0	0
<30 Days Past Due Date	0	2	0	0	2
>30<60 Days Past Due Date	0	0	0	0	0
>60<90 Days Past Due Date	0	0	0	0	0
>90 Days Past Due Date	0	0	0	0	0
Total Value of Invoices Paid ($'000)	**0**	**2**	**0**	**0**	**2**
Total Value Paid on Time %	**0%**	**0%**	**0%**	**0%**	**0%**
Number of Invoices Paid					
Paid On / Before Due Date	0	1	0	0	1
Paid Past Due Date	0	3	0	0	3
Total Number of Invoices Paid	**0**	**4**	**0**	**0**	**4**
% Paid on Time - By Number	**0%**	**25%**	**0%**	**0%**	**25%**
Interest Paid					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0

15. Risk management and insurance activities

Risk Management

The Department of Planning, Industry and Environment (the Department) supports PMNSW to manage risks.

In 2019-20, the Department continued to implement its enterprise-wide risk management framework across its business and the Cluster entities to which it provides risk management services. The framework reflects its commitment to provide a consistent and systematic process to manage risks across the Cluster. It is consistent with international risk management standard (ISO 31000-2018) and the NSW Treasury Internal Audit and Risk Management Policy for the NSW Public Sector (TPP15-03). It provides the principles and tools for risk management practice and culture within the Department and Cluster. In June 2020 the revised DPIE Risk Management Policy was published with applicability across the Department and Cluster entities.

Risk reviews at the entity level were conducted during the year, involving senior management participation. A presentation on the risk profile of Place Management NSW was provided to the Audit and Risk Committee for their oversight on the effectiveness of risk management practices.

During 2019-20 the Department revised its Business Continuity Management Framework based on the international business continuity standard (ISO22301:2019) and developed a comprehensive set of tools to support business continuity planning, impact analysis and crisis management to ensure critical activities can be continued in the event of disruption. These tools and related support are available for PMNSW to manage any business continuity event. This occurred with the Business Continuity team providing support PMNSW on the business continuity planning for the Sydney New Year's Eve fireworks.

Insurance Arrangements and Activities

During the period 2019-20, PMNSW had insurance arrangements in place for all its assets and major risk. Insurable risk cover for PMNSW was provided through participation in the NSW Treasury Managed Fund (TMF), the NSW Government self-insurance scheme while insurance for LPRT was provided by the lessee. Insurable risk exposures covered through the TMF includes:

- Workers compensation
- Legal including liability classes like public liability, products liability, professional indemnity, directors and officer liability
- Property including buildings, plant, equipment, and consequential loss
- Motor vehicle
- Other miscellaneous losses, such as the cost of employee dishonesty, personal accident and protection for overseas travel

The main exposures that are not included are:

- illegal activities
- wear and tear, and inherent vice (Note: *Inherent Vice is an exclusion found in most property insurance policies eliminating coverage if there is a hidden defect in a good or property which causes or contributes to its deterioration, damage, or wastage)*
- pollution (not being sudden and accidental pollution)

Number of claims and net incurred costs

Insurance claims and net incurred cost for PMNSW for financial year 2018-29 and 2019-20 are shown in the table below.

	Number of Claims		Net incurred cost ($)	
	2018-19	**2019-20**	**2018-19**	**2019-20**
Workers Comp	-	1	-	$12,813-
Property	-	2	-	$852,710-
Liability	7	11	$53,850	$198,707
Motor vehicle	1		$565	$
Miscellaneous	-	-	-	-
Total	**8**	**14**	**$54,415**	**$1,064,229**

All incurred claims and relevant costs were sourced from the TMF database. They are based on the claims lodged and relevant assessment to date. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported and the outcome of negotiated settlement.

Property and Advisory Group Audit and Risk Committee (ARC)

PMNSW has an independent Audit and Risk Committee (ARC) under a collaborative shared Audit and Risk Committee arrangement. During the year, the Chief Audit Executive reported to the ARC. The ARC met during 2019–20.

Membership

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

- Carol Holley, Independent Chair, from 30 March 2020 to 29 March 2023
- Arthur Butler, Independent Member, from 30 March 2020 to 29 March 2023
- Nirmal Hansra, Independent Member, from 30 March 2020 to 29 March 2023

16. Internal Audit and Risk Management Attestation Statement – Place Management NSW

Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for Place Management NSW

I, Sam Romaniuk, Chief Executive of Place Management NSW am of the opinion that Place Management NSW has internal audit and risk management processes in operation that are, excluding the exceptions described below, 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

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	**Non-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	**Non-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 collaborative shared Audit and Risk Committee are:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30 March 2020	29 March 2023
Independent Member	Arthur Butler	30 March 2020	29 March 2023
Independent Member	Nirmal Hansra	30 March 2020	29 March 2023

Note: Audit and Risk Committee oversight for Place Management NSW was previously provided by an Audit and Risk Committee arrangement provided by the former Department of Finance Services and Innovation which continued to meet in the latter half of 2019 to complete the 2018-19 financial reporting cycle. Place Management NSW transitioned to a DPIE collaborative shared Audit and Risk Committee arrangement in early 2020.

This Audit and Risk Committee has been established under a collaborative shared arrangement with the following entities:

- Cemeteries and Crematoria NSW
- Hunter and Central Coast Development Corporation
- Luna Park Reserve Trust
- Planning Ministerial Corporation
- Place Management NSW
- Property NSW
- Sydney Olympic Park Authority
- Waste Assets Management Corporation.

Departures from Core Requirements

I Sam Romaniuk, Chief Executive of Place Management NSW advise that the internal audit and risk management processes for Place Management NSW depart from the following core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector:*

The circumstances giving rise to these departures have been determined by the Portfolio Minister and Place Management NSW has implemented the following practicable alternative measures to meet the core requirements:

Departure Non-compliant	Reason for departure and description of practicable alternative measures being implemented
Core Requirement 2.1 Internal Audit Function	An internal audit function has been established and maintained. The Chief Audit Executive (CAE) is a Department of Planning Industry and Environment employee and is responsible for the internal audit function within Place Management NSW. The CAE has direct access to Place Management NSW Agency Head and the ARC and is supported by the Department of Planning, Industry and Environment's internal audit function.

Core Requirement 3. 1 Audit and Risk Committee	An independent Audit and Risk Committee with appropriate expertise has been established. A Collaborative Shared Audit and Risk Committee will provide independent oversight and advice for the operations of the Place Management NSW. Place Management NSW is party to a collaborative shared Audit and Risk Committee (ARC). The ARC will review the financial statements and will provide support to Place Management NSW to manage risk, internal audit and financial management activities. This collaborative shared ARC is made up of agencies with property and land management responsibilities.

These processes including the practicable alternative measures demonstrate that Place Management NSW has established and maintained frameworks including systems processes and procedures for appropriately managing audit and risk within Place Management NSW.

Sam Romaniuk
Chief Executive
Place Management NSW

17. Internal Audit and Risk Management Attestation – Luna Park Reserve Trust

Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for Luna Park Reserve Trust

I, Sam Romaniuk, Chief Executive of Place Management NSW (Manager of the Trust) am of the opinion that the Luna Park Reserve Trust has internal audit and risk management processes in operation that are, excluding the exceptions described below, 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

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	**Non-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	**Non-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 collaborative shared Audit and Risk Committee are:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30 March 2020	29 March 2023
Independent Member	Arthur Butler	30 March 2020	29 March 2023
Independent Member	Nirmal Hansra	30 March 2020	29 March 2023

Note: Audit and Risk Committee oversight for Luna Park Reserve Trust was previously provided by an Audit and Risk Committee arrangement provided by the former Department of Finance Services and Innovation which continued to meet in the latter half of 2019 to complete the 2018-19 financial reporting cycle. Luna Park Reserve Trust transitioned to a DPIE collaborative shared Audit and Risk Committee arrangement in early 2020.

This Audit and Risk Committee has been established under a collaborative shared arrangement with the following statutory bodies:

- Cemeteries and Crematoria NSW
- Hunter and Central Coast Development Corporation
- Luna Park Reserve Trust
- Planning Ministerial Corporation
- Place Management NSW
- Property NSW
- Sydney Olympic Park Authority
- Waste Assets Management Corporation.

Departures from Core Requirements

I Sam Romaniuk, Chief Executive of Place Management NSW (Manager of the Trust) am of the opinion that the internal audit and risk management processes for Luna Park Reserve Trust depart from the following core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector:*

The circumstances giving rise to these departures have been determined by the Portfolio Minister and Luna Park Reserve Trust has implemented the following practicable alternative measures to meet the core requirements:

Departure Non-compliant	Reason for departure and description of practicable alternative measures being implemented
Core Requirement 2.1 Internal Audit Function	An internal audit function has been established and maintained. The Chief Audit Executive (CAE) is a Department of Planning Industry and Environment employee and is responsible for the internal audit function within Luna Park Reserve Trust. The CAE has direct access to Luna Park Reserve Trust's Agency Head and the ARC and is supported by the Department of Planning, Industry and Environment's internal audit function.

Core Requirement 3. 1 Audit and Risk Committee	An independent Audit and Risk Committee with appropriate expertise has been established. A Collaborative Shared Audit and Risk Committee will provide independent oversight and advice for the operations of the Luna Park Reserve Trust. Luna Park Reserve Trust is party to a collaborative shared Audit and Risk Committee (ARC). The ARC will review the financial statements and will provide support to the Trust to manage risk, internal audit and financial management activities. This collaborative shared ARC is made up of agencies with property and land management responsibilities.

These processes including the practicable alternative measures demonstrate that Luna Park Reserve Trust has established and maintained frameworks including systems processes and procedures for appropriately managing audit and risk within Luna Park Reserve Trust.

Sam Romaniuk
Chief Executive
Place Management NSW
Manager of the Trust

18. Digital information security policy attestation 2019-20 – Place Management NSW

Date: 2 October 2020

Cyber Security Annual Attestation for the 2019-2020 Financial Year for

Place Management NSW

I, Sam Romaniuk, Chief Executive Officer, am of the opinion that the Place Management NSW have an Information Security Management System (ISMS) in place via the Department of Customer Service Cluster and have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cybersecurity maturity and initiatives of the Place Management NSW.

Risks to the information and systems of the Place Management NSW have been assessed and are managed.

The Place Management NSW currently leverages the Department of Customer Service cyber security response plan, which has been exercised during the 2019-2020 financial year. The plan will continue to be reviewed in conjunction with departmental governance frameworks and operational feedback to further improve its effectiveness.

Independent audits of cyber security controls in place during the 2019-2020 financial year, and an assessment of the Department of Customer Service's maturity against the NSW Government Cyber Security Policy have been performed and found to be adequate or being properly addressed in a timely manner. On-going assurance of cyber security will be managed through an ISMS aligned to the ISO 27001 standard, and independently audited.

Sam Romaniuk
Chief Executive Officer

Place Management NSW

Date: 2 October 2020

19. Digital information security policy attestation 2019-20 – Luna Park Reserve Trust

Cyber Security Annual Attestation for the 2019-2020 Financial Year for

Luna Park Reserve Trust

I, Sam Romaniuk, Chief Executive Officer, am of the opinion that the Luna Park Reserve Trust have an Information Security Management System (ISMS) in place via the Department of Customer Service Cluster and have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cybersecurity maturity and initiatives of the Luna Park Reserve Trust.

Risks to the information and systems of the Luna Park Reserve Trust have been assessed and are managed.

The Luna Park Reserve Trust currently leverages the Department of Customer Service cyber security response plan, which has been exercised during the 2019-2020 financial year. The plan will continue to be reviewed in conjunction with departmental governance frameworks and operational feedback to further improve its effectiveness.

Independent audits of cyber security controls in place during the 2019-2020 financial year, and an assessment of the Department of Customer Service's maturity against the NSW Government Cyber Security Policy have been performed and found to be adequate or being properly addressed in a timely manner. On-going assurance of cyber security will be managed through an ISMS aligned to the ISO 27001 standard, and independently audited.

Sam Romaniuk
Chief Executive Officer

Luna Park Reserve Trust

Date: 2 October 2020

Cyber Security Annual Attestation Statement for the 2018-2019 Financial Year for Luna Park Trust

I, Sarah Cleggett, am of the opinion that the Luna Park Trust has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Risks to the information and systems of the Luna Park Trust have been assessed and are managed.

Governance is in place to manage the cyber-security maturity and initiatives of the Luna Park Trust.

There exists a current cyber incident response plan for Luna Park Trust which has been tested during the reporting period.

An independent review/audit/certification of the Agency's ISMS or effectiveness of controls or reporting against the mandatory requirements of the NSW Cyber Security Policy was undertaken by Protiviti and found to be adequate or being properly addressed in a timely manner.

Sarah Cleggett
Acting Chief Executive Officer
Luna Park Trust

20. Multicultural Policies and Services Program

All Multicultural Plan and Disability Inclusion Action Plans initiatives for Place Management NSW now fall under the Department of Planning, Industry and Environment and will be reported in their Annual Report.

21. Work Health and Safety (WHS)

In 2019-20, PMNSW continued to take a proactive approach in managing the safety of all employees, other workers and visitors to its properties, sites and activations. CBRE became responsible for the function of managing the precincts and associated WHS risks for PMNSW from December 2018. Prior to December 2018 the management was undertaken directly by PMNSW.

WHS incidents – Place Management NSW

There was one claim for workers compensation reported in June 2020. The nature of the claim was classified as psychological. A total of $3,633.63 has been paid and the claim remains open.

Outside of the workers compensation claim, there was one additional work-related incident reported. The incident was reported in July 2019 and was promptly resolved and closed out in August 2019.

The following number of incidents occurring in the public domain were reported during the period 2019-2020:

Date	Time	Incident Description	Investigation outcome/Actions required/completed
29/09/2019	06:11pm	Fallen tree branch on George street narrowly missing members of the public.	Area made safe, Horticulturalist attended, branch completely removed, and identified the cause as sudden branch failure. Recommendations for tree to be removed and replaced with smaller canopy tree due to its proximity to a pedestrian crossing.
21/10/2019	03:45pm	Contractors installing toughened glass to the outside of the ABC building. Glass shattered and some glass fell outside of the compound onto the Goods Line. Nil injuries	ABC notified SafeWork, who allowed works to continue once SWMS had been reviewed and catch screen installed. Comcare also notified.
30/11/2019	05:51pm	Pointed star sculpture on corner of King and Sussex street dropped one of the points and fell on to the flyover. Nil injuries.	Exclusion zone set up, and security positioned to avoid any breaches into the area. The star has since been removed.
31/12/2019	03:35pm	3 x (2x1m) tiles on the Eastern side of the Ranger Operations Centre at DH fell off and broke.	Lend Lease commissioned an engineer who attended and identified that in addition to the strong winds, the fan/ventilation system that sits directly behind the system had drawn a large amount of hot air through the adhesive which caused it to set rapidly and not bond correctly.
13/02/2020	08:00pm	Escalator technician received a mild electric shock whilst working on the step chains. He attended hospital but was not admitted	Exclusion zone implemented, and mains feed power isolated. Joint investigation with contractor and CBRE. Thought to be due to water ingress following heavy rain.

WHS induction and training

PMNSW staff members were required to complete two WHS mandatory courses on the DPIE learning system:

- DPIE WHS Induction
- DPIE Covid-19 Awareness

As of 30 June 2020, there were 60 courses completed by eligible workers across PMNSW, with 6 still outstanding.

Additionally, WHS mandatory training is hosted on the Department of Customer Service MyCareer learning platform. Training is provided in:

- Code of Ethics and Conduct
- Conflicts of Interest
- DCS Information Security Awareness
- Fraud and Corruption Awareness
- Gifts and Benefits
- Internal reporting
- Introduction to Health & Safety at Work
- Respectful workplace
- WHS Due Diligence

WHS consultation

The WHS Consultative Committee has continued to be active in consultation upon WHS issues.

- The WHS Committee reviewed and approved a number of updated Safe Operating Procedures coinciding with the roll out of the Integrum Incident Management software system
- Improved staff participation in WHS consultation via effective WHS committee and HSR
- Conducted WHS Forum during a Safety week program that included an awareness session on Mental health
- Conducted executive interactions with Senior Managers to demonstrate leadership by example and increase safety awareness
- Delivered timely WHS information with staff via multiple means of communication to raise awareness

22. Budgets – Place Management NSW

Performance against budget

Place Management NSW (PMNSW), including the financial performance of the International Convention Centre Sydney, finished the year with a net deficit of $25.3 million against a budgeted deficit of $110.7 million.

PMNSW delivered an unfavourable variance of $12.6m in revenue primarily due to a reduction of revenue relation to Covid-19 pandemic offset by Treasury stimulus grant.

Total expenses are $62.9m favourable to budget. This is primarily due to reduction in operating expenses in relation to Covid-19 pandemic and decrease of corporate services charge.

Budget overview

PMNSW is forecasted to deliver a $20.5m deficit in the 2020-21 financial year. PMSNW has been materially impacted by the Covid-19 pandemic, which has caused reduction in both revenue and expenses. The forecasted deficit is primarily due to depreciation expenses $85.8m, SICEEP finance lease quarterly service charge of $38.9m and TCorp loan interest $35.1m, offset by Treasury grant for SICEEP project $125.5m

The new accounting standard AASB16 Leases has commenced and will have the first full year application in 2020-21. It has significant impact on budgeted financial information, which will increase finance lease liability significantly and reduce finance lease interest by $22.8m (non-cash accounting adjustment) for the 2020-21 financial year.

	2018-19 actual $'000	**2019-20 actual $'000**	20119-20 budget $'000	2019-20 variance $'000	**2020-21 budget $'000**
Place Management NSW					
Expenses	366,965	**320,558**	383,428	62,870	**274,469**
Revenues	293,529	**256,490**	269,081	(12,591)	**250,863**
Other gains/(losses)	16,176	**38,787**	3622	35,165	**3,107**
Net operating result - surplus/(deficit)	(57,260)	**(25,281)**	(110,725)	85,444	**(20,498)**

23. Budgets – Luna Park Reserve Trust

Performance against budget

Luna Park Reserve Trust finished the year with a deficit of $0.5m. This was a result of reduction of rental revenue and additional reimbursement of maintenance expense claims due to Covid-19 impact in the 2019-20 financial year.

Budget overview

Luna Park Reserve Trust's rental revenue will decrease significantly due to Covid-19 impact, but it is budgeted to return to surplus over the 2020-21 financial year as a result of Treasury's stimulus grant.

	2018-19 actual $'000	**2019-20 actual $'000**	2019-20 budget $'000	2019-20 variance $'000	**2020-21 budget $'000**
Luna Park Reserve Trust					
Expenses	2,477	**3,093**	2,080	(1,013)	**1,560**
Revenues	1,684	**2,616**	2,089	527	**1,643**
Other gains/(losses)	518		-	-	**-**
Net operating result - surplus/(deficit)	(275)	**(477)**	9	(486)	**83**

24. Additional matters for inclusion

Privacy and Personal Information Protection Act 1998 (PPIP Act)

The *Privacy and Personal Information Protection (PPIP) Act 1998* contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the *Privacy and Personal Information Protection Act 1998.*

Additional information about how PMNSW manages its obligations under the PPIP Act is available at http://www.property.nsw.gov.au/government-property-nsw-privacy-statement.

Accessing this report

This report is available for download at www.property.nsw.gov.au/aboutus

25. Liability management performance

Debt management

At 30 June 2020, Place Management NSW's total borrowings were $1.3b. It included $256.9m finance lease liability and $1.1b state guaranteed fixed loans from NSW Treasury Corporation (TCorp) maturing between 2021 to 2030. TCorp manages the debt portfolio on behalf of PMNSW based on an agreement between the parties.

T-Corp has confirmed PMNSW's cost of debt for the year as at 30 June 2020 was 4.90% (see below).

Total Relative Market Value Performance	Month	FYTD	12 Month
Market Value Cost Of Funds	0.47%	4.90%	4.90%

26. Numbers and remuneration of senior executives

See Human Resources.

27. Credit card certification

PMNSW relies on the DPIE Purchase Card Policy that complies with NSW Treasury's TD 205.01. Cardholders are required to observe the policy and complete a reconciliation form each month, which is authorised by PMNSW's CEO Government Information (Public Access) Act 2009

28. Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information.

Statistical information relating to formal applications under the GIPA Act is provided in the DPIE Annual Report Government Information (Public Access) statistics.

Review of proactive release program

Under section 7(3) of the GIPA Act, agencies must review their proactive release of government information program at least once every 12 months.

PMNSW complies with this Act by proactively releasing information on the NSW Department of Planning, Industry and Environment website www.planning.nsw.gov.au

29. Assessment Approvals

In fulfillment of our heritage and conservation obligations, during 2019/20 the Authority's Strategic Planning Team processed the following applications:

- 284 applications for land owner's consent (LOC)
- 79 heritage applications under delegation from the NSW Heritage Council:
    - s.60 applications (13 applications; av. 3 days – vs statutory timeframe 40 days)*
    - s.57(2) exemptions (63 applications; av. 2 days – vs statutory timeframe 10 days)
    - s.140 excavation permits (0 applications)
    - s.139 exceptions (3 applications; av. 5 days - vs statutory timeframe 10 days)

30. Public Interest Disclosures

As staff members are employees of DPIE, PMNSW has adopted and adhered to the DPIE Public Interest and Disclosures Policy. All staff members are advised of this policy by means of the Code of Conduct and intranet access.

There were no public interest disclosures made by PMNSW officials for the period 1 July 2019 to 30 June 2020.

31. Exemptions and nil reports

Reporting requirement	Reason for exemption
Economic or other factors	N/A
Legal change	No legal change.
Land disposal	In 2019-20 PMNSW sold two properties, one of those sold for less than $5million. The other was sold on a 99 year lease. PMNSW keeps a register of government contracts. All contracts greater than $150,000 are released on the site https://tenders.nsw.gov.au/.
Agreements with Multicultural NSW	PMNSW does not have any agreements with Multicultural NSW under the *Multicultural Act 2000*.
Implementation of price determination	PMNSW is not subject to determinations or recommendations of the Independent Pricing and Regulatory Tribunal of NSW.
Promotion	No PMNSW employees undertook overseas travel to promote or develop the business during the reporting period.
Disclosure of controlled entities	N/A
Disclosure of subsidiaries	PMNSW does not control or hold shares in any subsidiaries within the meaning of the *Corporations Act 2001 (Cth.).*
Investment Performance	PMNSW does not have an investment portfolio.
Requirements arising from employee arrangements	N/A
Research and Development	N/A

32. Events after the reporting period

On 16 July 2020, the Minister announced the formation of a new independent advisory committee to guide the creation of great places across NSW, with coordinated oversight to drive better outcomes for the people of NSW. The Placemaking NSW Advisory Committee, chaired by former Federal Minister Helen Coonan, will provide strategic advice on the management of precincts including The Rocks, Darling Harbour and Sydney Olympic Park, and provide guidance on the work of the Hunter and Central Coast Development Corporation (HCCDC). Advisory Committee members include: Helen Coonan (Chair); David Borger; Bridget Smyth; Tony McCormick; Romilly Madew; Sam Romaniuk and Alex O'Mara.

Place Management NSW

Annual Report 2019-2020
including Luna Park Reserve Trust Annual Report 2019-2020

- Financial statements for the year ended 30 June 2020

INDEPENDENT AUDITOR'S REPORT

Place Management NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Place Management NSW, which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the Place Management NSW's financial position as at 30 June 2020 and of their performance and 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 Place Management NSW in accordance with the requirements of the:

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

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 Place Management NSW's annual report for the year ended 30 Jun 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Members of the Board of Place Management NSW is 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.

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, 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 Place Management NSW's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

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

- that Place Management NSW 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.

Min Lee

Director, Financial Services

Delegate of the Auditor-General for New South Wales

10 November 2020 SYDNEY

Place Management NSW

Financial Statements

For the Year Ended 30 June 2020

Statement by Members

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, on behalf of Place Management NSW, we declare that in our opinion:

(a) The accompanying financial statements exhibit a true and fair view of Place Management NSW's financial performance for the year ended 30 June 2020 and financial position as at 30 June 2020; and

(b) The financial statements comply with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions mandated by the Treasurer.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

The Hon. Helen Coonan
Chair
Place Management NSW

Date: 3 November 2020

Sam Romaniuk
Chief Executive Officer
Place Management NSW

Date: 3 November 2020

PLACE MANAGEMENT NSW

Start of Audited Financial Statements

Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	Actual 2020 $'000	Actual 2019 $'000
Continuing Operations			
Expenses excluding losses			
Operating Expenses:			
Property related	2(a)	120,921	158,317
Personnel services	2(b)	8,897	-
Other operating expenses	2(c)	36,712	53,643
Depreciation and amortisation	2(d)	82,741	82,668
Finance costs	2(e)	71,710	72,337
Total Expenses Excluding Losses		**320,981**	**366,965**
Revenue			
Sale of goods and services	3(a)	144,669	180,882
Investment revenue	3(b)	15,626	14,531
Grants and contributions	3(c)	68,925	84,888
Other revenue	3(d)	27,282	13,228
Total Revenue		**256,502**	**293,529**
Gain/(loss) on disposal of non-current assets	4(a)	5,062	(65)
Other gains/(losses)	4(b)	33,725	16,241
Net result before income tax equivalent		**(25,692)**	**(57,260)**
Income tax equivalent	5(a)	-	-
Net Result After Income Tax Equivalent		**(25,692)**	**(57,260)**
Other comprehensive income			
Items that will not be reclassified to net result:			
Net increase/(decrease) in property, plant and equipment revaluation surplus	17(a)	11,342	31,616
Total other comprehensive income		**11,342**	**31,616**
TOTAL COMPREHENSIVE INCOME/(LOSS)		**(14,350)**	**(25,644)**

[The accompanying notes form part of these financial statements]

PLACE MANAGEMENT NSW

Statement of Financial Position

As at 30 June 2020

	Note	Actual 2020 $'000	Restated Actual 2019 $'000	Restated Actual 1 July 2018 $'000
ASSETS				
Current Assets				
Cash and cash equivalents	6(a)	142,464	143,697	178,457
Receivables	7(a)	46,177	117,090	63,120
Inventories	8(a)	634	703	758
Non-current assets held for sale		-	-	25,000
Total Current Assets		**189,275**	**261,490**	**267,335**
Non-Current Assets				
Receivables	7(a)	142,832	135,913	145,267
Investment properties	9(a)	633,165	634,927	614,532
Property, plant and equipment	10(a)			
Land and buildings		456,230	475,303	449,984
Finance lease assets		1,105,269	1,136,484	1,223,721
Infrastructure		174,919	104,542	101,725
Plant and equipment		30,566	26,426	26,291
Art and artefacts		11,980	11,917	11,788
Work in progress		6,944	53,108	42,646
Total property, plant and equipment		1,785,908	1,807,780	1,856,155
Intangible assets	12(a)	-	5	575
Total Non-Current Assets		**2,561,905**	**2,578,625**	**2,616,529**
TOTAL ASSETS		**2,751,180**	**2,840,115**	**2,883,864**
LIABILITIES				
Current Liabilities				
Trade and other payables	13(a)	74,769	104,190	114,087
Borrowings	14(a)	1,669	1,341	12,207
Provisions	15(a)	3,470	8,322	5,688
Other liabilities	16	1,637	4,064	5,460
Total Current Liabilities		**81,545**	**117,917**	**137,442**
Non-Current Liabilities				
Borrowings	14(a)	1,330,646	1,336,008	1,340,697
Other liabilities	16	31,714	34,030	33,027
Total Non-Current Liabilities		**1,362,360**	**1,370,038**	**1,373,724**
TOTAL LIABILITIES		**1,443,905**	**1,487,955**	**1,511,166**
NET ASSETS		**1,307,275**	**1,352,160**	**1,372,698**
EQUITY				
Asset revaluation reserve	17(a)	185,285	173,943	142,327
Accumulated funds	17(b)	1,121,990	1,178,217	1,230,371
TOTAL EQUITY		**1,307,275**	**1,352,160**	**1,372,698**

[The accompanying notes form part of these financial statements]

PLACE MANAGEMENT NSW

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Note	Accumulated Funds $'000	Asset Revaluation Reserve $'000	Total Equity $'000
Balance at 1 July 2019		**1,178,217**	**189,093**	**1,367,310**
Correction of prior period errors	22	-	(15,150)	(15,150)
Restated Balance at 1 July 2019		**1,178,217**	**173,943**	**1,352,160**
Net Result for the Year		(25,692)	-	(25,692)
Other comprehensive income				
Net increase/(decrease) in property, plant and equipment revaluation surplus	17(a)	-	11,342	11,342
Total other comprehensive income		-	11,342	11,342
Total comprehensive income for the Year		(25,692)	11,342	(14,350)
Transactions with Owners as Owners				
Financial Distributions	17(b)	(30,535)	-	(30,535)
Total Transactions with Owners as Owners		(30,535)	-	(30,535)
Balance at 30 June 2020		**1,121,990**	**185,285**	**1,307,275**

	Note	Accumulated Funds $'000	Restated Asset Revaluation Reserve $'000	Restated Total Equity $'000
Balance at 1 July 2018		**1,230,371**	**157,477**	**1,387,848**
Correction of prior period errors	22	-	(15,150)	(15,150)
Restated balance at 1 July 2018		**1,230,371**	**142,327**	**1,372,698**
Net Result for the Year		(57,260)	-	(57,260)
Other comprehensive income				
Net increase/(decrease) in property, plant and equipment revaluation surplus	17(a)	-	31,616	31,616
Total other comprehensive income		**-**	**31,616**	**31,616**
Total comprehensive income for the Year		**(57,260)**	**31,616**	**(25,644)**
Transactions with owners as owners				
Net increase/(decrease) in net assets from equity transfers	17(b)	5,106	-	5,106
Total transactions with owners as owners		**5,106**	**-**	**5,106**
Restated Balance at 30 June 2019		**1,178,217**	**173,943**	**1,352,160**

[The accompanying notes form part of these financial statements]

PLACE MANAGEMENT NSW

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	Actual 2020 $'000	Actual 2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to suppliers (inclusive of GST)		(219,879)	(267,882)
Personnel Services Expenses		(8,897)	-
Finance costs		(39,707)	(40,237)
Other		(9,221)	(9,226)
Total Payments		**(277,704)**	**(317,345)**
Receipts			
Receipts from customers (inclusive of GST)		231,933	206,969
Interest received		324	1,133
Grants and contributions		68,925	84,888
Total Receipts		**301,182**	**292,990**
NET CASH FLOWS FROM OPERATING ACTIVITIES	6(c)	**23,478**	**(24,355)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(13,678)	(4,850)
Proceeds from sale of property, plant and equipment		24,536	10,000
NET CASH FLOWS FROM INVESTING ACTIVITIES		**10,858**	**5,150**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		(1,341)	(12,207)
Payment of Tcorp borrowings		(3,693)	(3,348)
Financial Distributions		(30,535)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(35,569)**	**(15,555)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,233)**	**(34,760)**
Opening cash and cash equivalents		143,697	178,457
CLOSING CASH AND CASH EQUIVALENTS	6(a)	**142,464**	**143,697**

[The accompanying notes form part of these financial statements]

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Place Management NSW (PMNSW) was established under the *Place Management NSW Act 1998* ("the Act") and is responsible for Sydney’s most historically and culturally significant waterfront locations - principally within The Rocks and Darling Harbour precincts in Sydney. These responsibilities include the care, protection, management and promotion of this land and its important buildings. Place Management NSW also manages significant commercial and retail leases, provides security, cleaning, building maintenance and other asset management services, and cares for the public domain and over 100 heritage items.

PMNSW commenced operations in 1998 and is domiciled in Australia. Its principal business address is Foreshore House, 66 Harrington St, The Rocks, Sydney NSW 2000. PMNSW is indirectly consolidated as part of the NSW Total State Sector Accounts.

As a result of Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019, in pursuance of part 7 of the *Constitution Act 1902* , PMNSW was transferred from Department of Finance, Services and Innovation (DFSI) cluster to a newly created Department of Planning, Industry and Environment (DPIE) cluster, effective 1 July 2019.

These financial statements for the year ended 30 June 2020 have been authorised for issue by PMNSW's Board on 3 November 2020.

(b) Basis of Preparation

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

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

Property, plant and equipment, assets held for sale and investment property are measured at fair value. Borrowings are initially measured at the fair value of the consideration received and subsequently using the effective interest method. Other financial report items are prepared in accordance with the historical cost convention except where specified otherwise.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information.

In the application of PMNSW’s accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements.

PMNSW has assessed its profit status for the year ended 30 June 2020 and determined its status as not-for-profit for financial reporting purposes, as profit is not its principle objective. All amounts are rounded to the nearest one thousand dollars ($'000) and are expressed in Australian currency.

(c) Statement of Compliance

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

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

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

(i) amount of GST incurred by PMNSW as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of the expense; and
(ii) receivables and payables are stated inclusive of the amount of GST included.
(iii) commitment amounts disclosed in the financial statements include the amount of GST recoverable from, or payable to, the Australian Taxation Office.

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

(e) Comparative information

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

(f) Fair Value Measurement and Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of PMNSW's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. 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 PMNSW categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices in active markets for identical assets/liabilities that PMNSW 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).

PMNSW recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer to Notes 9, 10, 11, 12 and 19 for further disclosures regarding fair value measurements of financial and non-financial assets.

(g) Changes in Accounting Policy including New or Revised Australian Accounting Standards

(i) Effective for the First Time in 2019-20

PMNSW applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019-20, but do not have an impact on the financial statements of PMNSW.

- **AASB 15 Revenue from Contracts with Customers**

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, PMNSW has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. PMNSW has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all of the modifications that occur before 1 July 2018 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The adoption of AASB 15 did not have any significant impact on PMNSW's financial statements.

- **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 replaces most of the existing requirements in AASB 1004 Contributions. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, PMNSW has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. PMNSW has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, are not restated to their fair value.

The adoption of AASB 1058 did not have any significant impact on PMNSW's financial statements.

- **AASB 16 Leases**

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the entity is the lessor.

Lessee accounting

AASB 16 requires PMNSW to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, PMNSW recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives and initial direct costs.

PMNSW has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In applying AASB 16 for the first time, PMNSW has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The adoption of AASB 16 did not have any significant impact on PMNSW's financial statements as PMNSW is a lessor and not lessee in its leasing arrangements except for existing ICC finance lease liability arrangement.

- **AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059**

This Standard makes amendments to AASB 1059 Service Concession Arrangements: Grantors (July 2017). This Standard amends the mandatory effective date (application date) of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019.

PMNSW have opted to defer the implementation of AASB 1059 until 1 July 2020, under the direction of the NSW Treasury, as the TSSA will be including AASB 117 "Leases" disclosures for Privately Financed Project arrangements as per the requirements of TPP06-8 Accounting for Privately Financed Projects.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods.

- AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors will apply to annual reporting periods beginning on or after 1 January 2020. The standard requires the grantor to recognise a service concession asset, at current replacement cost, in a service concession arrangement where it controls the asset. A corresponding liability is also recognised depending on the nature of the consideration exchanged.

The adoption of AASB 1059 is expected to increase PMNSW's financial liability related to ICC Sydney by around $459 millions, from $257 milions to $716 millions at 1 July 2020 due to remeasurement using incremental borrowing rate at 1 July 2020. Finance Leased Assets in relation to ICC Sydney which is currently accounted for under TPP 6-08 is expected to be reclassified to Service Consession Assets under AASB 1059.

The impact of the following standards in the period of initial application is not expected to be significant:

• AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business
• AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
• AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework
• AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059
• AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform
• AASB 17 Insurance Contracts
• AASB 2020-1 Classification of Liabilities as Current or Non-current
• AASB 1060 Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

(h) COVID-19 and Delayed 2020-21 NSW Budget

COVID-19 caused a significant decrease in PMNSW's Venue Hire, Parking and Rental revenue in the last quarter of 2019-20. However the decrease in revenue was compensated by the one-off additional grant income from the State Government. NSW Government has announced that the 2020-21 NSW Budget will be deferred from June 2020 until later in the year. The delayed 2020-21 NSW Budget is not expected to have any significant impact on PMNSW's operation as PMNSW has the legal right to draw down on the Consolidated Fund through DPIE Principal Department arising from the Treasurer authorising expenditure under section 4.10 of the GSF Act. In particular, the temporary measures introduced for COVID-19. Therefore it is appropriate for the 2019-20 Financial Statements to be prepared under going concern basis.

2. EXPENSES EXCLUDING LOSSES

(a) Property Related Expenses

	2020 $'000	2019 $'000
Major Assets Expenses:		
Contractor Expenses	46,645	55,017
Operating Expenses	22,766	52,974
Management Fees	20,171	23,668
Place Management Expenses (i)	26,697	23,273
Other Expenses	4,642	3,385
	120,921	**158,317**

(i) Place management expenses include security, cleaning, waste management, utilities, taxes, and horticultural services.

(b) Personnel Services

	2020 $'000	2019 $'000
Salaries and Wages (including Recreation Leave)	7,985	-
Payroll Tax and Fringe Benefits Tax	391	-
Superannuation	521	-
Total Personnel Services	**8,897**	**-**

From 28 January 2017 to 30 June 2019, all administrative and operational services (including personnel services) to enable PMNSW to exercise its functions, were transferred to Property NSW (PNSW) under formal agreement. Services provided by Property NSW to PMNSW were recognised as an administration charge within Other Operating Expenses under Shared Service Fees (Note 2(c)).

From 1 July 2019, personnel services were provided by DPIE and recognised under Personnel Services expenses.

(c) Other Operating Expenses

	2020 $'000	2019 $'000
Administration	1,195	3,957
Information & Technology Expenses	265	458
Contractors	2,555	2,725
Consultants	588	622
Legal Fees	759	1,462
Auditor's Remuneration - Audit of Financial Statements	270	286
Allowance for Impairment of Receivables, Net of Recovery	211	(197)
Marketing and Advertising	6,089	6,220
Shared Service Fees (i)	5,046	10,307
Repairs and Maintenance (ii)	18,718	26,869
Insurance (iii)	1,016	934
	36,712	**53,643**

(i) Shared Service Fees include fees charged by GovConnectNSW for shared transactional services, by DCS for corporate services provided under the DCS Corporate Operating Model arrangements and by Property NSW for all administrative and operational services (including personnel services up to 30 June 2019) to enable the PMNSW to exercise its functions. The decrease in Shared Service Fees in 2019-20 is mainly due to change in personnel services provider from PNSW to DPIE since 1 July 2019 (Note 2(b)).

(ii) Reconciliation of Total Maintenance Expense:

	2020 $'000	2019 $'000
Maintenance expense - contracted labour and other (Note 2(b))	18,718	26,869
Total Maintenance Expense	**18,718**	**26,869**

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.

(iii) PMNSW holds insurance policies covering property, public liability, workers compensation, directors' liability and other contingencies. These insurance covers are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The premium is determined by the Fund Manager based on past claims experience and the insurance coverage is reviewed periodically to ensure that it is adequate.

(d) Depreciation and Amortisation Expense:

	2020 $'000	2019 $'000
Depreciation of Property, Plant and Equipment (Note 10(a))	82,736	82,098
Amortisation of Intangible Assets (Note 12(b))	5	570
	82,741	**82,668**

Recognition and Measurement - Depreciation and Amortisation

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 by PMNSW. Estimates of remaining useful lives are made on an annual basis. All material separately identifiable components of assets are depreciated over their shorter useful lives.

The following asset useful lives have been applied:

Asset Class	2020 Years	2019 Years
Buildings and Improvements	40	40
Infrastructure	10-200	10-200
Leasehold Improvements	3	3
Plant and Equipment	3-33	3-33
Intangible Assets	3-5	3-5

Land is also not depreciated as land is not a depreciable asset. Art and artefacts may not have a limited useful life because appropriate curatorial and preservation policies are adopted.

In accordance with AASB 5 "Non-current Assets Held for Sale and Discontinued Operations", any assets held for sale are not depreciated.

(e) Finance Costs

	2020 $'000	2019 $'000
TCorp Interest on Borrowings (i)	32,003	32,099
Finance Lease Interest Charges (Note 14(b))	39,707	40,238
	71,710	**72,337**

(i) Borrowing costs comprise mainly interest on borrowings and finance lease interest charges. In accordance with Treasury's Mandate for the not-for-profit general government sector agencies, borrowing costs are expensed and recognised in the Statement of Comprehensive Income in the period in which they are incurred.

3. REVENUE

Recognition and Measurement - Revenue

PMNSW recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of the asset. Revenue is measured at the amount of the transaction price that is agreed under the contract. When determining the transaction price, Management considers the effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration, and consideration to a customer.

Additional comments regarding the accounting policies for the recognition and measurement of revenue are noted within each revenue category below.

(a) Sale of Goods and Services

	2020 $'000	2019 $'000
Property Rental Income (i)	55,101	54,714
Major Assets Income (ii):		
Venue Hire Revenue	80,665	115,667
Parking Revenue	8,903	10,501
	144,669	**180,882**

(i) Property Rental Income

	2020 $'000	2019 $'000
Operating Lease Revenue	55,065	54,644
Long Term Operating Lease Revenue (Note 17)	36	70
	55,101	**54,714**

Future Minimum Lease Receipts under Non-Cancellable Operating Leases as Lessor

	2020 $'000	2019 $'000
Receivable within one year	35,722	29,665
Receivable later than 1 year but not later than 5 years	107,007	74,869
Receivable later than 5 years	798,589	236,493
Total Including GST	**941,318**	**341,027**

The above represents future minimum lease receipts on PMNSW's owned properties. Future minimum lease receipts as at 30 June 2020 include GST payable of $86 million ($31 million at 30 June 2019).

Operating lease income is recognised in accordance with AASB 16 "Leases". Lease income from operating leases where PMNSW is the lessor is recognised as income in the Statement of Comprehensive Income on a straight-line basis over the lease term. Contingent rental income is recognised as income in the period in which it is earned.

Leases are entered into at market rates and on commercial terms. Regular market valuations and tendering processes are carried out to ensure commercial arrangements are maintained. Annual rents are varied by either a CPI review, a market review, on a fixed basis, or the greater of a percentage of gross income or land value. Lease terms vary between 1 year and 99 years.

(ii) Amounts received upfront for events held at major asset venues are recognised contract liabilities in accordance with AASB 15 "Contracts with Customers". The revenue is then recognised as venue hire revenue once performance obligations are met.

Major assets parking revenue is recognised from Casual Car Parking, Permanent Car Parking, Vending Machines and Parking Voucher Sales.

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2020

(b) Investment Revenue

	2020 $'000	2019 $'000
Property Finance Lease Income ((i) and Note 7(c))	15,302	13,398
Interest Earned (ii)	324	1,133
	15,626	**14,531**

(i) Income from finance leases as lessor includes contingent rent of $6.4 million in 2019-20 ($3.9 million in 2018-19). Contingent rent is calculated as the difference between the current lease payments and the minimum lease payments which were determined at the initial recognition of the finance lease arrangement.

Finance lease income is recognised in accordance with AASB 16 "Leases". Lease income from finance leases where PMNSW is the lessor is recognised as income in the Statement of Comprehensive Income over the lease period so as to allocate finance income over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant period return on PMNSW’s net investment in the lease.

The estimated unguaranteed residual value used in computing PMNSW's gross investment in each lease is reviewed regularly. If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect of amounts accrued is recognised immediately. Contingent rent from finance leases as lessor is recognised as income in the period in which it is earned. Contingent rental income is generally determined based on a percentage of tenant's revenue or sales.

(ii) Interest revenue is recognised using the effective interest method as set out in AASB 9 "Financial Instruments: Recognition and Measurement". Interest earned is received on all PMNSW bank accounts.

(c) Grants and Contributions

	2020 $'000	2019 $'000
State Government Contribution (i)	68,925	84,888
	68,925	**84,888**

(i) Grant revenue comprises funding from the NSW Government for the Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) costs. The grant provides funding for any shortfall experienced by PMNSW in relation to SICEEP expenditures not covered by SICEEP revenues without further conditions.

(d) Other Revenue

	2020 $'000	2019 $'000
Refinancing Gain - Finance Lease	793	741
Development Contributions	3	34
Marketing Revenue (i)	3,856	4,758
Major Asset Revenue	16,627	3,922
Other	6,003	3,773
	27,282	**13,228**

(i) Marketing revenue mostly is recognised from venue hire and advertising revenue at The Rocks and Darling Harbour precincts.

4. GAINS AND LOSSES

(a) Gain/(Loss) on Disposal of Non-Current Assets

	2020 $'000	2019 $'000
Net Proceeds from Disposal of Non-Current Assets	24,536	9,935
Written Down Value (Notes 9(b) and 10(a))	(19,474)	(10,000)
Net Gain/(Loss) on Disposal	**5,062**	**(65)**

(b) Other Gains/(Losses)

	2020 $'000	2019 $'000
Fair Value Increment on Investment Property and Finance Lease Assets Revaluation (Notes 9(b) and 10(a))	32,383	12,041
Gain on Recognition of Plant and Equipment	1,342	-
Gain on Recognition of Finance Lease	-	4,200
Other Gains/(Losses)	**33,725**	**16,241**

5. INCOME TAX EQUIVALENT

(a) Income Tax Equivalent Calculation

	2020 $'000	2019 $'000
Net result before income tax equivalent	**(25,692)**	**(57,260)**
Prepaid Rental Revenue - Long Term Leases (Note 3(a)(i))	(36)	(37)
Fair Value Increment on Investment Property Revaluation (Note 4(b))	(32,383)	(12,041)
Grant Revenue (Note 3(c))	(68,925)	(84,888)
Finance Revenue - Long Term Leases (Note 3(b))	(15,302)	(13,398)
Rental Received- Finance Leases	15,302	13,398
Notional Taxable Surplus/(Deficit)	**(127,036)**	**(154,226)**
Income Tax Equivalent Calculated at 30% of Notional Taxable Surplus	-	-
Total Income Tax Equivalent	**-**	**-**

Recognition and Measurement - Income Tax Equivalent

In accordance with TPP 03-04 "Tax Equivalent Regime For Government Business", PMNSW is subject to paying tax equivalents calculated based on the accounting profit model at the prevailing company tax rate 30%. As per Treasury policy, prior year losses cannot be used to reduce accounting profits. PMNSW has obtained approval from the Revenue NSW to exclude the following additional items from its accounting profit for the purpose of calculating its income tax equivalent liability:

- amortised leased income for long-term leases entered into before 1 January 2007;
- unrealised movements in the fair value of PMNSW’s investment properties;
- gain or loss on revaluation of property, plant and equipment;
- finance revenue on long term leases; and
- Treasury grants for the Sydney International Convention, Exhibition and Entertainment Precinct development.

In accordance with the NSW Treasury requirements under the Tax Equivalent Regime, PMNSW does not practice tax effect accounting.

6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(a) Cash and Cash Equivalents

	2020 $'000	2019 $'000
Cash at Bank and On Hand		
Operating Funds	139,969	141,733
Restricted Cash (b)	2,495	1,964
	142,464	**143,697**

Cash and Cash Equivalents in the Statement of Financial Position include cash at bank and in hand. Interest is earned on daily bank balances at Reserved Bank of Australia's cash rate.

Interest Rate Risk

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which PMNSW operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2017. The analysis assumes that all other variables remain constant.

Exposure to interest rate risk arises primarily through PMNSW's cash and cash equivalents. PMNSW 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 (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. PMNSW's exposure to interest rate risk is set out below.

Interest Rate Risk - 2020	**Carrying Amount $'000**	**-1%**		**+1%**	
		Profit $'000	**Equity $'000**	**Profit $'000**	**Equity $'000**
Financial Assets					
Cash and Cash Equivalents	142,464	(1,425)	(1,425)	1,425	1,425

Interest Rate Risk - 2019	**Carrying Amount $'000**	**-1%**		**+1%**	
		Profit $'000	**Equity $'000**	**Profit $'000**	**Equity $'000**
Financial Assets					
Cash and Cash Equivalents	143,697	(1,437)	(1,437)	1,437	1,437

(b) Restricted Cash

	2020 $'000	2019 $'000
Opening Restricted Cash at Start of Year	1,964	1,567
Funds Received	846	483
Interest Received	2	2
Maintenance Expenses Paid	(317)	(88)
Restricted Cash at the End of the Year	**2,495**	**1,964**

The YHA Sinking Fund, Cadi Park Seawall Fund and Precinct Activation Fund, included in cash, are restricted in application under the lease agreements. Funds can only be spent on maintenance of Sydney Harbour YHA, Cadi Park Seawall and Precinct Activation activities as defined in the lease agreements.

(c) Reconciliation of Cash Flows from Operating Activities to Net Result After Income Tax Equivalent

	2020 $'000	2019 $'000
Net Cash Flows from Operating Activities	**23,478**	**(24,355)**
Non Cash Revenues/(Expenses):		
Depreciation and Amortisation	(82,741)	(82,668)
Gain/(Loss) on Disposal of Non-Current Assets	5,062	(65)
Other Gains/(Losses)	33,725	16,241
Changes in Operating Assets and Liabilities:		
(Decrease)/Increase in Inventories	(69)	(56)
(Decrease)/Increase in Receivables	(44,784)	17,800
Decrease/(Increase) in Creditors	30,081	20,541
Decrease/(Increase) in Provisions	4,851	(2,633)
Decrease/(Increase) in Lease Receipts in Advance	175	(104)
Decrease/(Increase) in Revenue in Advance	4,530	1,188
Net Result After Income Tax Equivalent	**(25,692)**	**(54,111)**

(d) Non-Cash Investing and Financing Activities

The following transactions did not involve the use of cash or cash equivalents and are therefore not included in the Statement of Cash Flows.

Non-Cash Investing and Financing Activities	2020 $'000	2019 $'000
Reclassification of infrastructure assets from Finance Lease Receivable to Property, Plant and Equipment (Note 7(c) and 11(a))	19,830	-
Property transferred from other Government Agency (Note 18(b))	-	5,106
Non-Cash Investing and Financing Activities	**19,830**	**5,106**

7. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

(a) Receivables - Current and Non-Current

	2020 $'000	2019 $'000
Current		
Trade Receivables:		
Rental Debtors	12,297	5,725
Less: Allowance for expected credit losses (i)	(182)	-
Sundry Debtors	3,394	5,302
Subtotal - Trade Receivables	15,509	11,027
Other Receivables:		
Finance Lease Receivables (c)	19,215	95,672
Lessee Lease Incentives (d)	365	258
Goods and Services Tax Recoverable	7,237	3,288
Prepayments and Accrued Revenue	3,851	6,845
Total Current Receivables	**46,177**	**117,090**
Non-Current		
Other Receivables:		
Finance Lease Receivables (c)	141,037	134,881
Non-Current Lease Incentive (d)	1,795	1,032
Total Non-Current Receivables	**142,832**	**135,913**

(b) Allowance for expected credit losses

(i) Movement in the allowance for expected credit losses

	2020 $'000	2019 $'000
Balance at 1 July	-	(197)
(Increase)/Decrease in allowance recognised in net results	(182)	197
Carrying Amount at 30 June 2020	**(182)**	**-**

(c) Finance Lease Receivables

	2020 $'000	2019 $'000
Movement:		
Carrying Amount at 1 July	230,553	186,665
Addition	-	34,306
Lease Payments Received	(65,773)	(3,816)
Reclassification to Infrastructure Asset (Note 11(a)	(19,830)	-
Property Finance Lease Income (Note 3(b))	15,302	13,398
Carrying Amount at 30 June	**160,252**	**230,553**

(i) Reconciliation between Gross Investment in Finance Leases as Lessor and the Present Value of the Minimum Lease Payments Receivable

Gross Investment in Finance Leases as Lessor	8,729,197	8,712,972
Less: Unearned Finance Income	(8,568,945)	(8,482,419)
Present Value of the Minimum Lease Payments Receivable	**160,252**	**230,553**

(ii) Aged Reconciliation of the Gross Investment in Finance Leases as Lessor

Not later than one year	19,580	99,020
Later than one year and not later than five years	26,249	25,121
Later than five years	8,683,368	8,588,831
Gross Investment in Finance Leases as Lessor	**8,729,197**	**8,712,972**

(iii) Aged Reconciliation of the Present Value of the Minimum Lease Payments Receivable

Not later than one year	19,215	95,674
Later than one year and not later than five years	19,832	19,406
Later than five years	121,205	115,473
Present Value of the Minimum Lease Payments Receivable	**160,252**	**230,553**

(iv) Finance leases as lessor, in which substantially all the risks and rewards incidental to legal ownership are transferred by PMNSW to the lessee, are classified in the Statement of Financial Position as Finance Lease Receivables and recognised at an amount equal to the net investment in the lease. Lessee finance lease payments are treated by PMNSW as repayment of principal and finance income over the lease term to reimburse and reward PMNSW’s investment and services. Lease payments relating to the period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

PMNSW's material leasing arrangements which give rise to finance lease receivables involve owned properties which are leased to tenants under lease terms of 50 years or more.

Land under a long term lease, where PMNSW is lessor, is classified as a finance lease if it satisfies the provisions of AASB 16 "Leases" and Treasury policy TPP 11-01 "Accounting Policy: Lessor classification of long-term land leases". For long term lease classified as finance lease, a finance lease receivable is recognised at lease commencement equal to the minimum lease payments plus any unguaranteed residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest rate implicit in the lease.

The unguaranteed residual value of all finance leases as lessor accruing to the benefit of PMNSW as at 30 June 2020 is $19.7 million ($21.5 million at 30 June 2019).

(d) Lessee Lease Incentives

Lease incentives include upfront cash payments to the lessee or the reimbursement or assumption by PMNSW, as the lessor, of costs of the lessee (such as relocation costs, leasehold improvements, fit-out contributions and costs associated with a pre-existing lease commitment). Alternatively, the initial period of the lease term may be agreed to be rent-free or at a reduced rent.

Operating lease incentives represent a reduction of rental income over the lease term and are recognised on a straight-line basis in accordance with Australian Standards and Interpretations.

(e) Recognition and Measurement - Receivables

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

(i) Subsequent measurement

PMNSW holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

(ii) Impairment

PMNSW 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 PMNSW expects to receive, discounted at the original effective interest rate.

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

(f) Credit Risk - Trade Debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer’s Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that PMNSW will not be able to collect all amounts due. This evidence includes past experience, 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.

PMNSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors which are not past due totalling $4.9 million ($55 million as at 30 June 2019) and debtors that are past due but not considered impaired totalling $15.3 million ($3.9 million as at 30 June 2019) together represent 98.8% (2019: 99.6%) of the total debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are rental debtors and sundry debtors. These are included within Receivables in the Statement of Financial Position.

8. CURRENT ASSETS - INVENTORIES

(a) Inventories

	2020 $'000	2019 $'000
Current		
Trading Stock (b)	634	703
Total Current Inventories	**634**	**703**

(b) Recognition and Measurement - Inventories

Trading stock are stated at the lower of cost and net realisable value. Cost of stock are determined after deducting rebates and discounts. 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 sales. PMNSW's trading stock is the inventories (food, beverage and consumables) held by the International Convention Centre Sydney.

9. NON-CURRENT ASSETS - INVESTMENT PROPERTIES

(a) Investment Property

	2020 $'000	2019 $'000
Non-Current		
Investment Properties		
At Fair Value	633,165	634,927
Carrying Amount at 30 June	**633,165**	**634,927**

(b) Reconciliation of Opening and Closing Carrying Amounts

	2020 $'000	2019 $'000
Investment Properties		
Carrying Amount at 1 July	634,927	614,532
Disposals (Note 4(a))	(15,792)	(10,000)
Net Gain/(Loss) from Fair Value Adjustments (Note 4(b))	14,030	30,395
Carrying Amount at 30 June	**633,165**	**634,927**

(c) Amounts Recognised in Profit and Loss for Investment Properties

	2020 $'000	2019 $'000
Rental Income	61,210	61,286
Direct Operating Expenses arising from:		
Investment Properties that Generated Rental Income	(4,679)	(12,047)
Investment Properties that did not Generate Rental Income	(762)	(1,212)
Total Recognised in Profit and Loss for Investment Properties	**55,769**	**48,027**

(d) Recognition and Measurement - Investment Properties

PMNSW owns properties held to earn rentals and/or for capital appreciation. These properties are classified by PMNSW as Investment Properties in accordance with AASB 140 "Investment Property". Investment properties are stated at fair value in the Statement of Financial Position, using the valuation technique that maximises the use of relevant observable inputs. Gains or losses arising from changes in fair value are included in the surplus for the year in the period in which they arise. No depreciation is charged on investment properties.

Investment properties are comprehensively revalued every three years with interim revaluations performed in the years between comprehensive revaluations. The last comprehensive revaluation was undertaken by independent valuers, AON Risk Services Australia on 31 March 2020. The valuation, which conforms to Australian Valuation Standards and Australian Accounting Standards, was arrived at by reference to market evidence of transaction prices for similar properties and by the capitalisation of income approach.

10. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(a) Total Property, Plant and Equipment

	2020 $'000	Restated 2019[1] $'000
Non-Current		
Land and Buildings		
At Fair Value	521,038	513,805
Less Accumulated Depreciation	(64,808)	(38,502)
Carrying Amount at 30 June	**456,230**	**475,303**
Finance Lease Assets		
At Fair Value	1,332,175	1,312,030
Less Accumulated Depreciation	(226,906)	(175,546)
Carrying Amount at 30 June	**1,105,269**	**1,136,484**
Infrastructure		
At Fair Value	292,132	208,939
Less Accumulated Depreciation	(117,213)	(104,397)
Carrying Amount at 30 June	**174,919**	**104,542**
Plant and Equipment		
At Fair Value	83,155	79,453
Less Accumulated Depreciation	(52,589)	(53,027)
Carrying Amount at 30 June	**30,566**	**26,426**
Art and Artefacts		
At Fair Value	11,980	11,917
Carrying Amount at 30 June	**11,980**	**11,917**
Work in Progress	**6,944**	**53,108**
Total Property, Plant and Equipment at 30 June	**1,785,908**	**1,807,780**
At Fair Value	2,247,424	2,179,252
Less Accumulated Depreciation	(461,516)	(371,472)
Total Property, Plant and Equipment at 30 June	**1,785,908**	**1,807,780**

1) The amounts as at 1 July 2018 and 30 June 2019 have been restated for the error set out in Note 22.

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2020

Reconciliation of Opening and Closing Carrying Amounts

	2020 $'000	Restated 2019[1] $'000
Land and Buildings (Includes Open Spaces and Roads)		
Carrying Amount at 1 July	475,303	449,984
Net Revaluation Increment/(Decrement)	(9,141)	31,412
Disposal	(3,682)	-
Depreciation Expense (Note 2(d))	(6,250)	(6,093)
Carrying Amount at 30 June	**456,230**	**475,303**
Finance Lease Assets		
Carrying Amount at 1 July	1,136,484	1,223,721
Net Revaluation Increment/(Decrement) Recognised in the Net Result	18,354	(18,354)
Net Revaluation Increment/(Decrement)	18,153	-
Depreciation expense (Note 2(d))	(67,722)	(68,883)
Carrying Amount at 30 June	**1,105,269**	**1,136,484**
Infrastructure		
Carrying Amount at 1 July	104,542	101,725
Additions	53,765	9,999
Transfer from Finance Lease Receivable (Note 7(c))	19,830	-
Transfer from Plant and Equipment(Note 10(a))	601	-
Net Revaluation Increment/(Decrement)	2,330	(3,755)
Depreciation Expense (Note 2(d))	(6,149)	(3,427)
Carrying Amount at 30 June	**174,919**	**104,542**
Plant and Equipment		
Carrying Amount at 1 July	26,426	26,291
Additions	7,356	
Transfer to Infrastructure(Note 10(a))	(601)	
Depreciation Expense (Note 2(d))	(2,615)	(3,695)
Net Revaluation Increment/(Decrement) Recognised in the Net Result		3,830
Carrying Amount at 30 June	**30,566**	**26,426**
Art and Artefacts		
Carrying Amount at 1 July	11,917	11,788
Additions	63	-
Net Revaluation Increment/(Decrement)	-	129
Carrying Amount at 30 June	**11,980**	**11,917**
Work in Progress		
Carrying Amount at 1 July	53,108	42,646
Additions	8,205	20,461
Transfer to Fixed Assets	(54,369)	(9,999)
Carrying Amount at 30 June	**6,944**	**53,108**
Total Property, Plant and Equipment at 30 June	**1,785,908**	**1,807,780**

1) The amounts as at 1 July 2018 and 30 June 2019 have been restated for the error set out in Note 22.

(b) Property, Plant and Equipment held and used by PMNSW

	2020 $'000
Non-Current	
Land and Buildings	
At Fair Value	105,450
Less Accumulated Depreciation	(61,317)
Carrying Amount at 30 June	**44,133**
Finance Lease Assets	
At Fair Value	1,332,175
Less Accumulated Depreciation	(226,906)
Carrying Amount at 30 June	**1,105,269**
Infrastructure	
At Fair Value	292,132
Less Accumulated Depreciation	(117,213)
Carrying Amount at 30 June	**174,919**
Plant and Equipment	
At Fair Value	83,155
Less Accumulated Depreciation	(52,589)
Carrying Amount at 30 June	**30,566**
Art and Artefacts	
At Fair Value	11,980
Carrying Amount at 30 June	**11,980**
Work in Progress	**6,944**
Total Property, Plant and Equipment at 30 June	**1,373,811**
At Fair Value	1,831,836
Less Accumulated Depreciation	(458,025)
Total Property, Plant and Equipment at 30 June	**1,373,811**

Reconciliation of Opening and Closing Carrying Amounts

	2020 $'000
Land and Buildings (Includes Open Spaces and Roads)	
Carrying Amount at 1 July	47,591
Net Revaluation Increment/(Decrement)	109
Depreciation Expense	(3,567)
Carrying Amount at 30 June	**44,133**
Finance Lease Assets	
Carrying Amount at 1 July	1,136,484
Net Revaluation Increment/(Decrement)	18,153
Net Revaluation Increment/(Decrement) Recognised in the Net Result	18,354
Depreciation expense	(67,722)
Carrying Amount at 30 June	**1,105,269**
Infrastructure	
Carrying Amount at 1 July	104,542
Additions	53,765
Transfer from Finance Lease Receivable (Note 7(c))	19,830
Transfer from Plant and Equipment	601
Net Revaluation Increment/(Decrement)	2,330
Depreciation Expense	(6,149)
Carrying Amount at 30 June	**174,919**

Plant and Equipment	
Carrying Amount at 1 July	26,426
Additions	7,356
Transfer to Infrastructure	(601)
Depreciation Expense	(2,615)
Carrying Amount at 30 June	**30,566**
Art and Artefacts	
Carrying Amount at 1 July	11,917
Additions	63
Carrying Amount at 30 June	**11,980**
Work in Progress	
Carrying Amount at 1 July	53,108
Additions	8,205
Transfer to Fixed Assets	(54,369)
Carrying Amount at 30 June	**6,944**
Total Property, Plant and Equipment at 30 June	**1,373,811**

(c) Property, Plant and Equipment where PMNSW is Lessor under Operating Leases

	2020 $'000
Non-Current	
Land and Buildings	
At Fair Value	415,588
Less Accumulated Depreciation	(3,491)
Carrying Amount at 30 June	**412,097**
Total Property, Plant and Equipment at 30 June	**412,097**

Reconciliation of Opening and Closing Carrying Amounts

	2020 $'000
Land and Buildings (Includes Open Spaces and Roads)	
Carrying Amount at 1 July	427,712
Net Revaluation Increment/(Decrement)	(9,250)
Disposal	(3,682)
Depreciation Expense	(2,683)
Carrying Amount at 30 June	**412,097**
Total Property, Plant and Equipment at 30 June	**412,097**

(d) Recognition and Measurement - Property, Plant and Equipment

(i) Acquisitions of Assets

Assets acquired are initially recognised at cost. 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 specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues 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 settlement of any part of cash consideration is deferred, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation Thresholds

Property, plant and equipment and intangible assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

Property development that gives rise to an effective and material increase in the future economic benefit of the property to PMNSW is capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with Treasury Policy and Guidelines Paper TPP 14-01 "Valuation of Physical Non-Current Assets at Fair Value". This policy adopts fair value in accordance with AASB 13 "Fair Value Measurement", AASB 116 "Property, Plant and Equipment" and AASB 140 "Investment Property".

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any social-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. PMNSW revalues each class of property, plant and equipment on an annual basis to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Land and Buildings, including open spaces and roads, are comprehensively revalued every three years with interim revaluations performed in the years between comprehensive revaluations. The last comprehensive revaluation was undertaken by independent valuers, AON Risk Services Australia (AON) on 31 March 2018.

Finance Lease assets as at 30 June 2020 comprise the International Convention Centre (ICC), Sydney. Finance Lease assets are comprehensively revalued every 3 years with interim revaluations performed in the years between comprehensive revaluations when it is necessary.

Infrastructure assets are revalued every five years. The last comprehensive revaluation was performed at 31 March 2019 by AON. Interim revaluations are conducted between comprehensive revaluations. An interim formal revaluation was completed on 31 March 2020 by AON.

AON also performed a comprehensive revaluation of Art and Artefacts at 30 June 2016. Art and Artefacts are revalued every 5 years.

The assets that were not revalued are also shown at fair value as the written down value approximates fair value. At reporting date there was no indication of impairment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. PMNSW has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

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 asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(iv) Finance Lease Assets

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits. Leases in which a significant portion of the risks and rewards of ownership are not transferred to PMNSW as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive income on a straight-line basis over the period of the lease.

Property, Plant and Equipment acquired under finance leases are recognised, at the commencement of the lease, at an amount equal to the fair value of the leased property, or if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as Finance Lease Liabilities under Borrowings (Note D2). Lease payments are allocated between the principal component of the lease liability and the finance cost (interest expense). The finance cost is charged to expenses over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

After recognition as an asset, an item of property, plant and equipment acquired under finance lease is measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Finance leased assets are revalued as part of the property, plant and equipment revaluation process.

The Finance Lease assets recognised by PMNSW as at 30 June 2020 comprise the International Convention Centre (ICC), Sydney. The ICC finance lease asset is being amortised over the life of the lease. The ICC commenced operation in December 2016 and as per Treasury Policy TPP 06-8 "Accounting for Privately Financed Projects", AASB 116 "Property, Plant and Equipment" and AASB 117 "Leases", was initially recognised at the lower of fair value and present value of the minimum lease payment. An equivalent Finance Lease liability was also recognised under Borrowings within the Statement of Financial Position (Note D2(b)). The project costs incurred by PMNSW during the construction phase of SICEEP project were identified as directly attributable to activities for the finance lease and were included in the calculation of the initial finance lease asset recognition.

(v) 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.

PMNSW assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, PMNSW 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. As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

(vi) Restoration Costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(vii) Major Inspection Costs

When each major inspection is performed, the labour cost of performing inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(viii) 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.

11. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

(a) Fair Value Hierarchy

2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total Fair Value $'000
Investment Properties (Note 9)	-	633,165	-	**633,165**
Property, Plant and Equipment (Note 10):				**-**
Land and Buildings	-	430,669	25,561	**456,230**
Finance Lease Assets	-	-	1,105,269	**1,105,269**
Infrastructure	-	-	174,919	**174,919**
Art and Artefacts	-	11,980	-	**11,980**
	-	**1,075,814**	**1,305,749**	**2,381,563**

2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Restated Total Fair Value[1] $'000
Investment Properties (Note 9)	-	634,927	-	**634,927**
Property, Plant and Equipment (Note 10):				
Land and Buildings	-	448,067	27,236	**475,303**
Finance Lease Assets	-	-	1,136,484	**1,136,484**
Infrastructure	-	-	104,542	**104,542**
Art and Artefacts	-	11,917	-	**11,917**
	-	**1,094,911**	**1,268,262**	**2,363,173**

1) The amounts as at 1 July 2018 and 30 June 2019 have been restated for the error set out in Note 22.

There were no transfers between Level 1 or 2 during 2019-20 (Nil in 2018-19).

(b) Valuation Techniques, Inputs and Processes

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation process refer to Note 11(c)(iii).

Class	Valuation Technique	Key Inputs
Investment Properties	Income approach (recurring) - assets are valued by converting income to a single current amount and includes present value techniques.	- Market rental income - Outgoings - Vacancy rate - Capitalisation rate
Land and Buildings	Market approach (recurring) - assets are valued based on comparable property sales transactions and where identical properties are not available, adjustments have been made to reflect the following characteristics of the asset, including condition, location or comparability of the asset.	- Comparable property sales values - Adjustments including condition, location, capital improvements or comparability of the asset
Specialised Buildings	Current replacement cost approach (recurring) - the assets' current replacement costs were calculated having regard to Rawlinson's Australian Construction Handbook 2015, with the costs then depreciated to reflect the assets lives already consumed.	- Capital improvements - Remaining useful lives - Current replacement cost estimates
Finance Lease Assets	The assets were recognised in 2016-17 financial year, they were valued by current replacement cost approach (recurring), same as the specialised buildings disclosed above.	- Capital improvements, remaining useful lives - Current replacement cost estimates
Infrastructure	Current replacement cost approach (recurring) - assets are valued based on the gross replacement cost of a modern equivalent asset which has been optimised for the particular purpose, which is then adjusted for depreciation to reflect the reduced lifespan of the original asset.	- Current unit replacement costs - Professional fees - Remaining useful lives
Art and Artefacts	Market approach (recurring) - assets are valued based on observable market selling prices involving identical or similar assets Cost approach (recurring) - assets are valued by referring to cost of constructing another asset that is either a replica of the original or one that could furnish equal utility.	- Market selling prices - Replication costs

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

2020	**Land and Buildings**	**Leased Assets**	**Infrastructure**	**Art and Artefacts**	**Total Recurring Level 3 Fair Value**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Fair Value as at 1 July	27,236	1,136,484	104,542	-	**1,268,262**
Additions	-		53,765	-	**53,765**
Transfer from Finance Lease Liability			19,830		**19,830**
Transfer between PPE		-	601	-	**601**
Revaluation Increment/(Decrement)	859	36,507	2,330	-	**39,696**
Depreciation	(2,534)	(67,722)	(6,149)	-	**(76,405)**
Transfer Level 3 to 2	-	-	-	-	**-**
Fair Value as at 30 June	**25,561**	**1,105,269**	**174,919**	**-**	**1,305,749**

2019	**Land and Buildings**	**Leased Assets**	**Infrastructure**	**Art and Artefacts**	**Total Recurring Level 3 Fair Value**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Fair Value as at 1 July	28,400	1,223,721	101,725	-	**1,353,846**
Additions	-	-	9,999	-	**9,999**
Revaluation Increment/(Decrement)	385	(18,354)	(3,755)	-	**(21,724)**
Depreciation	(1,549)	(68,883)	(3,427)	-	**(73,859)**
Transfer Level 3 to 2	-	-	-	-	**-**
Fair Value as at 30 June	**27,236**	**1,136,484**	**104,542**	**-**	**1,268,262**

12. INTANGIBLE ASSETS

(a) Intangible Assets

	2020 $'000	**2019 $'000**
Non-Current		
Intangible Assets - Computer Software		
Gross Carrying Amount	1,599	1,599
Less Accumulated Amortisation	(1,599)	(1,594)
Total Intangible Assets - Computer Software at 30 June	**-**	**5**

(b) Reconciliation of Opening and Closing Carrying Amounts

	2020 $'000	**2019 $'000**
Intangible Assets - Computer Software		
Carrying Amount at 1 July	5	575
Amortisation expense	(5)	(570)
Carrying amount at 30 June	**(0)**	**5**

(c) Recognition and Measurement - Intangible Assets

PMNSW recognises intangible assets only if it is probable that future economic benefits will flow to PMNSW and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for PMNSW's intangible assets, the assets are carried at cost less at cost less any accumulated amortisation.

PMNSW's intangible assets are amortised using the straight line method over a period of either three or five years. Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

13. CURRENT LIABILITIES - PAYABLES

(a) Payables

	2020 $'000	2019 $'000
Current		
Trade Creditors	1,280	15,052
Sundry Creditors and Accruals	42,320	42,496
Finance Lease Interest Accruals	14,149	15,064
Refundable Security Deposits and Bonds	350	392
Forward Deposits	16,670	31,186
Total Current Payables	**74,769**	**104,190**

(b) Recognition and Measurement - Payables

Payables represent liabilities for goods and services provided to PMNSW 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.

PMNSW's payables are all non-interest bearing. Payable items which are out of the scope of AASB 7 "Financial Instruments: Disclosures" have been excluded from the carrying amount shown in the Statement of Financial Position.

(c) Liquidity Risk

Liquidity risk is the risk that PMNSW will be unable to meet its payment obligations when they fall due. PMNSW 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 overdrafts, loans and other advances.

During the current and prior years, there were no defaults on any loans payable. No assets have been pledged as collateral. PMNSW’s exposure to liquidity risk is deemed insignificant based on prior periods’ data and current assessment of risk.

(d) Maturity Profile

All of PMNSW's trade payables, sundry payables and accruals have a maturity of less than 12 months (2019: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, PMNSW may automatically pay the supplier simple interest. The rate of interest applied by PMNSW accords with the current rate applicable under section 22 of the *Taxation Administration Act 1996.*

The tables below summarises the maturity profile and interest rate exposure of PMNSW’s other major payables.

Maturity Profile	Nominal Amount	Ageing < 1 yr	>1yr < 5 yrs	> 5 yrs
2020	**$'000**	**$'000**	**$'000**	**$'000**
Payables:				
Security Deposits	284	75	-	209
Casual Bonds	66	66	-	-
Forward Deposits	16,670	16,670	-	-
	17,020	**16,811**	**-**	**209**
2019				
Payables:				
Security Deposits	227	-	23	204
Casual Bonds	115	115	-	-
Forward Deposits	31,186	31,186	-	-
	31,528	**31,301**	**23**	**204**

Interest Rate Exposure	Weighted Average Effective Interest Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing
	%	**$'000**	**$'000**	**$'000**	**$'000**
2020					
Payables:					
Security Deposits	1.51%	284	-	284	-
Casual Bonds	-	66	-	-	66
Forward Deposits	-	16,670	-	-	16,670
		17,020	**-**	**284**	**16,736**
2019					
Payables:					
Security Deposits	1.51%	227	-	227	-
Casual Bonds	-	115	-	-	115
Forward Deposits	-	31,186	-	-	31,186
		31,528	**-**	**227**	**31,301**

Note: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the statement of financial position.

A maturity profile analysis of PMNSW's Finance Lease liabilities and other Borrowings is presented at Note 15(c).

14. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS

(a) Borrowings - Current and Non-Current

	2020 $'000	2019 $'000
Current		
Finance Lease Liabilities (b)	1,669	1,341
Total Current Borrowings	**1,669**	**1,341**
Non-Current		
Finance Lease Liabilities (b)	255,731	257,400
TCorp Borrowings (e)	1,074,915	1,078,608
Total Non-Current Borrowings	**1,330,646**	**1,336,008**

(b) Finance Lease Liabilities

	2020 $'000	2019 $'000
Movement:		
Carrying Amount at 1 July	258,741	270,948
Minimum Lease Payments	(41,048)	(52,445)
Finance Lease Interest Charges (Note 2(d))	39,707	40,238
Carrying Amount at 30 June	**257,400**	**258,741**

(c) Finance Lease Commitments

	2020 $'000	2019 $'000
Minimum Lease Payments:		
Payable within one year	41,099	41,048
Payable later than one year but not later than five years	164,396	164,075
Payable later than five years	687,067	718,635
Total Minimum Lease Payment Commitment	**892,562**	**923,758**
Finance Costs:		
Payable within one year	(39,430)	(39,707)
Payable later than one year but not later than five years	(154,650)	(155,692)
Payable later than five years	(441,082)	(469,618)
Total Finance Costs Commitment	**(635,162)**	**(665,017)**
Present Value of Finance Lease Commitments:		
Payable within one year	1,669	1,341
Payable later than one year but not later than five years	9,746	8,383
Payable later than five years	245,985	249,017
Total Present Value of Finance Lease Commitments	**257,400**	**258,741**

(d) Recognition and Measurement - Finance Lease Liabilities

The finance lease liabilities are determined in accordance with AASB 117 "Leases". PMNSW's finance lease liability comprises the lease on the International Convention Centre Sydney. The lease has a lease term of 25 years with the asset returned to PMNSW at the end of lease term. The discount rate implicit in the lease is 9.45% p.a. The lease liability is being amortised over the lease term.

(e) New South Wales Treasury Corporation (TCorp) Borrowings

On 2 January 2018, TCorp issued two interim loans with total value of $1,083.3 million to PMNSW for early payment of CDPD for its finance lease liability from SICEEP with Darling Harbour Live consortium. The 1,083.3 million TCorp Borrowings were recognised as a reduction of finance lease liability of $1,049.9 million.

On 8 February 2018, the principal balance of both interim loans were refinanced and replaced with the Final TCorp loan portfolio. The Final TCorp loan portfolio took effect consisting of 10 separate loans with different principal balances, different maturing dates and varying rates of interest for each of the loans. These loans are interest-only with the principal amounts only payable on maturity dates of the loans. The coupon interest rates vary between 2.0% - 4.5%. These loans constitute the CDPD of the Finance Lease Liability of the SICEEP.

Borrowings are not held for trading or designated at fair value through profit or loss. Borrowings are initially measured at the fair value of the consideration received. Subsequently they are measured at amortised cost. Any difference between the proceeds and the redemption amount (premium or discount) is recognised in the net result over the period of the borrowings using the effective interest method.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless PMNSW has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Repayment of TCorp Borrowings	**2020 $'000**	**2019 $'000**
Payable within one year	75,932	-
Payable later than one year but not later than five years	534,439	397,915
Payable later than five years	464,543	680,693
Total Repayment of TCorp Borrowings	**1,074,914**	**1,078,608**

15. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

(a) Provisions

	2020 $'000	**2019 $'000**
Current		
Land Remediation (b)	690	5,542
Other	2,780	2,780
Total Current Provisions at 30 June	**3,470**	**8,322**

(b) Land Remediation

	2020 $'000	**2019 $'000**
Movement:		
Carrying Amount at 1 July	5,542	2,372
Provision Recognised during the Year	117	3,571
Decrease in Provision from Payments	(4,969)	(401)
Carrying Amount at 30 June	**690**	**5,542**

(i) PMNSW's Land Remediation provision relates to the SICEEP Major Commercial Development sites. As part of the commercial development sites of the SICEEP project, the State entered into Project Delivery Agreements that granted construction licences to Lend Lease to develop these sites with 99 year ground leases to apply at the conclusion of the construction period.

The provision related to remediation and artefact risk which was shared with the State. The arrangement was tiered with Lend Lease liable for the risk up to a predetermined level, the State and Lend Lease would then share the risk above this level up to another predetermined level. Any costs above this final level would be born entirely by the State.

(c) Other Provisions

	2020 $'000	**2019 $'000**
Movement:		
Carrying Amount at 1 July	2,780	3,316
Provision Recognised during the Year	-	616
Decrease in Provision from Payments	-	(1,152)
Carrying Amount at 30 June	**2,780**	**2,780**

(i) Other provisions include obligations in relation to land tax. PMNSW is not exempted from land tax.

(d) Recognition and Measurement - Provisions

Provisions are recognised when PMNSW has a present obligation as a result of a past event, it is probable that PMNSW will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

16. CURRENT / NON-CURRENT LIABILITIES - OTHER

	2020 $'000	2,019 $'000
Current		
Lease Receipts in Advance (i)	68	104
Deferred Income - Refinancing Gain (ii)	778	691
Revenue in Advance	791	3,269
Total Current Liability at 30 June	**1,637**	**4,064**
Non-Current		
Lease Receipts in Advance (i)	3,046	3,185
Deferred Income - Refinancing Gain (ii)	28,668	30,845
Total Non-Current Liability at 30 June	**31,714**	**34,030**

(i) Lease Receipts in Advance relates to upfront rent payments received from tenants for long-term leases classified as operating lease.

(ii) Deferred income relates to the SICEEP Project finance lease refinancing gain. This is being amortised over the finance lease term.

17. EQUITY

(a) Asset Revaluation Reserve

The total asset revaluation reserve is used to record increments and decrements on the revaluation of non-current property plant and equipment and finance leases. This accords with PMNSW's policy on the Revaluation of Property, Plant and Equipment (Note 11). No financial distributions are made from the Asset Revaluation Reserve.

Asset Revaluation Reserve - Movement	**2020 $'000**	**Restated 2019[1] $'000**
Carrying Amount at 1 July	173,943	142,327
Net Increase in Property, Plant and Equipment Revaluation Surplus (i)	11,342	31,616
Carrying Amount at 30 June	**185,285**	**173,943**

1) The amounts as at 1 July 2018 and 30 June 2019 have been restated for the error set out in Note 22.

Asset Revaluation Reserve - Asset Class	**2020 $'000**	**Restated 2019[1] $'000**
Land and Buildings	177,681	153,519
Infrastructure	11,589	9,259
Plant and Equipment	3,830	3,830
Art & Artefacts	7,335	7,335
Total Asset Revaluation Reserve at 30 June	**200,435**	**173,943**

1) The amounts as at 1 July 2018 and 30 June 2019 have been restated for the error set out in Note 22.

(i) Net Increase in Property, Plant and Equipment Revaluation Surplus

	2020 $'000	**2019 $'000**
Land and Buildings (Note 11(a))	(9,141)	31,412
Finance Leased Assets (Note 11(a))	18,153	-
Infrastructure (Note 11(a))	2,330	(3,755)
Plant and Equipment (Note 11(a))	-	3,830
Art & Artefacts (Note 11(a))	-	129
Net Increase in Property, Plant and Equipment Revaluation Surplus	**11,342**	**31,616**

Section E: Equity

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2020

(b) Accumulated Funds

The category "Accumulated Funds" includes all current and prior period retained funds. All financial distributions are made directly from Accumulated Funds.

Accumulated Funds - Movement	**2020 $'000**	**2019 $'000**
Carrying Amount at 1 July	1,178,217	1,230,371
Net Result for the Year	(25,692)	(57,260)
Financial Distributions (i)	(30,535)	-
Net Increase/(Decrease) in Net Assets from Equity Transfers (ii)	-	5,106
Carrying Amount at 30 June	**1,121,990**	**1,178,217**

(i) Financial Distributions

	2020 $'000	**2019 $'000**
Capital Repatriations from the Net Proceeds of Asset Sales (Paid to the State Government)	(30,535)	
	(30,535)	**-**

(ii) Net Increase/(Decrease) in Net Assets from Equity Transfers

	2020 $'000	**2019 $'000**
Transfer of Property from other Government Agency: Finance Lease Receivable	-	5,106
	-	**5,106**

The establishment of new statutory bodies or transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies are designated as a contribution by owners and recognised as an adjustment to Accumulated Funds. This treatment is in accordance with Treasury Policy and Guidelines Paper TPP 09-3 "Contributions By Owners Made to Wholly-Owned Public Sector Entities" and is consistent with Interpretation 1038 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" and Australian Accounting Standards.

Transfers arising from an administrative restructure between government agencies are recognised at the amount at which the asset was recognised by the transferor government agency immediately prior to the restructure. In most cases this will approximate fair value. All other equity transfers are recognised at fair value.

Equity transfers in 2018-19 comprised of the transfer of land from Independent Liquor and Gaming Authority.

18. FINANCIAL INSTRUMENTS

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

Quantitative and qualitative disclosures together with the PMNSW's objectives, policies and processes for measuring and managing risk are included throughout the financial statements.

The Board 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 PMNSW, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by Management on a continuous basis.

(a) Financial Instrument Categories

(i) As at 30 June 2020

Class	Category	Notes	Carrying amount $'000
Financial Assets			
Cash and Cash Equivalents	N/A	6	142,464
Receivables (i)	Loans and Receivables (at Amortised Cost)	7	177,921
Financial Liabilities			
Payables (ii)	Financial Liabilities measured at Amortised Cost	14	43,600
Borrowings	Financial Liabilities measured at Amortised Cost	15	1,332,315

(i) Excludes statutory receivables and prepayments as they are not within the scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within the scope of AASB 7.

(ii) As at 30 June 2019

Class	Category	Notes	Carrying amount $'000
Financial Assets			
Cash and Cash Equivalents	N/A	6	143,697
Receivables (i)	Loans and Receivables (at Amortised Cost)	7	242,870
Financial Liabilities			
Payables (ii)	Financial Liabilities measured at Amortised Cost	14	57,548
Borrowings	Financial Liabilities measured at Amortised Cost	15	1,337,349

(i) Excludes statutory receivables and prepayments as they are not within the scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within the scope of AASB 7.

(b) Derecognition of Financial Assets and Financial Liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the PMNSW transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- PMNSW has transferred substantially all the risks and rewards of the asset; or
- PMNSW has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When PMNSW has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where PMNSW has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of PMNSW's continuing involvement in the asset. In that case, PMNSW also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the PMNSW has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

(i) Credit Risk

Credit risk arises when there is the possibility of PMNSW’s debtors defaulting on their contractual obligations, resulting in a financial loss to PMNSW. 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 PMNSW, including cash and receivables (Notes 6 and 7) . No collateral is held by PMNSW. PMNSW has not granted any material financial guarantees.

Credit risk associated with PMNSW's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

Receivables - trade debtors

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.

PMNSW 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. PMNSW has identified the GDP to be the most relevant factor, 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 90 days past due.

The loss allowance for trade debtors as at 30 June 2020 and 2019 was determined as follows:

30 June 2020

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	6%	0%	0%	1%	
Estimated total gross carryin amount at default	4,111	2,742	1,328	3,308	1,863	13,352
Expected credit loss	**-**	**154**	**-**	**1**	**27**	**182**

30 June 2019

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	0.00%	
Estimated total gross carrying amount at default	2,680	1,266	777	19	2,223	6,965
Expected credit loss	**-**	**-**	**-**	**-**	**-**	**-**

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7. PMNSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020.

(e) Liquidity Risk

Liquidity risk is the risk that PMNSW will be unable to meet its payment obligations when they fall due. PMNSW 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 overdrafts, loans and other advances.

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. PMNSW's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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 TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

(f) 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. PMNSW's exposure to market risk is primarily through interest rate risk on the entity's BHP Remediation interest earning bank balance held within the NSW Treasury Banking System (Note 6(a)). PMNSW has no exposure to foreign currency risk and does not enter into commodity contracts.

(g) Fair Value of Financial Instruments

PMNSW's financial instruments are recognised at cost. The amortised cost of PMNSW's financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of the financial instruments. PMNSW has not identified any financial instruments whose fair value differs materially from the carrying amount.

19. COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments

	2020 $'000	2019 $'000
Capital expenditure contracted at balance date but not provided for:		
Payable within one year	-	1,559
Total Capital Expenditure Commitments (Incl GST)	**-**	**1,559**

Total capital expenditure commitments relate to contracted upgrading and refurbishment works on various owned buildings and infrastructure assets. Capital expenditure commitments at 30 June 2020 include GST recoverable input tax credits of nil ($0.1m at 30 June 2019) that are expected to be recoverable from the Australian Taxation Office.

(b) Subvention Costs Commitments

	2020 $'000	2019 $'000
Subvention costs contracted at balance date but not provided for:		
Payable within one year	2,562	3,487
Payable later than one year but not later than five years	10,282	8,380
Payable later than five years	1,592	1,768
Total Subvention Costs Commitments (Incl GST)	**14,436**	**13,635**

Subvention costs commitments at 30 June 2020 include GST recoverable input tax credits of $1.5 million ($1.2 million at 30 June 2019) that are expected to be recoverable from the Australian Taxation Office.

(c) Finance Lease Commitments

Expenditure commitments on PMNSW's finance lease liabilities are disclosed at Note 15(c).

20. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

PMNSW may be liable for payment of compensation arising from claims and other matters subject to litigation. The amounts involved cannot be accurately determined and in some instances are subject to arbitration. These claims are covered by the Treasury Managed Fund.

PMNSW is not aware of any contingent assets or liabilities at 30 June 2020 (Nil at 30 June 2019).

21. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

During the 2019-20, PMNSW incurred $0.22 million in respect of its Key Management Personnel (Nil in 2018-19).
In 2018-19, PMNSW incurred $0.5 million in respect of the Key Management Personnel services that were provided by Property NSW.

(b) Transactions and Outstanding Balances with Other Related Parties

During 2019-20, PMNSW has not entered into other transactions with Key Management Personnel, their close family members and controlled or jointly controlled entities thereof (Nil in 2018-19).

(c) Transactions and Outstanding Balances with Other Government Entities

During 2019-20, PMNSW entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions are collectively, but not individually, a significant portion of PMNSW's property rental income, fees for services rendered and grant and contribution revenue.

22. PRIOR PERIOD ERRORS

During 2017-18, PMNSW engaged an independent valuer to perform comprehensive revaluation on its Land and Buildings assets. One of its Land and Building assets under long-term lease arrangement was revalued and the fair value of $15.15 million was recognised with corresponding increase in Asset Revaluation Reserve in 2017-18. As the asset was under long-term lease arrangement since 1 July 2016, PMNSW has recognised the long-term lease arrangement as Finance Lease Receivable since 2016-17. Therefore, the increase in Land and Buildings fair value and Asset Revaluation Reserve of $15.15 million each in 2017-18 was not correct.

As this error was made in a reporting period prior to the comparative period, the opening Balance Sheet balances as at 1 July 2018 (i.e. closing balances as at 30 June 2018) were restated. In addition, the Balance Sheet balances were still overstated as at 30 June 2019, so this error resulted in the restatement of balances as at 30 June 2019. The following section shows the restatement of each line item effected by the error.

Changes to the Opening Statement of Financial Position at 1 July 2018

Statement of Financial Position	Note	Original Balance 1 July 2018 $'000	Impact Increase/ (Decrease) $'000	Restated Balance 1 July 2018 $'000
Property, Plant and Equipment	10(a)	1,871,305	(15,150)	1,856,155
Total Assets		**2,899,014**	**(15,150)**	**2,883,864**
Net Assets		**1,387,848**	**(15,150)**	**1,372,698**
Asset Revaluation Reserve	17(a)	157,477	(15,150)	142,327
Total Equity		**1,387,848**	**(15,150)**	**1,372,698**

Adjustments to the Comparative Figures as at 30 June 2019

Statement of Financial Position	Note	Original Balance 30 June 2019 $'000	Impact Increase/ (Decrease) $'000	Restated Balance 30 June 2019 $'000
Property, Plant and Equipment	10(a)	1,822,930	(15,150)	1,807,780
Total Assets		**2,855,265**	**(15,150)**	**2,840,115**
Net Assets		**1,367,310**	**(15,150)**	**1,352,160**
Asset Revaluation Reserve	17(a)	189,093	(15,150)	173,943
Total Equity		**1,367,310**	**(15,150)**	**1,352,160**

23. EVENTS AFTER THE REPORTING PERIOD

Management is continuously evaluating the COVID-19 impact on PMNSW and has concluded that while it is reasonably possible that COVID-19 could have a negative effect on the results of its future operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

PMNSW has not identified any other events or transactions that are material to require adjustments or disclosures in the financial report.

End of Audited Financial Statements

INDEPENDENT AUDITOR'S REPORT

Luna Park Reserve Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Luna Park Reserve Trust (the Trust), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the Trust's financial position as at 30 June 2020 and of their performance and 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 Trust in accordance with the requirements of the:

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

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 Trust's annual report for the year ended 30 Jun 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Trust Manager of the Trust is 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. 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 Trust Manager's Responsibilities for the Financial Statements

The Trust Manager is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, and for such internal control as the Trust Manager determines 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 Trust Ma

nager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

Min Lee
Director, Financial Services
Delegate of the Auditor-General for New South Wales 10
November 2020
SYDNEY

Luna Park Reserve Trust

Financial Statements

For the Year Ended 30 June 2020

Statement by Trust Manager

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, we declare on behalf of the Luna Park Reserve Trust, that in our opinion:

(a) The accompanying financial statements exhibit a true and fair view of the Trust's financial performance for the year ended 30 June 2020 and financial position as at 30 June 2020; and

(b) The financial statements comply with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the Treasurer's Directions.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

The Hon. Helen Coonan
Chair
Place Management NSW
(Trust Manager)

Date: 3 November 2020

Sam Romaniuk
Chief Executive Officer
Place Management NSW
(Trust Manager)

Date: 3 November 2020

LUNA PARK RESERVE TRUST

Start of Audited Financial Statements

Statement of Comprehensive Income

For the Year Ended 30 June 2020

	Note	Actual 2020 $'000	Budget 2020 $'000	Actual 2019 $'000
Expenses Excluding Losses				
Other Operating Expenses	2(a)	2,204	1,199	1,605
Depreciation Expense	2(b)	889	879	872
Total Expenses Excluding Losses		**3,093**	**2,078**	**2,477**
Revenue				
Sale of Goods and Services	3(a)	1,807	1,981	1,652
Investment Revenue	3(b)	11	106	32
Grants and Contributions	3(c)	800	-	-
Total Revenue		**2,618**	**2,087**	**1,684**
NET RESULT		**(475)**	**9**	**(793)**
Other Comprehensive Income				
Items that will not be Reclassified to Net Result:				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	731	-	518
Total Other Comprehensive Income		**731**	**-**	**518**
TOTAL COMPREHENSIVE INCOME/ (LOSS)		**256**	**9**	**(275)**

[The accompanying notes form part of these financial statements]

LUNA PARK RESERVE TRUST

Statement of Financial Position

As at 30 June 2020

	Notes	Actual 2020 $'000	Budget 2020 $'000	Actual 2019 $'000
ASSETS				
Current Assets				
Cash and Cash Equivalents	5(a)	1,429	2,830	2,003
Receivables	6(a)	634	559	165
Total Current Assets		**2,063**	**3,389**	**2,168**
Non-Current Assets				
Property, Plant and Equipment	7(a)	42,185	41,079	41,946
Total Non-Current Assets		**42,185**	**41,079**	**41,946**
TOTAL ASSETS		**44,248**	**44,468**	**44,114**
LIABILITIES				
Current Liabilities				
Payables	9(a)	411	444	533
Total Current Liabilities		**411**	**444**	**533**
TOTAL LIABILITIES		**411**	**444**	**533**
NET ASSETS		**43,837**	**44,024**	**43,581**
EQUITY				
Accumulated Funds	10(a)	7,335	7,810	7,810
Asset Revaluation Reserve	10(b)	36,502	36,214	35,771
TOTAL EQUITY		**43,837**	**44,024**	**43,581**

[The accompanying notes form part of these financial statements]

LUNA PARK RESERVE TRUST

Statement of Changes in Equity

For the Year Ended 30 June 2020

	Notes	Accumulated Funds $'000	Asset Revaluation Reserve $'000	Total Equity $'000
Balance at 1 July 2019		**7,810**	**35,771**	**43,581**
Net Result for the Year		(475)	-	(475)
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	-	731	**731**
Total Other Comprehensive Income		-	731	731
Total Comprehensive Income for the Year		(475)	731	256
Balance at 30 June 2020		**7,335**	**36,502**	**43,837**
Balance at 1 July 2018		**8,603**	**35,253**	**43,856**
Net Result for the Year		(793)	-	(793)
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	-	518	518
Total Other Comprehensive Income		-	518	518
Total Comprehensive Income for the Year		(793)	518	(275)
Balance at 30 June 2019		**7,810**	**35,771**	**43,581**

[The accompanying notes form part of these financial statements]

LUNA PARK RESERVE TRUST

Statement of Cash Flows

For the Year Ended 30 June 2020

	Notes	Actual 2020 $'000	Budget 2020 $'000	Actual 2019 $'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Payment to Suppliers		(2,366)	(1,030)	(1,526)
Total Payments		**(2,366)**	**(1,030)**	**(1,526)**
Receipts				
Sale of Goods and Services		1,378	1,778	2,056
Interest Received		11	138	32
Grants and Contributions		800	-	-
Total Receipts		**2,189**	**1,916**	**2,088**
NET CASH FLOWS FROM OPERATING ACTIVITIES	5(c)	**(177)**	**886**	**562**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Property, Plant and Equipment		(397)	-	(717)
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(397)**	**-**	**(717)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(574)**	**886**	**(155)**
Opening Cash and Cash Equivalents		2,003	1,944	2,158
CLOSING CASH AND CASH EQUIVALENTS	5(a)	**1,429**	**2,830**	**2,003**

[The accompanying notes form part of these financial statements]

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Luna Park Reserve Trust (the Trust), is a NSW government entity. The Trust is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The Trust was established on 12 October 1990, under the Luna Park Site Act 1990. The purpose of the Trust is to control the Luna Park Site, which has been dedicated to an area of public amusement, recreation and entertainment.

On 9 February 2001, Place Management NSW (PMNSW) was appointed to manage the affairs of the Trust.

As a result of Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019, in pursuance of part 7 of the *Constitution Act 1902* , the Trust was transferred from Department of Finance, Services and Innovation (DFSI) cluster to a newly created Department of Planning, Industry and Environment (DPIE) cluster, effective 1 July 2019.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the PMNSW Board on 3 November 2020.

(b) Basis of Preparation

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

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

Property, Plant and Equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

The accrual basis of accounting has been adopted in the preparation of the financial statements, except for cash flow information.

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.

(c) Statement of Compliance

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

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

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

(i) the amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and

(ii) 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.

(e) 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.

(f) Fair Value Measurement and Hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the Trust's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the Trust categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices in active markets for identical assets/liabilities that the Trust can access at the measurement date.
Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

Refer to Notes 7, 8 and 11 for further disclosures regarding fair value measurements of financial and non-financial assets.

(g) Changes in Accounting Policy including New or Revised Australian Accounting Standards

(i) Effective for the First Time in 2019-20

The Trust applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019-20, but do not have an impact on the financial statements of the Trust.

- **AASB 15 Revenue from Contracts with Customers**

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the Trust has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. The Trust has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all of the modifications that occur before 1 July 2018 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The adoption of AASB 15 did not have any significant impact on the Trust's financial statements.

- **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 replaces most of the existing requirements in AASB 1004 Contributions. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, the Trust has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. The Trust has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, are not restated to their fair value.

The adoption of AASB 1058 did not have any significant impact on the Trust's financial statements.

- **AASB 16 Leases**

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the entity is the lessor.

Lessee accounting

AASB 16 requires the Trust to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the Trust recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee’s incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives and initial direct costs.

The Trust has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In applying AASB 16 for the first time, the Trust has used the following practical expedients permitted by the standard:

- not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.
- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on its previous assessment on whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application
- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The adoption of AASB 16 did not have any significant impact on the Trust's financial statements as the Trust is a lessor and not lessee in its leasing arrangements.

- **AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059**

This Standard makes amendments to AASB 1059 Service Concession Arrangements: Grantors (July 2017). This Standard amends the mandatory effective date (application date) of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019.

The adoption of AASB 1059 is not expected to have any significant impact on the Trust's financial statements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting periods.

- AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors will apply to annual reporting periods beginning on or after 1 January 2020. The standard requires the grantor to recognise a service concession asset, at current replacement cost, in a service concession arrangement where it controls the asset. A corresponding liability is also recognised depending on the nature of the consideration exchanged.

The adoption of AASB 1059 is not expected to have any significant impact on the Trust's financial statements.

The impact of the following standards in the period of initial application is not expected to be significant:

- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework
- AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform
- AASB 17 Insurance Contracts
- AASB 2020-1 Classification of Liabilities as Current or Non-Current
- AASB 1060 Simplified Disclosures for Profit and Not for Profit Tier 2 Entities

(h) COVID-19 and Delayed 2020-21 NSW Budget

COVID-19 caused a decrease in the Trust's rental revenue in the last quarter of 2019-20. However the decrease in rental revenue was compensated by the one-off grant income from DPIE Principal Department. NSW Government has announced that the 2020-21 NSW Budget will be deferred from June 2020 until later in the year. The delayed 2020-21 NSW Budget is not expected to have any significant impact on the Trust's operation as the Trust has the legal right to draw down on the Consolidated Fund through DPIE Principal Department arising from the Treasurer authorising expenditure under section 4.10 of the GSF Act. In particular, the temporary measures introduced for COVID-19. Therefore it is appropriate for the 2019-20 Financial Statements to be prepared under going concern basis.

2. EXPENSES EXCLUDING LOSSES

(a) Other Operating Expenses

	2020 $'000	2019 $'000
Repairs and Maintenance (i)	1,792	1,207
Management Fee	350	294
Auditor's Remuneration - Audit of Financial Statements	32	18
Other Contractors	6	27
PAG Service Charge	24	56
Legal Fees	-	3
	2,204	**1,605**

(i) Repairs and 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.

(b) Depreciation Expense

	2020 $'000	2019 $'000
Depreciation Expense (Note 7(a))	889	872
	889	**872**

Recognition and Measurement - Depreciation of Property, Plant and Equipment

Except for certain heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity. All material separately identifiable components of assets are depreciated over their shorter useful lives.

The following asset useful lives have been applied for depreciation purposes:

Asset Class	**2020 Years**	**2019 Years**
Buildings and Improvements	20-50	20-50
Infrastructure	50	50

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

3. REVENUE

Recognition and Measurement - Revenue

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition and measurement of revenue is discussed within each revenue category below.

(a) Sale of Goods and Services

	2020 $'000	2019 $'000
Property Rental Income - Operating Lease Income	717	926
Heritage and Infrastructure Rental Income - Operating Lease Income	1,090	726
	1,807	**1,652**

Rental income arising from operating leases is accounted for in accordance with AASB 16 "Leases" on a straight-line basis over the lease term.

(b) Investment Revenue

	2020	2019

	$'000	$'000
Interest	11	32
	11	**32**

Interest income is calculated in accordance with AASB 9 "Financial Instruments" by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

(c) Grants and Contributions

	2020 $'000	2019 $'000
Grant Revenue	800	-
	800	**-**

Contributions and grants are recognised as revenue when the Trust obtains control over the asset comprising the contributions. Grant revenue received in 2020 includes a one-off contribution through DPIE Principle Department as a result of revenue loss due to Covid-19 restrictions.

4. BUDGET REVIEW

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of administrative arrangements orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained below.

(a) Net Result

The Net Result of $0.5 million deficit was $0.5 million lower than budget, primarily due to increase in Repairs and Maintenance expense by $1 million partly offset by $0.8 million in Grant Income from DPIE Principal Department.

(b) Assets and Liabilities

Total Assets of $44.2 million were $0.2 million lower than budget, primarily due to:

- $1.4 million decrease in Cash and Cash Equivalents, mainly due to decrease in heritage and infrastructure income and interest received.
- $1.1 million increase Property Plant and Equipment, mainly due to revaluations.

Total Liabilities of $0.4 million were in line with budget.

(c) Cash Flows

Closing Cash and Cash Equivalents of $1.4 million was $1.4 million lower than budget, primarily due to increase in payments of repair and maintenance in 2019-20.

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(a) Cash and Cash Equivalents

	2020 $'000	2019 $'000
Current		
Cash at Bank	1,410	2,003
Restricted Cash:		
Luna Park Heritage Infrastructure Fund (b)	19	-
	1,429	**2,003**

Cash at Bank comprises of balances within the NSW Treasury Banking System. Interest as determined by NSW Treasury is earned on daily bank balances and paid twice yearly.

For the purposes of the Statement of Cash Flows, cash includes Cash at Bank and Restricted Cash.

Interest Rate Risk

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at 30 June 2020. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

Exposure to interest rate risk arises primarily through the Trust's cash and cash equivalents. The Trust 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 (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Trust's exposure to interest rate risk is set out below.

Interest Rate Risk - 2020	Carrying Amount $'000	-1% Profit $'000	-1% Equity $'000	+1% Profit $'000	+1% Equity $'000
Financial Assets					
Cash and Cash Equivalents	1,429	(14)	(14)	14	14

Interest Rate Risk - 2019	Carrying Amount $'000	-1% Profit $'000	-1% Equity $'000	+1% Profit $'000	+1% Equity $'000
Financial Assets					
Cash and Cash Equivalents	2,003	(20)	(20)	20	20

(b) Restricted Cash

	2020 $'000	2019 $'000
At the Beginning of Financial Year	-	160
Collection of Heritage and Infrastructure Rental	1,629	1,188
Payment for Heritage and Infrastructure Works During the Period	(1,612)	(1,251)
Collection of Interest Income	-	1
Transfer from Operating Bank Account	-	69
GST Transfers to be done	2	(167)
At the End of Financial Year	**19**	**-**

The Luna Park Heritage Infrastructure Fund, included in cash, is restricted in application under the Trust. Funds can only be spent on the maintenance of Heritage and Infrastructure Items as defined in the Trust Deed agreement between the Trust and the lessee.

(c) Reconciliation of Cash Flows from Operating Activities to Net Result

	2020 $'000	2019 $'000
Net Cash Flow From Operating Activities	**(177)**	**562**
Non Cash Revenue/(Expenses):		
Depreciation	(889)	(872)
Changes in Operating Assets and Liabilities:		
Increase/(Decrease) in Receivables	469	(404)
Decrease/(Increase) in Payables	122	(79)
Net Result	**(475)**	**(793)**

6. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

(a) Receivables

	2020 $'000	2019 $'000
Current		
Trade Debtors - Rent Receivable	610	165
GST Receivable	22	-
Accrued Revenue	2	-
Total Current Receivables	**634**	**165**

(b) Recognition and Measurement - Receivables

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

(i) Subsequent measurement

The Trust holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

(ii) Impairment

The Trust 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 Trust expects to receive, discounted at the original effective interest rate.

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

7. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

(a) Total Property, Plant and Equipment

	2020 $'000	2019 $'000
Non-Current		
Land		
At Fair Value	17,869	17,869
Carrying Amount at 30 June	**17,869**	**17,869**
Buildings		
At Fair Value	27,145	26,261
Accumulated Depreciation	(11,169)	(10,247)
Carrying Amount at 30 June	**15,976**	**16,014**
Infrastructure		
At Fair Value	17,818	16,265
Accumulated Depreciation	(9,478)	(8,919)
Carrying Amount at 30 June	**8,340**	**7,346**
Work in Progress	**-**	**717**
Total Property, Plant and Equipment		
At Fair Value	62,832	61,112
Accumulated Depreciation	(20,647)	(19,166)
Total Property Plant and Equipment Carrying Amount at 30 June	**42,185**	**41,946**

Reconciliation of Opening and Closing Carrying Amounts

	2020 $'000	2019 $'000
Land		
Carrying Amount at 1 July	17,869	17,690
Additions	-	-
Net Revaluation Increment/(Decrement) (Note 10(b))	-	179
Carrying Amount at 30 June	**17,869**	**17,869**
Buildings		
Carrying Amount at 1 July	16,014	16,308
Depreciation Expense (Note 2(b))	(559)	(550)
Net Revaluation Increment/(Decrement) (Note 10(b))	521	256
Carrying Amount at 30 June	**15,976**	**16,014**
Infrastructure		
Carrying Amount at 1 July	7,346	7,583
Additions	1,114	-
Depreciation Expense (Note 2(b))	(330)	(320)
Net Revaluation Increment/(Decrement) (Note 10(b))	210	83
Carrying Amount at 30 June	**8,340**	**7,346**
Work in Progress		
Carrying Amount at 1 July	717	**-**
Additions	397	**717**
Transfer to Fixed Assets	(1,114)	**-**
Carrying Amount at 30 June	**-**	**717**
Total Property Plant and Equipment Carrying Amount at 30 June	**42,185**	**41,946**

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

(b) Total Property, Plant and Equipment where the Trust is Lessor under Operating Leases

	2020 $'000
Non-Current	
Land	
At Fair Value	17,869
Carrying Amount at 30 June	**17,869**
Buildings	
At Fair Value	27,145
Accumulated Depreciation	(11,169)
Carrying Amount at 30 June	**15,976**
Infrastructure	
At Fair Value	17,818
Accumulated Depreciation	(9,478)
Carrying Amount at 30 June	**8,340**
Work in Progress	**-**
Total Property, Plant and Equipment	
At Fair Value	62,832
Accumulated Depreciation	(20,647)
Total Property Plant and Equipment Carrying Amount at 30 June	**42,185**

Reconciliation of Opening and Closing Carrying Amounts

	2020 $'000
Land	
Carrying Amount at 1 July	17,869
Additions	-
Net Revaluation Increment/(Decrement)	-
Carrying Amount at 30 June	**17,869**
Buildings	
Carrying Amount at 1 July	16,014
Depreciation Expense	(559)
Net Revaluation Increment/(Decrement)	521
Carrying Amount at 30 June	**15,976**
Infrastructure	
Carrying Amount at 1 July	7,346
Additions	1,114
Depreciation Expense	(330)
Net Revaluation Increment/(Decrement)	210
Carrying Amount at 30 June	**8,340**
Work in Progress	
Carrying Amount at 1 July	717
Additions	397
Transfer to Fixed Assets	(1,114)
Carrying Amount at 30 June	**-**
Total Property Plant and Equipment Carrying Amount at 30 June	**42,185**

(c) Recognition and Measurement - Property, Plant and Equipment

(i) Acquisitions of Assets

Assets acquired are initially recognised at cost. 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. deferred payment amount is effectively discounted at an asset-specific rate.

(ii) Capitalisation Thresholds

Property Plant and equipment, and intangible assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised.

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with Treasury Policy and Guidelines Paper TPP 14-01 "Valuation of Physical Non-Current Assets at Fair Value". 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 social-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 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 8 for further information regarding fair value.

The Trust revalues 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. A comprehensive revaluation was performed on 30 June 2019 by AON Global Risk Consulting Valuation Services (AON).

Interim revaluations are conducted between comprehensive revaluations. A desktop revaluation was performed on 31 March 2020 and subsequently updated on 30 June 2020 by AON.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to Asset Revaluation Reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised immediately as expenses in the net result, except that, to the extent that a credit balance exists in the Asset Revaluation Reserve in respect of the same class of assets, they are debited directly to the Asset Revaluation Reserve.

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 Asset Revaluation Reserve in respect of that asset is transferred to accumulated funds.

(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.

At each reporting date the Trust assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust 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. As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the Asset Revaluation Reserve for the class of asset.

(v) Major Inspection Costs

When each major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vi) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

8. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis (Refer to Notes 1(f) and 8):

(a) Fair Value Hierarchy

2020	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
	$'000	**$'000**	**$'000**	**$'000**
Property, Plant and Equipment (Note 7)				
Land	-	17,869	-	17,869
Buildings	-	-	15,976	15,976
Infrastructure	-	-	8,340	8,340
	-	**17,869**	**24,316**	**42,185**

2019	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
	$'000	**$'000**	**$'000**	**$'000**
Property, Plant and Equipment (Note 7)				
Land	-	17,869	-	17,869
Buildings	-	-	16,014	16,014
Infrastructure	-	-	7,346	7,346
	-	**17,869**	**23,360**	**41,229**

There were no transfers between Level 1 or 2 during the periods.

(b) Valuation Techniques, Input and Processes

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation processes refer note 7(c)(iii).

Class	Valuation Technique	Key Inputs
Land	Market approach (recurring) - assets are valued based on comparable property sales transactions having regard to matters such as heritage restrictions, zoning, location, topography, aspect, frontage, size, shape, date of contract and current market conditions	- Comparable property sales values - Adjustments including condition, location, heritage restrictions topography
Buildings	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2018	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of buildings
Infrastructure	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2018	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of infrastructure

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

2020	Buildings	Infrastructure	Total Recurring Level 3 Fair Value
	$'000	$'000	$'000
Fair Value as at 1 July 2019	16,014	7,346	23,360
Addition	-	1,114	1,114
Revaluation Increments/(Decrements)	521	210	731
Depreciation	(559)	(330)	(889)
Fair Value as at 30 June 2020	**15,976**	**8,340**	**24,316**

2019	Buildings	Infrastructure	Total Recurring Level 3 Fair Value
	$'000	$'000	$'000
Fair Value as at 1 July 2018	16,308	7,583	23,891
Revaluation Increments/(Decrements)	256	83	339
Depreciation	(550)	(320)	(870)
Fair Value as at 30 June 2019	**16,014**	**7,346**	**23,360**

There were no transfers into or out of Level 3 during the periods.

9. CURRENT LIABILITIES - PAYABLES

(a) Payables

	2020 $'000	2019 $'000
Current		
Trade Creditors	27	183
Accrued Expenses	384	321
GST Payable	-	29
	411	**533**

(b) Recognition and Measurement - Payables

Payables are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced Payables represent liabilities for goods and services provided to the entity 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.

The Trust's payables are all non-interest bearing. Payable items which are out of the scope of AASB 7 "Financial Instruments: Disclosures" have been excluded from the carrying amount shown in the Statement of Financial Position.

(c) Maturity Profile

All of the Trust's payables and accruals have a maturity of less than 12 months (2019: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasury Circular TC 11/12. 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. Treasury Circular TC 11/12 allows the Minister to award interest for late payment.

Section E: Equity

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2020

10. EQUITY

(a) Accumulated Funds

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

Accumulated Funds Movement	**2020 $'000**	**2019 $'000**
Carrying Amount at 1 July	7,810	8,603
Net Result for the Year	(475)	(793)
Carrying Amount at 30 June	**7,335**	**7,810**

(b) Asset Revaluation Reserve

The revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Trust's policy on the Revaluation of Property, Plant and Equipment as discussed in Note 7.

Asset Revaluation Reserve Movement	**2020 $'000**	**2019 $'000**
Carrying Amount at 1 July	35,771	35,253
Net Increase in Revaluation Reserve (i)	731	518
Carrying Amount at 30 June	**36,502**	**35,771**
Dissection by Asset Class:		
Land	13,049	13,049
Buildings	16,019	15,498
Infrastructure	7,434	7,224
Total Asset Revaluation Reserve at 30 June	**36,502**	**35,771**

(i) Net Increase in Revaluation Reserve	**2020 $'000**	**2019 $'000**
Land (Note 7(a))	-	179
Buildings (Note 7(a))	521	256
Infrastructure (Note 7(a))	210	83
Net Increase in Revaluation Reserve	**731**	**518**

11. FINANCIAL INSTRUMENTS

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

The Trust's main risks arising from financial instruments are outlined below, together with the Trust's objectives, policies and processes for measuring and managing risk. Quantitative and qualitative disclosures together with the Trust's objectives, policies and processes for measuring and managing risk are included throughout the financial statements.

The PMNSW Board (as the Trust manager) 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 the Trust, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by Management on a continuous basis.

(a) Financial Instrument Categories

(i) As at 30 June 2020

Class	Notes	Category	Carrying amount $'000
Financial Assets			
Cash and Cash Equivalents	5	N/A	1,429
Receivables (i)	6	Amortised Cost	612
Financial Liabilities			
Payables (ii)	9	Financial Liabilities measured at Amortised Cost	411

(i) Excludes statutory receivables and prepayments as they are not within scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within scope of AASB 7.

(ii) As at 30 June 2019 under AASB 9

Class	Notes	Category	Carrying amount $'000
Financial Assets			
Cash and Cash Equivalents	5	N/A	2,003
Receivables (i)	6	Amortised Cost	165
Financial Liabilities			
Payables (ii)	9	Financial Liabilities measured at Amortised Cost	504

(i) Excludes statutory receivables and prepayments as they are not within scope of AASB 7.
(ii) Excludes statutory payables and unearned revenue as they are not within scope of AASB 7.

The Trust determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Trust transfers to receive cash flows from the asset or has assumed an obligation to pay the received cash its rights flow in full without material delay to a third party under a 'pass-through' arrangement; and either:

- the Trust has transferred substantially all the risks and rewards of the asset; or
- the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts are recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial Risks

(i) Credit Risk

Credit risk arises when there is the possibility that a counterparty will default on their contractual obligations, resulting in a financial loss to the Trust. 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 the Trust, including cash and receivables (Notes 5 and 6). No collateral is held by the Trust and the Trust has not granted any financial guarantees. Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average TCorp 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

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

Receivables - trade debtors

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 Trust 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 Trust has identified the GDP to be the most relevant factor, 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 90 days past due.

The expected credit loss rate as at 30 June 2020 was Nil.

The loss allowance for trade debtors as at 30 June 2020 and 30 June 2019 was Nil.

(ii) Liquidity Risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations when they fall due. The Trust 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 overdrafts, loans and other advances.

During the current and prior year, there were no defaults of borrowings. No assets have been pledged as collateral. The Trust's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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 TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's exposures to market risk are primarily through interest rate risk on the Trust's Cash and Cash Equivalents (Note 5). The Trust has no exposure to foreign currency risk and does not enter into commodity contracts.

(iv) Fair Value of Financial Instruments

The Trust's financial instruments are recognised at cost. The amortised cost of the Trust's financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of the financial instruments. The Trust has not identified any financial instruments whose fair value differs materially from the carrying amount.

12. COMMITMENTS FOR EXPENDITURE

	2020 $'000	**2019 $'000**
Capital expenditure contracted at balance date but not provided for:		
Payable within one year	85	291
Payable later than one year but not later than five years	-	-
Total Capital Expenditure Commitments (Incl GST)	**85**	**291**

Total capital expenditure commitments relate to contracted capital works on Luna Park - Clifftop Park. Capital expenditure commitments at 30 June 2020 include GST recoverable input tax credits of $0.01 million ($0.02 at 30 June 2019) that are expected to be recoverable from the Australian Taxation Office.

13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Trust is not aware of any contingent assets or liabilities at 30 June 2020 (Nil at 30 June 2019).

The Trust may be liable for reimbursement to the lessee for maintenance costs of Heritage and Infrastructure. The amount involved cannot be accurately determined as the reimbursement is subject to collection of future Heritage and Infrastructure operating lease income from the lessee. The Trust is not aware of any other contingent liabilities at 30 June 2020 (Nil at 30 June 2019).

14. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

During the year, the Trust did not pay any compensation to its key management personnel, nor did the Trust incur any expense in respect of the key management personnel services that are provided by a separate management entity.

(b) Transactions and Outstanding Balances with Other Related Parties

During the year, the Trust did not enter into other transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

(c) Transactions and Outstanding Balances with Other Government Entities

During the year, the Trust entered into transactions with other entities that are controlled/jointly controlled/ significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the Trust’s sale of goods/rendering of services/receiving of services. The Trust received management services of $0.35 million from Place Management NSW in 2019-20.

15. EVENTS AFTER REPORTING DATE

Management is continuously evaluating the COVID-19 impact on the Trust and has concluded that while it is reasonably possible that the COVID-19 could have a negative effect on the results of its future operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Trust has not identified any other events or transactions that are material to require adjustments or disclosures in the financial report.

End of Audited Financial Statements