

# VENUES NSW ANNUAL REPORT



VENUES NSW ANNUAL REPORT 2012

# 2012

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The Hon Graham Annesley MP  
Minister for Sport & Recreation  
Level 33, Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Minister

**Venues NSW 2011–12 Annual Report**

Venues NSW is pleased to submit the 2011–12 Annual Report for presentation to Parliament.

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

Yours sincerely



**John Quayle**  
Chair



**Janett Milligan**  
A/ Executive Director



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# Venues NSW

## Who we are

Venues NSW was established on 2 March 2012. It consolidated the operations and responsibilities of the former Hunter Region Sporting Venues Authority, Parramatta Stadium Trust and Illawarra Venues Authority into one authority managed by one governing board.

### Our venues are:

- ▶ Parramatta Stadium
- ▶ WIN Stadium in Wollongong
- ▶ WIN Entertainment Centre in Wollongong
- ▶ Hunter Stadium
- ▶ Newcastle Entertainment Centre and Showground
- ▶ Newcastle Harness Racing Club
- ▶ Newcastle International Hockey Centre
- ▶ District Park in Newcastle

### We aim to deliver better community and commercial outcomes by:

- ▶ improving community access to and participation in sporting and cultural events
- ▶ increasing tourism and events in regional communities
- ▶ providing better access for disadvantaged groups
- ▶ delivering more efficient services to the community and better value for government investment

## Scope of the report

This is our first annual report. Venues NSW was established in March 2012 and the three former Trusts were consolidated at this time.

In order to meet our statutory requirements and to provide seamless reporting this document provides:

- a report on the operations and financial performance for Venues NSW (2 March 2012 – 30 June 2012)
- operational and financial reports on Hunter Venues and WIN Sports and Entertainment Centre (1 July 2011 – 1 March 2012)
- an operational and financial report on Parramatta Stadium (1 January – 1 March 2012)<sup>1</sup>

## Community input

Local communities continue to have a say in how venues are managed through Local Venues Councils (LVCs) which have been established in the Hunter, Western Sydney and Illawarra. LVCs provide advice to our Board about the needs of their local communities.

## Legislation

Venues NSW was established under the *Sporting Venues Authorities Act 2008* (the Act).

The Illawarra Venues Authority, Parramatta Stadium Trust and the Hunter Region Sporting Venues Authority were dissolved and their assets, rights and liabilities were transferred to Venues NSW.

## NSW 2021

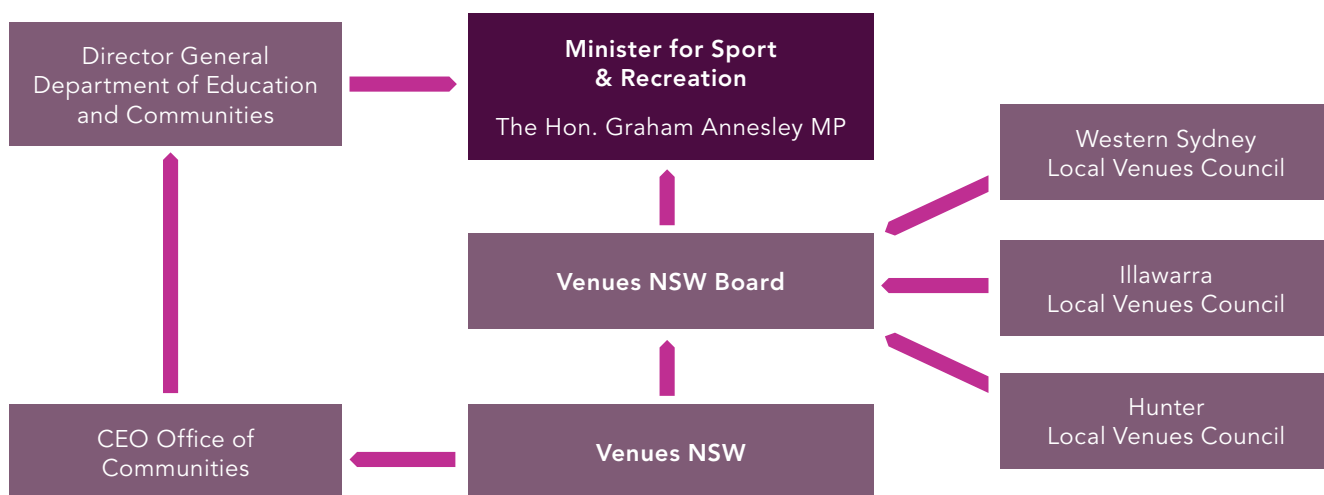
The NSW Government's ten-year plan, *NSW 2021: A plan to make NSW number one* contains several goals that relate to our operations including:

- Goal 3 Drive economic growth in regional NSW
- Goal 19 Invest in critical infrastructure
- Goal 24 Make it easier for people to be involved in their communities
- Goal 27 Enhance cultural, creative, sporting and recreational opportunities; and
- Goal 32 Involve the community in decision making on government policy, services and projects.

<sup>1</sup> The former Parramatta Stadium Trust prepared its annual report on a calendar year.



Organisational chart



# Venues NSW



## Chairman's report

I am pleased to present my first Annual Report since becoming the inaugural chairman of Venues NSW in March 2012. This report reflects a busy and exciting first four months in which the Board and Venues NSW management have been focused on putting in place the right foundations on which we will build and grow the Venues NSW business over the next ten years.

In taking on the role of Chair of Venues NSW I am aware that the Board has been given a clear mandate from the NSW Government to ensure these important assets are operated and maintained as effectively and efficiently as possible.

The Board aims to deliver the best possible commercial and community outcomes and provide more efficient services to the community and better value for government investment.

In taking on this role, I am also aware that the stadia and venues management landscape is changing and that this presents us with some real challenges in achieving our operational objectives. The Australian Rugby League Commission has recently signed an historic \$1 billion broadcast rights deal and has indicated that it will look at growing the profitability of the game by promoting more blockbuster games in larger venues from 2012–13.

Improvements in the coverage of sport and leaps in technology are bringing the lounge room much closer to the experience of watching the game live at the venue. As a result we will have to work harder to convince people to come out to watch sport at our venues rather than watching the game at home.

In addition *NSW 2021 – A Plan to Make NSW Number One* commits the NSW Government to developing the state's first stadia strategy. This important piece of public policy will provide a framework for future NSW Government investment in stadia. It will be an important factor for the Board to consider and respond to when it is released from 2012–13.

These changes will continue to shape our operational environment in 2012–13 and beyond and will require innovative responses from Venues NSW to ensure business sustainability and growth.

While much of our focus of the past four months has been on establishing Venues NSW as a new statutory

authority, I am proud to report that we have also celebrated some major achievements.

On 5 June 2012 Hunter Stadium hosted the region's first ever international rugby union test when the Wallabies took on Scotland. The game was played in challenging weather conditions which clearly favoured the visiting side with Scotland emerging victorious with a 9 – 6 win.

On 15 June 2012 the new Western Grandstand at WIN Stadium was officially opened with a St George-Illawarra Dragons v Bulldogs game in front of a full house. The completion of this \$31 million project lifted the capacity of the stadium from 18,000 to 23,000. It also significantly improved the corporate, media, player and spectator facilities and created new revenue streams for Venues NSW from new leased spaces, corporate areas, a car park and new function rooms.

It's also been a big year for our entertainment centres – WIN Entertainment Centre (WEC) at Wollongong and Newcastle Entertainment Centre and Showground (NECS). Newcastle Entertainment Centre celebrated its 20th anniversary in 2012 and WEC hosted a wide range of national and international artists including the Cranberries, Lenny Kravitz and Crosby, Stills & Nash.

Looking forward to the year ahead, I am pleased to report that in 2012–13 Parramatta Stadium will welcome a second permanent tenant when it becomes the home ground for the A-League's new team the Western Sydney Wanderers. This important development gives the stadium a summer tenant and an event program which will increase both the use of the venue and generate new sources of revenue.

Finally in wrapping up my first report, I would like to sincerely thank the members of the former Trusts, my fellow Board members for their contribution and the management and staff of Venues NSW for their hard work and dedication during the critical establishment phase and for ensuring business continuity in all of our venues.

A handwritten signature in black ink, appearing to read 'John Quayle', written in a cursive style.

John Quayle



## Executive Director's report

Venues NSW was established on 2 March 2012 to manage NSW Government owned venues in the Hunter, Western Sydney and Illawarra.

It was established under changes to the *Sporting Venues Authorities Act 2008* and consolidated three former entities – the Hunter Region Sporting Venues Authority, Parramatta Stadium Trust and the Illawarra Venues Authority – into one statutory authority managed by one governing board.

This reform meant that NSW Government owned venues in the Hunter, Western Sydney and Illawarra could be managed as a single portfolio for the first time. The aim was to manage these important public assets as efficiently as possible, attract more events to our venues, reduce competition amongst the venues for market share, remove duplication and take advantage of economies of scale.

In March 2012 the Minister for Sport and Recreation, Graham Annesley appointed eight members to the Venues NSW Board for an initial two year term. The Board's inaugural chair is John Quayle – a highly experienced and respected sports administrator who also brings extensive venue management experience to the role.

In creating Venues NSW the government wanted to ensure that we retained a high level of community involvement in our venues. Local Venues Councils have been established in the Hunter, Western Sydney and Illawarra and are providing advice to Venues NSW about the needs of their local communities. The Chairs of each Local Venues Council also sit on the Venues NSW Board.

While Venues NSW is still a relatively new organisation during the financial year ending 30 June 2012 we experienced some significant achievements. WIN Stadium's \$31 million Western Grandstand development was completed and opened by the Minister for Sport and Recreation, Graham Annesley and Minister for the Illawarra Greg Pearce in June 2012. In addition more than 150,000 rugby league and union fans attended games at Hunter Stadium, more than 22,000 attended games at WIN Stadium and 92,000 attended matches at Parramatta Stadium.

Of course our venues aren't just about sport. They are also used to stage a wide range of community and cultural events. Since Venues NSW was established almost 44,000 people have attended entertainment events including conferences, concerts and live shows at WIN Entertainment Centre, while around 94,000 have attended similar events at the Newcastle Entertainment Centre and Showground including around 45,000 people who attended the Newcastle Show in March.

Venues NSW is focussed on achieving financial sustainability, generating \$7.8 million in revenue for the four month period ending 30 June 2012, including \$4.3 million in event related revenue, with other revenue streams including advertising, functions and sponsorship and capital grants.

Apart from staging a wide range of sport and entertainment events over the past four months much of our focus has been on making the transition to the new entity as smooth as possible for our tenants, suppliers, commercial partners, stakeholders, venue management and staff. Ensuring that it has been business as usual at the operational level including providing high quality venues, events and services to the community has been critical during the establishment and transition phases of the journey.

There is a lot to do in setting up a new statutory authority and the Board and Venues NSW management have been working together to establish the policies and governance arrangements required including a Business Plan that will guide us over the next 10 years. This work will help us focus on making changes that will help us to maximise self-generated revenue and reduce costs while focusing on community outcomes. Getting the balance right between commercial and community benefits will be an important focus for the Board and Venues NSW management in 2012–13 and beyond.

Finally I would like to acknowledge the skills and dedication of Venues NSW staff, particularly the venue managers in the Hunter, Western Sydney and Illawarra and their teams who have been tireless in their dedication to delivering great events and services to their local communities and the people of NSW.

Janett Milligan

# Highlights

March – June 2012



## Our mission is to:

Effectively and efficiently manage government owned land and sporting and entertainment infrastructure for the benefit of the people of New South Wales.

## Objectives

We have four objectives which seek to balance our commercial, community and service delivery objectives.

### ► Utilisation objective

Maximise the utilisation of the assets

### ► Sustainability objective

Improve financial performance while balancing commercial and community benefits

### ► Community objective

Maintain or improve services to the community

### ► Operational objective

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





**WIN Entertainment Centre:**  
**44,000** people  
 attended live shows,  
 concerts & conferences

## Utilisation objective

Maximise the utilisation of the assets

Key achievements 2 March – 30 June 2012

- 118,000 rugby league fans attended seven games at Hunter Stadium
- 22,000 attended two games at WIN Stadium
- 92,000 attended seven games at Parramatta Stadium
- Venues NSW operated home ground venues for three NRL teams – the Newcastle Knights, Parramatta Eels and St George-Illawarra Dragons
- Hunter Stadium also operated as the home ground for the A-League’s Newcastle Jets
- Hunter Stadium hosted its first international rugby union test in June 2012 when the Wallabies played Scotland drawing a crowd of 20,000
- WIN Entertainment Centre continued to serve as the home ground for the National Basketball League’s Wollongong Hawks
- Parramatta Stadium hosted a two day Sport and Recreation school holiday clinic in April
- 44,000 people attended entertainment events including conferences, concerts and live shows at WIN Entertainment Centre
- 94,000 attended entertainment events at the Newcastle Entertainment Centre and Showground including around 45,000 people who attended the Newcastle Show in March 2012
- Disney on Ice was staged in Newcastle and WIN Entertainment Centres, with 12 shows across both venues drawing crowds of over 41,000 in total

## Sustainability objective

Improve financial performance

Key achievements

- Progressed work on securing strong access agreements with major sport tenants
- Established a Venue Managers network to identify opportunities to share expertise, identify synergies, source and promote events and share resources across the portfolio
- Progressed reviews of key supplier and sponsorship deals

# Venues NSW Highlights March – June 2012



## Community objective

Maintain or improve services to the community

### Key achievements

- Established Local Venues Councils in the Hunter, Western Sydney and Illawarra to provide advice to the Venues NSW Board about the needs of local communities
- Celebrated the 20th anniversary of Newcastle Entertainment Centre
- Celebrated the 25th anniversary of Parramatta Stadium
- Improved access for people with a disability at Parramatta Stadium
- Opened the \$31 million Western Grandstand at WIN Stadium which includes new corporate hospitality, parking and event facilities for the Wollongong community
- Newcastle Entertainment Centre hosted Starstruck in June, a local schools spectacular featuring some of the region's most talented primary and secondary school performers

## Operational objective

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

### Key achievements

- Completed the \$31 million Western Grandstand development at WIN Stadium which includes 5,800 under cover seats, two new function rooms, media suites, a new box office and car park
- Continued to support local venue management teams to enable them to maintain and improve services provided to tenants and the community
- Focused on ensuring a smooth transition to Venues NSW for tenants, venue hirers, stakeholders, commercial partners and our staff
- Developed a branding guide

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Hunter Stadium hosted their first international rugby union test in June 2012

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## The future

We are continuing to negotiate with major sporting tenants to secure access agreements for our venues. We are also negotiating with a number of promoters to deliver high quality sporting and entertainment events in the Hunter, Western Sydney and Illawarra.

The A-League season for 2012 will see Parramatta Stadium as the home ground for the newly formed Western Sydney Wanderers. The stadium will continue to be the home ground for the Parramatta Eels and is also committed to continuing its contribution to the local community with several junior rugby league events planned.

Hunter Stadium will continue as the home ground of the Newcastle Knights and the Newcastle Jets. The much publicised British and Irish Lions Tour is anticipated to set a new ground record for Hunter Stadium with major economic benefits to the local community to flow from these events. A new catering supplier will be engaged at Hunter Stadium, replacing the current in-house service.

Major events coming up for the Newcastle Entertainment Centre include the 2012 Holden Netball Test, Australian Supercross Championships, the Wiggles, Disney Live, Celtic Thunder and Cliff Richard.

WIN Stadium will continue as the home ground for the St George-Illawarra Dragons and the National Basketball League's Wollongong Hawks will continue to play their home games at WIN Entertainment Centre when the season starts in October 2012. WIN Entertainment Centre is scheduled to host a variety of events including Disney Live, Simple Minds, Matchbox 20 and the Professional Bull Riders. Nitro Circus is scheduled to return to WIN Stadium in April 2013 and WIN Stadium will host a wide range of local rugby league, rugby union and football finals.

Funding has also been provided for repairs to the Southern Grandstand roof at WIN Stadium.

Local Venues Councils will continue to meet regularly and ensure that venues meet the needs of local communities. We are looking forward to delivering sport and entertainment events in the year ahead.

# Venues NSW Highlights March – June 2012

## Events

Date	Event	Venue	Attendees
March 2012	Newcastle Show	Newcastle Showground	45,000
	Parramatta Eels v Brisbane Broncos	Parramatta Stadium	11,399
	NSW Cup – Illawarra Cutters v Penrith	WIN Stadium	753
	Daniel O'Donnell	Newcastle Entertainment Centre	2,282
	X-Factor Auditions	Hunter Stadium	300
	Hawks v Sydney Kings	WIN Entertainment Centre	2,555
	Jets v Gold Coast United	Hunter Stadium	10,258
	NSW Cup – Illawarra Cutters v Western Suburbs	WIN Stadium	814
	Parramatta Eels v New Zealand Warriors	Parramatta Stadium	12,120
	Rotary District National Conference	WIN Entertainment Centre	970
	Knights v Broncos	Hunter Stadium	23,894
	Jets v Brisbane Roar	Hunter Stadium	11,471
	Lennie Kravitz, Cranberries, Wolfmother	WIN Entertainment Centre	2,660
	nib Night with the Knights	Hunter Stadium	140
	NSW Police Seminar	Hunter Stadium	63
	Carl Barron	WIN Entertainment Centre	4,115
	Parramatta Eels v Penrith Panthers	Parramatta Stadium	13,788
	Hawks v Adelaide	WIN Entertainment Centre	3,645
	Evanescence	Newcastle Entertainment Centre	2,305
	Crosby, Stills & Nash	WIN Entertainment Centre	1,597
	Jets Presentation Night	Hunter Stadium	220
	NSW Police Seminar	Hunter Stadium	62
	Parramatta Eels v Manly Sea Eagles	Parramatta Stadium	13,158
	Smart Energy Expo	Newcastle Entertainment Centre	1,000
April 2012	Knights v Eels	Hunter Stadium	24,158
	Dragons School Holiday Clinic	WIN Stadium	130
	Coaching Clinic	Hunter Stadium	600
	NSW Police Seminar	Hunter Stadium	91
	NSW Cup – Illawarra Cutters v Vulcans	WIN Stadium	200
	Kidzwish Media Launch	WIN Entertainment Centre	60
	NPBS Roadshow	Hunter Stadium	140
	ARTC	Hunter Stadium	60
	Hunter Wedding Grapevine Bridal Expo	Hunter Stadium	600
	Parramatta Eels v West Tigers	Parramatta Stadium	19,654
	El Caballo Blanco	Newcastle Entertainment Centre	2,255
	Knights v Panthers	Hunter Stadium	16,892

<b>Date</b>	<b>Event</b>	<b>Venue</b>	<b>Attendees</b>
May 2012	NSW Cup – Illawarra Cutters v Wentworthville	WIN Stadium	200
	Dragons Members Western Grandstand Seat Selection Day	WIN Stadium	2,000
	Crossfit Games Aust. Regionals	WIN Entertainment Centre	5,978
	NSW Cup – Illawarra Cutters v Newtown	WIN Stadium	200
	Knights v Cowboys	Hunter Stadium	18,191
	NSW Swifts v West Coast Fever	Newcastle Entertainment Centre	3,166
	NSW Law Society Team Building Exercise	WIN Stadium	60
	Knights v Gold Coast Titans	Hunter Stadium	15,792
June 2012	Carl Barron	WIN Entertainment Centre	4,130
	Parramatta Eels v Cronulla Sharks	Parramatta Stadium	10,009
	Wallabies v Scotland ARU Test Match	Hunter Stadium	20,088
	2012 National Judo Championships	WIN Entertainment Centre	1,861
	Knights v Canberra Raiders	Hunter Stadium	15,114
	City of Newcastle	Hunter Stadium	300
	Disney on Ice	WIN Entertainment Centre	15,571
	Dragons v Bulldogs	WIN Stadium	13,938
	Starstruck	Newcastle Entertainment Centre	12,140
	NSW Cup – Illawarra Cutters v Tigers	WIN Stadium	200
	Wollongong Eisteddfod	WIN Entertainment Centre	1,000
	Disney on Ice	Newcastle Entertainment Centre	25,639
	Dragons v Titans	WIN Stadium	8,161
	NSW Cup – Illawarra Cutters v Western Suburbs	WIN Stadium	300
	Matildas v NZ (Game 1)	WIN Stadium	3,681
	Knights v Wests Tigers	Hunter Stadium	18,637
	Matildas v NZ (Game 2)	WIN Stadium	350
	Illawarra Coal Conference & Dinner	WIN Entertainment Centre	562
	Parramatta Eels v Newcastle Knights	Parramatta Stadium	12,022
	Western Grandstand Public Open Day	WIN Stadium	350
<b>Total</b>			<b>439,049</b>

# Venues NSW Board

## The Board

Our Board is a governing board and plays a critical role in setting the strategic and operational direction of the business.

The Board was appointed by the Minister on 2 March 2012 for an initial two year term. The Board meets monthly and is subject to the control and direction of the Minister. The functions of the Board include decision-making over the care, control, use and development of our venues.



**John Quayle**

### Chair

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



**Vicki Tiegs**

### Chair, Illawarra Local Venues Council

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



**Glenn Turner**

### Chair, Hunter Local Venues Council

Glenn was the Chair of the former Hunter Region Sporting Venues Authority. He has also had experience as Chair and CEO in many industries including being the Chair of Hunter Water and the Hunter Medical Research Institute Foundation. Glenn is also an accredited mediator and arbitrator.



**Craig Gallagher**

### Chair, Western Sydney Local Venues Council

Craig is the former chair of the Parramatta Stadium Trust. He was also a trustee of the State Sports Centre Trust for 15 years. Craig served on both trusts as Chair of the finance and audit committee for many years. Craig is a partner at Hunt & Hunt Lawyers North Ryde and practices in the property, estate planning, commercial law and commercial litigation areas and has acted for many clients within the Parramatta Local Council area for a period of almost 30 years. Craig lives in Epping and has served as a member of Epping Rotary for 10 years. He is also a Director of Bendigo Community Bank North Epping and a Director of the Centre for Disability Studies at Sydney University.



### John Dorahy

John is a former rugby league player, coach and football manager. John studied accounting and business management holding a senior management position for an international company in the payment solutions industry. He was elected as a Wollongong City Councillor in 2011 and sits on several boards.



### Scott Lennon

Scott has extensive experience in infrastructure economics including working as a key adviser to government and private industry on major infrastructure projects with a focus on transport. He has a Bachelor of Agricultural Economics degree and a Graduate Diploma in Investment and Finance. He is currently an Economics and Policy Partner at PwC where he applies economic analysis to drive improved planning and project prioritisation decisions. Prior to joining PwC in 1999, Scott had roles as an economist in a range of NSW Government entities. Scott is also the President of the Sydney Business Chamber.



### Janett Milligan

Janett Milligan is the nominee of the Office of Communities on the Board. She has held senior executive positions in the NSW public sector for nearly 20 years both in specialist social policy areas and in large-scale operational roles in human services, and sport, recreation and culture. She has a Bachelor of Social Science (Hons) and a Master of Business Administration. Janett is currently the Acting Executive Director of Venues NSW.



### Jane Spring

Jane is an experienced sports administrator with a Bachelor of Economics (Hons), a Bachelor of Law, a Masters in Public Administration and both Company Director and Company Secretarial Qualifications. Jane is a Fellow of Senate at Sydney University, a Member of the Western Sydney Local Health District Board and of the Wheelchair Sports Australia Board. She is also an Australian Sports Medal winner following her significant contribution working at the Sydney Organising Committee for the Olympic Games. Jane has represented NSW in rowing and wheelchair basketball and maintains a strong involvement in these sports.

## Board meeting attendance

Member	Board meetings attended	Member	Board meetings attended
John Quayle (Chair)	5/5	John Dorahy	5/5
Vicki Tiegs	5/5	Scott Lennon	5/5
Glenn Turner	5/5	Janett Milligan	5/5
Craig Gallagher	4/5	Jane Spring	5/5

# Venues NSW Local Venues Councils



## Local Venues Councils

The Local Venues Councils provide advice to the Venues NSW Board about the needs of their local communities. Local Venues Councils met on the following dates in the reporting period.

Local Venues Council	Meeting dates
Hunter	28 May 2012 25 June 2012
Western Sydney	10 May 2012 7 June 2012
Illawarra	2 May 2012 6 June 2012





## Western Sydney Local Venues Council

Craig Gallagher

### Chair

Craig is the former chair of the Parramatta Stadium Trust. He was also a trustee of the State Sports Centre Trust for 15 years. Craig served on both trusts as Chair of the finance and audit committee for many years. Craig is a partner at Hunt & Hunt Lawyers North Ryde and practices in the property, estate planning, commercial law and commercial litigation areas and has acted for many clients within the Parramatta Local Council area for a period of almost 30 years. Craig lives in Epping and has served as a member of Epping Rotary for 10 years. He is a Director of Bendigo Community Bank North Epping and a Director of the Centre for Disability Studies at Sydney University.

### Mark Birkinshaw

Mark is currently a Director of Transport Ideas, a Sydney based professional services consultancy. Mark has more than 25 years experience in passenger transport and freight logistics across government and the private sector. Mark's career covers national and international experience in business development, commercialisation, innovation and consulting. Mark is a NSW Chairman and a current Fellow of the Chartered Institute of Logistics and Transport Australia. Mark is also an Executive Member of the Ethnic Communities Council of NSW.

### Karen Grega

As the CEO of Sydney Olympic Park Business Association, Karen has worked with major park venues and local businesses. Her sporting experience includes being the CEO of the inaugural Maccabi Australia

International Games, commercial management roles with the International Cricket Council and Scottish Premier League Club, Dunfermline Athletic FC.

She was Acting Media Manager with the A-League's Sydney FC and held General Manager roles with the Sydney Cricket and Sports Ground Trust in operations, security, marketing and media. Karen has a Bachelor of Business Communications degree and is a former lecturer at the VMA Venue Management School in Venue Marketing and Operations, and Media Management.

### Ern Phang

Ern is a lawyer with Phang Legal, a Parramatta law firm which he founded in 2002. Ern practices mainly in property law and business law. Ern is also an experienced Director and Company Secretary having served on the boards of not for profit organisations in Sydney and Melbourne. Ern is a past recipient of the Sydney Mid West Volunteer of the Year Award and Law Society President's Award for his work within the local community. Ern brings his passion for people and Western Sydney, as well as his legal expertise and commercial acumen to his role on the Western Sydney Local Venues Council.

### Jim Taggart

Jim has a Masters Degree in Commerce, a Diploma of Teaching, a Masters degree in Arts and a Doctorate in Business Administration. Jim has lived in the Hills District for more than 32 years and has been actively involved in a wide range of community activities including the Salvation Army's Red Shield Appeal. He was the Vice President of the Regional Chamber of Commerce 1999 – 2000 and is a past board member of Gilroy and Marion Colleges. He is a past Chair and current member of the Sydney Hills Business Chamber.

# Venues NSW Local Venues Councils



## Illawarra Local Venues Council

### Vicki Tiegs

#### Chair

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

### Arun Jagatramka

Arun is the Chairman and Managing Director of Gujarat NRE Coke Limited, the largest independent metallurgical coke producer in India. He is the Executive Chairman of Gujarat NRE Coking Coal Ltd which owns and operates two prime hard coking coal mines in Wollongong and employs around 600 people. He holds a number of board positions including being a member of Port Kembla Coal Terminal, the Wollongong Hawks and Executive Committee Member of NSW Minerals Council.

### Wayne Morris

Wayne is the Secretary of the Churches of Christ NSW Property Trust. He was the Chief Executive Officer of IMB Limited from 1999 – 2007 and Wollongong Hawks Basketball Ltd from 2009 – 2011. During this time he was

also a Director of ABACUS Australian Mutuals, Chairman of the Australian Association of Permanent Building Societies as well as a member of the National Basketball League Commission. He is currently a Director of the Illawarra Performing Arts Centre (Merrigong Theatre Co), Newcastle Permanent Building Society Ltd and Warrigal Care Ltd and is Chairman of the Wollongong Symphony Orchestra Foundation Ltd.

### Craig Osborne

Craig is a Managing Partner at RMB Lawyers. He has also been the Chairman of the Wollongong Wolves Football Club, a board member of Lifeline South Coast and an ambassador to the Port Kembla Revitalisation Project. Craig has also been involved with a number of charities serving as the Chair of the Illawarra Health Services Palliative Care Appeal and the Chair of the Illawarra Area Health Service Golden Hour Appeal. Craig currently sits on the Illawarra Regional Development Board, Wollongong City Council CBD Committee and the Illawarra Grammar School Foundation. Craig was Illawarra Business Chamber's Business Person of the Year in 2007 and 2009.

### Glenda Papac

Glenda has been the practice manager at Tony Papac & Associates since 1994. She also serves as the Director of Illawarra Women in Business (from 2007), a Director of Horizon Credit Union (from 2010) a member of the Illawarra Salvation Army Advisory Board Illawarra (from 2008) and also the Alumni Relations Co-coordinator and Events Manager at Edmund Rice College (Wollongong) (from 2011).



## Hunter Local Venues Council

Glenn Turner

### Chair

Glenn was the Chair of the former Hunter Region Sporting Venues Authority. He has also had experience as Chair and CEO in many industries including being the Chair of Hunter Water and the Hunter Medical Research Institute Foundation. Glenn is also an accredited mediator and arbitrator.

### Martene Archer

Martene has over 20 years experience in the energy and health sectors focusing on strategy, governance, marketing, safety and culture and stakeholder management. As part of her current role, she is responsible for managing Ausgrid's interests in the Hunter, working with councils, businesses, educational and research institutions and community organisations.

Martene has previously held roles identifying, developing and managing Ausgrid's community partnerships across the Hunter region including Ausgrid's sponsorships with the Newcastle Knights and former Ausgrid Stadium and has facilitated network infrastructure development for facilities within the stadium precinct, particularly expansion of the Newcastle Hockey Club.

### Keith Lynch

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

### Todd Peate

Todd Peate has over 15 years of commercial and business experience working within the hospitality and mining industries. Todd has extensive experience working within the Hunter Region and brings the experience of having worked on supplier agreements with the majority of Australia's large stadiums to the role. Todd studied accounting at the University of Newcastle and holds an Executive MBA from the University of Technology, Sydney.

### Catherine Tate

Catherine was a member of the former Hunter Region Sporting Venues Authority. She has also been a supporter and/or patron of many sporting groups in the Hunter including the Hunter Academy of Sport, Newcastle Netball, Wests Netball, Newcastle Rowing, Newcastle District Women's Bowling Association and Hunter Surf Life Saving. Catherine has also been active with a number of charities including the Salvation Army, Lifeline and Samaritans. Professionally she has been a TAFE teacher in the area of communication.

# Hunter Venues Report



## 1 July 2011 – 1 March 2012

Hunter Venues has responsibility for Hunter Stadium, the Newcastle Entertainment Centre and a number of smaller venues in Newcastle including:

- Newcastle Showground
- Newcastle Harness Racing Club
- Newcastle International Hockey Centre
- District Park in Newcastle

AEG Ogden manages the Newcastle Entertainment Centre and Showground on behalf of Venues NSW.

In the reporting period (1 July 2011–1 March 2012), Hunter Venues focused on reducing costs, increasing use of the venues and improving planning.

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Kangaroos V New Zealand set  
a new ground record with  
**32,890**  
people attending the game

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## Key achievements

In October 2011 Hunter Stadium partnered with the National Rugby League to deliver the Australian Kangaroos V New Zealand Kiwis match which set a new ground record with 32,890 people attending the event.

Newcastle Entertainment Centre (NEC) and Showground celebrated its 20th anniversary and had a total attendance for the period of 135,000 across 38 events.

## Venue developments

Hunter Stadium's \$81 million Western Grandstand was completed in June 2011 and since that time work has continued to improve facilities, systems and management.

Hunter Stadium made plumbing and drainage improvements and work has been conducted on the north west access ramp to repair cracking and prevent shifting.

Marking spaces within the car park improved the game day experience while the development of traffic, emergency, and work, health and safety plans is providing a safer venue for the public and workplace for staff.



## Major hirers

Hunter Stadium has two major sporting teams as tenants, the Newcastle Knights competing in the National Rugby League and the Newcastle Jets competing in the A-League. Both teams are owned by Hunter Sports Group.

Hunter Venues also has leases with a range of tenants including Go Karts Go, Planet Fitness, Putt-Putt Golf, Newcastle Harness Racing Club and Newcastle International Hockey Centre.

## Events

The Newcastle Entertainment Centre's major concerts included Cold Chisel, Def Leppard and Stevie Nicks. Family events were Cirque du Soleil, Disney on Ice and the Wiggles. In addition several major exhibitions were hosted including the Herald Home Show, Craft and Sewing Expo and the Caravan and Camping Show.



*Above: Newcastle Entertainment Centre Home Show July 2010  
Right: Weekly farmers market at the Showground*

# Hunter Venues

The Newcastle Entertainment Centre supported local charities by offering the venue at reduced hire rates. These events included the Westpac Rescue Helicopter Service Ball and the Special Children's Christmas Party. The venue also provided tickets to many community organisations for raffles and auctions to support fundraising.

Sporting events at Newcastle Entertainment Centre included the Australia V England netball test, PBR Bullriding and an Anthony Mundine boxing night.

Newcastle Showground hosted the annual Newcastle Show, a speedway event and weekly Farmers' Markets. The Farmers' Market continued to attract around 5,000 people each week. The funds generated from venue hire and car parking fees will be invested in future showground development.

## Hunter Stadium Events

1 July 2011 to 1 March 2012

Month	Event name	Attendees
July 2011	Knights Clinic & BBQ	450
	ARTC Workshop	70
	Herald Business Lunch	160
	Coaches Seminar	130
	Knights v Cowboys	17,212
	Knights v Sea Eagles	17,428
	Knights v Titans	17,327
August 2011	Close The Gap Function	170
	Globe Trade Show	80
	HCC Awards for Tourism	290
	Schneider Electrical Function	50
	Knights v Raiders	14,109
	Knights v Broncos	19,412
	Diageo BBQ	80
September 2011	Jets Member Launch	100
	Test Match Coaching Clinic	200
	NSWRL Academy Meeting	20
	Knights v Rabbitohs	30,729
October 2011	JSA Seminar	150
	NPBS Math Competition Presentation	190
	Jets v Melbourne Heart	12,467
	Australia v New Zealand NRL Test Match	32,890
	Jets v CC Mariners	14,421

Hunter Stadium hosted 19 major events including one international fixture and several private, corporate and community events. The stadium has hosted functions and events for the Australian Rugby Union, National Rugby League, Newcastle Jets, Newcastle Knights, Newcastle City Council, Port Hunter Conveyors and Newcastle Tourism Industry Group.

Hunter Stadium also hosted a number of development days with the Newcastle Knights and Newcastle Jets including coaching clinics and lectures.

Hunter Stadium supported the local community by providing complimentary or at-cost services to a number of charities including Hunter Life Education's Car Boot Sale, the Smith Family's Hamper Day and local radio station KOFM's fundraiser Barbeque for Molly-Jane.

Month	Event name	Attendees	
November 2011	Lord Taverners Dinner	178	
	EJE Architecture	250	
	Newcastle University Function	111	
	Port Hunter Conveyors	240	
	Newcastle Herald School Newspaper	320	
	Jets v Perth Glory	12,383	
	Jets v Brisbane Roar	13,174	
	December 2011	Luis Palau Breakfast & Seminar	220
January 2012	Advance Careers College	123	
	Newcastle City Council	300	
	Jets v Melbourne Victory	17,245	
	Jets v Sydney FC	13,658	
	Jets v Perth Glory	10,439	
	Newcastle Entertainment Centre	70	
	Jets v Gold Coast United	9,311	
	Jets v Wellington Phoenix	11,649	
	February 2012	HCCF Breakfast	50
		CUB Seminar	120
Coca-Cola Seminar		45	
CigWeld Product Launch		50	
Coca-Cola Seminar		65	
Compass Housing		200	
Jets v Melbourne Heart		10,619	
Jets v Adelaide United		10,383	
March 2012	Knights v St George Dragons	29,183	
<b>Total</b>		<b>318,521</b>	

## Newcastle Entertainment Centre and Showground

1 July 2011 – 1 March 2012

Month	Event Name	Total Attendees
July 2011	PBR Bullriding	4,553
	Cirque Du Soleil Saltimbanco	25,005
	Newcastle Home Show	6,926
August 2011	Craft Show 2011	11,000
September 2011	Westpac Rescue Helicopter Ball	1,374
	Roller Derby	1,413
October 2011	Netball Test Match Australia v England	4,481
	Activate Expo	849
	Mundine Fight Night	2,682
	Def Leppard	3,390
	HSC Marking	1,000
November 2011	St Francis Xavier College Dinner	1,453
	St Mary's College Dinner	901
	Variety Christmas Party	2,000
	Cesar Millan	2,390
	Spicks and Speck-tacular	4,431
	Stevie Nicks	3,016
December 2011	Cold Chisel	7,487
	The Wiggles	9,607
January 2012	Disney Live	6,807
	Quiksilver Sale	5,000
February 2012	Ronan Keating	2,641
	Celtic Thunder	2,407
	Caravan & Camping Show	23,872
	Speedway	699
	Total	135,384
ALL	Computer Fair	3,000
ALL	Farmers Markets	230,000
	Total other event	233,000
	<b>Total</b>	<b>368,384</b>



# 318,521

attended events at  
Hunter Stadium

# 368,384

attended events at  
Newcastle Entertainment  
Centre and Showground



# Parramatta Stadium Report

## 1 January - 1 March 2012

Parramatta Stadium celebrated its 25th anniversary in 2012 and marked the event with a range of celebrations that included a ceremony prior to the start of the traditional NRL clash between the St George-Illawarra Dragons and the Parramatta Eels.

## Major hirers

During the period the Parramatta Eels were the stadium's major hirer using the venue for training and ten home games per year as well as using the gymnasium, change rooms and Parramatta Pool.

## Events

Parramatta Stadium hosted the Parramatta Council's Celebrating Girls in Sport event, the NSW Rugby League's Skills Day, the Parramatta Eels Fan Day as well as four home games for the Parramatta Eels in the period.



## Parramatta Stadium

1 January 2012 – 1 March 2012

Month	Event name	Attendance
January 2012	Parramatta Council: Celebrating Girls In Sport	150
	NSWRL – Ultimate Experience/Skills Day	300
March 2012	Parramatta Eels v Brisbane Broncos	11,399
	Parramatta Eels v New Zealand Warriors	12,120
	Parramatta Eels v Penrith Panthers	13,788
	Parramatta Eels v Manly Sea Eagles	13,158
<b>Total</b>		<b>50,915</b>





## Parramatta Stadium celebrated its 25th anniversary

*Above: The Parramatta Eels taking on one of their opponents at the stadium*

*Left: The players of the future providing the halftime entertainment during an NRL fixture at Parramatta Stadium*

# WIN Sports and Entertainment Centres Report

## 1 July 2011 - 1 March 2012

WIN Sports and Entertainment Centres hosted a total of 71 event days. These included 52 at the WIN Entertainment Centre and 19 at WIN Stadium, attracting a total of 200,983 people across both venues.

The highlight of the year for WIN Entertainment Centre was the first appearance in Wollongong of Cirque du Soleil. The five shows attracted 22,000 people and box office sales of over \$2.1 million breaking all WIN Entertainment Centre records.

## Venue developments

Construction of the Western Grandstand at WIN Stadium was underway during the period. The \$31 million project started with a refurbishment of parts of the Southern Grandstand including new player change rooms and catering facilities. This was followed by the demolition of the old Western Grandstand.

On 20 September 2011 high winds caused major damage to the new grandstand's roof while it was under construction. This caused a delay on the project while the damaged roofing was removed and new trusses installed. By the beginning of March 2012 work on the project was progressing with new trusses and roofing being installed. The Northern Grandstand also received funding for repainting and other repairs.

## Major hirers

The major hirers of the WIN Entertainment Centre for concerts were the Frontier Touring Company, McManus Entertainment, Michael Chugg and Michael Coppel Presents. Major family event hirers included Feld Entertainment (Disney on Ice), the Wiggles, the Department of Education and Communities (Southern Stars), Rock Eisteddfod Challenge and Ad-Lib Productions (Wakakirri). The centre's key sporting client continued to be the National Basketball League's Wollongong Hawks.

The major hirer of WIN Stadium in the period was the St George-Illawarra Dragons. Other sport hirers included the Illawarra District Rugby League Football Club, the Illawarra District Rugby Union and the Illawarra Soccer Association. Motor cycle and extreme sports action were brought to WIN Stadium by Super-X Touring, Crusty Demons and Nitro Circus.



## Events

WIN Stadium hosted a total of six Dragons games and 12 other days of rugby league action. The level of utilisation at the venue was impressive given that construction of the Western Grandstand was underway during the period.

The entertainment centre hosted a wide range of national and international artists including Meat Loaf, Cold Chisel, Stevie Nicks, Ronan Keating and Celtic Thunder. Families enjoyed the Rock Eisteddfod, Wakakirri, Southern Stars and the Wiggles.

Community events included the KidzWish Xmas Party and fundraising dinner, Check-It Men's Health Expo and local dance school concerts.



Cirque du Soleil's  
**\$2.1m** box office sales  
broke all WIN  
Entertainment  
Centre records



*Above: WIN Stadium main field  
Right: The Wollongong Hawks in action at the 'Sandpit' (WEC)*

# WIN Sports and Entertainment Centres

## WIN Entertainment Centre

Month	Event name	Attendance
July 2011	2011 Bridal Expo	2,152
	Centenary of Illawarra RL Dinner	796
	Dendrobium Mine Recognition Dinner	621
	J Rock & Rock Eisteddfod	3,548
August 2011	Wakakirri 2011	1,351
	Cirque du Soleil, Saltimbanco (5 Shows)	21,995
	Southern Stars 2011 (4 shows)	11,047
September 2011	AWU Union Meeting	1,000
	Check-It Mens Health Expo	844
	St Mary's College Graduation Mass	1,000
October 2011	Meat Loaf	4,181
	AWU Meeting	1,000
	Hawks Season Launch	150
	Hawks v NZ Breakers	2,646
	Looking thru a Glass Onion	846
	Hawks v Adelaide	2,275
	Hawks v Gold Coast	2,522
	Queen – It's a Kinda Magic	710
	Hawks v Melbourne	2,568
November 2011	IBC Business Awards Dinner	908
	Miss Saigon	1,272
	Cold Chisel	4,395
	Hawks v Perth	2,171
	KidzWish Xmas Party for Special Kids	3,000
KidzWish Fundraising Dinner	750	
November 2011	Commotion PA – Dance School Concert (2 Shows)	1,591
	House of PA Dance School	308
	Theatrix Dance School	1,274

Month	Event name	Attendance
December 2011	Breanna's Dance School	906
	Stevie Nicks	3,190
	The Wiggles Big Birthday (2 Shows)	6,815
	Spicks & Specks	2,974
	NRE Staff Xmas Dinner	846
	Hawks v Perth	2,138
January 2012	Hawks v Sydney	2,754
	Hawks v Sydney	1,842
	Hawks v Cairns	1,882
February 2012	Disney Live!	5,691
	Hawks v Melb Tigers	2,452
	Morning of the Earth	908
February 2012	Ronan Keating	2,194
	Hawks v NZ Breakers	2,551
	Celtic Thunder	1,693
	Hawks v Gold Coast	1,947
	BMW New Vehicle Launch	163
<b>Totals</b>		<b>117,867</b>

WIN STADIUM

1 July 2011 – 1 March 2012

Month	Event Name	Attendance
July 2011	Red V Members BBQ	350
	Dragons v Knights	12,282
	Dragons School Clinic	270
	Dragons v Rabbitohs	13,373
August 2011	Dragons Family Fun Day	500
	Dragons v Roosters	11,416
	Carlton RL – Elimination Finals	1,004
	Carlton RL – Qulaifying Finals	1,410
	Carlton RL – Minor Semi Finals	1,424
	Carlton RL – Major Semi Finals	1,272
	Dragons v Warriors	12,058
September 2011	Dragons v Penrith Panthers	11,322
	IDRL Junior Grand Finals	2,300
	Carlton League Finals	1,538
	Carlton League Grand Finals	3,170
October 2011	Super X – Aust. Supercross Championship	5,128
February 2012	Dragons v Bulldogs Trial Game	2,405
	Steelers Juniors RL	1,046
	Steelers Juniors RL	848
<b>Totals</b>		<b>83,116</b>



The WIN Stadium hosted six Dragons' games and 12 other days of rugby league action



Above: Disney Live on stage at the WIN Entertainment Centre January 2012

Left: The new Victory Room in the WIN Stadium Western Grandstand

# Venues NSW

# Appendices

## Appendix 1 Human resources

### Equal Employment opportunity

Venues NSW is committed to the implementation of government Equal Employment Opportunity (EEO) Policy, and through the Office of Communities, observes EEO principles in its recruitment of staff, workplace practices and development of training programs.

Venues NSW staff are employed through the Office of Communities. At June 2012 there were 26 staff.

The following tables provide statistical EEO information on Venues NSW permanent Workforce.

#### EEO Actual Staff Numbers

Remuneration Level of Substantive Position	Men	Women
\$0 – \$40,662	2	1
\$40,662 – \$53,407	2	7
\$53,407 – \$59,705	1	0
\$59,705 – \$75,552	1	0
\$75,552 – \$97,702	5	1
\$97,702 – \$122,128	1	1
\$122,128 >	3	1
<b>Total</b>	<b>15</b>	<b>11</b>

### Number of executive officers

Venues NSW Acting Executive Director is Ms Janett Milligan.

#### Trends in the Representation of EEO Groups

EEO Group	Benchmark/Target	2012
Women	50%	42.0%
Aboriginal People and Torres Strait Islanders	2.6%	0.0%
People whose First Language Spoken as a Child was not English	19.0%	15.2%
People with a Disability	n/a	0.0%
People with a Disability Requiring Work-Related Adjustment	1.5%	0.0%

## Appendix 2 Multicultural policy

All government agencies are required to have a multicultural plan and include information about the plan in their annual reports. The *Community Relations Commission and Principles of Multiculturalism Act 2000* sets out the principles for multiculturalism that NSW Government agencies must observe.

The Office of Communities is developing a new Multicultural Plan, which will include Venues NSW and align closely with the Department of Education and Communities' plan. This is currently being finalised in consultation with the Community Relations Commission.

## Appendix 3 Workplace Health and Safety

Venues NSW is committed to protecting the health, safety and welfare of all staff, contractors, clients and visitors in the workplace. This will be achieved through workplace consultation and integrating best practice occupational systems and processes into all aspects of our planning and operations. To ensure a systematic and integrated approach to health, safety and welfare across the Department of Education and Communities work is currently underway with the Work Health and Safety Directorate and OoC Human Resources Branch on the development of whole of DEC work health and safety policies, procedures and practices.

Venues NSW had no workplace accidents or injuries resulting in insurance claims during the reporting period.

## Appendix 4 Legal change

The Minister for Sport and Recreation Administers the *Sporting Venues Authorities Act 2008* and the *Sporting Venues Authorities Regulation 2008*.

The *Sporting Venues Authorities Amendment (Venues NSW) Act 2011* amended the *Sporting Venues Authorities Act 2008* and repealed the *Parramatta Stadium Trust Act 1988* and *Parramatta Stadium Trust By-Law 2010*. The legislation dissolved the Illawarra Venues Authority, the Hunter Region Sporting Venues Authority and the Parramatta Stadium Trust and consolidated their operations and responsibilities into Venues NSW.

The *Sporting Venues Authorities Amendment Regulation 2012* amended the *Sporting Venues Authorities Regulation 2008* in relation to a range of issues including membership of the Venues NSW Board, the functions of Local Venues Councils and conditions of entry to facilities.

## Appendix 5 Privacy

The *Privacy and Personal Information Protection Act 1998* provides standards for the NSW public sector in regulating the management of personal information. The standards are supported by 12 information protection principles covering the collection, storage, use and disclosure of, and access and alteration of personal information. In the period 2 March – 30 June 2012 no complaints were received by Venues NSW alleging a breach of privacy.

## Appendix 6 Government Information (Public Access)

Venues NSW received no access to information applications in the reporting period.

## Appendix 7 Audit and risk

### Risk Management

The Office of Communities was established within the Department of Education and Communities in April 2011. In the 2011–12 financial year the Office of Communities, including Venues NSW transitioned from the Communities NSW Audit and Risk Committee to the Department of Education and Communities Audit and Risk Committee in line with Treasury Policy Paper TPP 09-05 and Treasury Circular TC 09-08.

On 3 April 2012, the Venues NSW Board endorsed the Department of Education and Communities Audit and Risk Committee as the Venues NSW Audit and Risk Committee for the interim.

Key elements of the Venues NSW audit and risk management framework established during 2011–12 included:

- a Department-wide contract for outsourced internal audit and assurance services provided by Deloitte Touche Tohmatsu (Deloitte)
- an Audit and Risk Committee with an independent chair and independent members to oversee the internal audit program for Venues NSW and monitor issues arising from internal and external audit recommendations
- development of a Venues NSW Risk Register which the Board reviews monthly

In accordance with the Office of Communities' 2011–12 internal audit plan Deloitte conducted the following internal audits of Venues NSW operations:

- business continuity and management
- lease and licence management
- payroll

### Audit and Risk Committee

For the period 2 March – 30 June 2012 the Department of Education and Communities Audit and Risk Committee met once in May 2012.

### Insurance

Venues NSW manages insurable risk by insurance provided as part of the NSW Treasury Managed Fund (TMF).

TMF is a government-wide self-insurance scheme that provides a systematic and coordinated approach to risk management. Under this scheme benchmarking is used to gauge risk management with premiums set by a combination of benchmarks and claims experience.

Venues NSW has full workers' compensation, motor vehicle, property, liability and miscellaneous cover provided by TMF. Employees of the Newcastle Entertainment Centre and Showground employees are covered under a separate workers' compensation policy.

## Appendix 7 Audit and risk (continued)

### Internal Audit and Risk Management Statement for the Period 2 March 2012 to 30 June 2012 for Venues NSW

The Board of Venues NSW is of the opinion that Venues NSW has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

The Board of Venues NSW is of the opinion that the internal audit and risk management processes for Venues NSW depart from the following core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) Venues NSW has implemented the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
<ul style="list-style-type: none"> <li>Core Requirement 1</li> </ul>	<ul style="list-style-type: none"> <li>Venues NSW does not employ a Chief Audit Executive. The services of the Chief Audit Executive of the Department of Education and Communities have been utilised as the Trust's Chief Audit Executive.</li> </ul>
<ul style="list-style-type: none"> <li>Core Requirement 2</li> </ul>	<ul style="list-style-type: none"> <li>The requirement to establish an Audit &amp; Risk Committee as required by the <i>Internal Audit and Risk Management Policy</i> was considered to have a material impact on Venues NSW due to resource constraints.</li> <li>Department of Education and Communities (DEC) has an Audit and Risk Committee with compliant membership. Venues NSW entered into a shared Audit and Risk Committee arrangement with DEC to oversee, monitor and report on Venues NSW' governance, risk and control issues affecting its operations as a practical measure that achieves a level of assurance equivalent to the requirements of the Policy.</li> </ul>

The Board of Venues NSW is of the opinion that the Audit and Risk Committee of the Department of Education and Communities which provided oversight of governance, risk and control arrangements for Venues NSW was constituted and operated in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of Venues NSW to understand, manage and satisfactorily control risk exposures.

As required by the policy, I have submitted an Attestation Statement outlining compliance with exceptions with the policy to the Treasury on behalf of the Treasurer.

In accordance with a resolution of the  
Venues NSW



John Quayle  
Chair



## Appendix 7 Audit and risk (continued)

The following Attestation Statements were submitted to Treasury on behalf of the Treasurer as required by the Internal Audit and Risk Management Policy. The necessary Ministerial exemptions have been obtained.

### Internal Audit and Risk Management Attestation for the Period 1 July 2011 to 1 March 2012 for Hunter Region Sporting Venues Authority

The Board of Hunter Region Sporting Venues Authority is of the opinion that the Hunter Region Sporting Venues Authority has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

The Board of the Hunter Region Sporting Venues Authority is of the opinion that the internal audit and risk management processes for Hunter Region Sporting Venues Authority depart from the following core requirements as set out in Treasury Circular NSW TC09/08 and that the Hunter Region Sporting Venues Authority implemented the following practicable alternative measures that have achieved a level of assurance equivalent to the requirement:

Departure	Reason for departure and Measure implemented
Core Requirement 1	<ul style="list-style-type: none"> <li>The Hunter Region Sporting Venues Authority does not employ a Chief Audit Executive. The services of the Chief Audit Executive of Communities NSW and subsequently the Department of Education and Communities have been utilised as the Authority's Chief Audit Executive.</li> </ul>
Core Requirement 2	<ul style="list-style-type: none"> <li>The requirement to establish an Audit &amp; Risk Committee as required by the <i>Internal Audit and Risk Management Policy</i> was considered to have a material impact on Hunter Region Sporting Venues Authority operating budget due to resourcing constraints.</li> <li>Communities NSW (CNSW), subsequently the Department of Education and Communities (DEC) has an Audit and Risk Committee with compliant membership. Hunter Region Sporting Venues Authority entered into a shared Audit and Risk Committee arrangement with CNSW and subsequently DEC to oversee, monitor and report on Hunter Region Sporting Venues Authority's governance, risk and control issues affecting its operations as a practical measure that achieves a level of assurance equivalent to the requirements of the Policy.</li> </ul>

These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of Hunter Region Sporting Venues Authority to understand, manage and satisfactorily control risk exposures.

The Board of the Hunter Region Sporting Venues Authority is of the opinion that the Audit and Risk Committee of Communities NSW and subsequently the Department of Education and Communities which provided oversight of governance, risk and control arrangements for Hunter Region Sporting Venues Authority were constituted and operated in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and Members of the CNSW Audit and Risk Committee were:

- Gerry Brus - independent Chair (29 April 2009 to 30 November 2011)
- David Roden - independent Member (15 June 2009 to 30 November 2011)
- Janett Milligan - non-independent Member (29 April 2009 to 30 November 2011)

The Chair and Members of the DEC Audit and Risk Committee are:

- Carolyn Burlew - (1 February 2010 to 1 February 2013) Chair
- Christine Feldmanis - (1 April 2010 to 1 April 2012) Independent Member
- Garry Dinnie - (1 January 2012 to 1 January 2014) Independent Member
- David Roden - (6 December 2011 to 31 October 2012) Independent Member

  
Glenn Turner  
former Chair,  
Hunter Region Sporting Venues Authority  
30 July 2012

  
Keith Lynch  
former Member,  
Hunter Region Sporting Venues Authority  
30 July 2012

Luke Coleman, A/Chief Executive Officer, Hunter Region Sporting Venues Authority 0438 744 154

## Appendix 7 Audit and risk (continued)

### Internal Audit and Risk Management Attestation for the Period 1 January 2012 to 1 March 2012 for Parramatta Stadium Trust

The Board of Parramatta Stadium Trust is of the opinion that the Parramatta Stadium Trust has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

The Board of the Parramatta Stadium Trust is of the opinion that the internal audit and risk management processes for Parramatta Stadium Trust depart from the following core requirements as set out in Treasury Circular NSW TC09/08 and that the Parramatta Stadium Trust implemented the following practicable alternative measures that have achieved a level of assurance equivalent to the requirement:

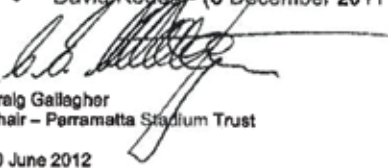
Departure	Reason for departure and Measure Implemented
Core Requirement 1	<ul style="list-style-type: none"> <li>The Parramatta Stadium Trust does not employ a Chief Audit Executive. The services of the Chief Audit Executive of the Department of Education and Communities have been utilised as the Trust's Chief Audit Executive.</li> </ul>
Core Requirement 2	<ul style="list-style-type: none"> <li>The requirement to establish an Audit &amp; Risk Committee as required by the <i>Internal Audit and Risk Management Policy</i> was considered to have a material impact on Parramatta Stadium Trust operating budget due to resourcing constraints.</li> <li>Department of Education and Communities (DEC) has an Audit and Risk Committee with compliant membership. Parramatta Stadium Trust entered into a shared Audit and Risk Committee arrangement with DEC to oversee, monitor and report on Parramatta Stadium Trust's governance, risk and control issues affecting its operations as a practical measure that achieves a level of assurance equivalent to the requirements of the Policy.</li> </ul>


These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of the Parramatta Stadium Trust to understand, manage and satisfactorily control risk exposures.

The Board of the Parramatta Stadium Trust is of the opinion that the Audit and Risk Committee of the Department of Education and Communities which provided oversight of governance, risk and control arrangements for the Parramatta Stadium Trust was constituted and operated in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and Members of the DEC Audit and Risk Committee are:

- Carolyn Burlew - (1 February 2010 to 1 February 2013) Chair
- Christine Feldmanis - (1 April 2010 to 1 April 2016) Independent Member
- Garry Dinnie - (1 January 2012 to 1 January 2014) Independent Member
- David Rodea - (6 December 2011 to 31 October 2012) Independent Member

  
Craig Gallagher  
Chair - Parramatta Stadium Trust  
30 June 2012

  
Alan Overton  
Member - Parramatta Stadium Trust  
30 June 2012

Luke Coleman, General Manager, Parramatta Stadium Trust 0438 744154

## Appendix 7 Audit and risk (continued)

### Internal Audit and Risk Management Attestation for the Period 1 July 2011 to 1 March 2012 for Illawarra Venues Authority

The Board of Illawarra Venues Authority is of the opinion that the Illawarra Venues Authority has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

The Board of the Illawarra Venues Authority is of the opinion that the internal audit and risk management processes for Illawarra Venues Authority depart from the following core requirements as set out in Treasury Circular NSW TC09/08 and that the Illawarra Venues Authority implemented the following practicable alternative measures that have achieved a level of assurance equivalent to the requirement:

Core Requirement 1	<ul style="list-style-type: none"> <li>The Illawarra Venues Authority does not employ a Chief Audit Executive. The services of the Chief Audit Executive of Communities NSW and subsequently the Department of Education and Communities have been utilised as the Authority's Chief Audit Executive.</li> </ul>
Core Requirement 2	<ul style="list-style-type: none"> <li>The requirement to establish an Audit &amp; Risk Committee as required by the <i>Internal Audit and Risk Management Policy</i> was considered to have a material impact on Illawarra Venues Authority operating budget due to resourcing constraints.</li> <li>Communities NSW (CNSW), subsequently the Department of Education and Communities (DEC) has an Audit and Risk Committee with compliant membership. Illawarra Venues Authority entered into a shared Audit and Risk Committee arrangement with CNSW and subsequently DEC to oversee, monitor and report on Illawarra Venues Authority's governance, risk and control issues affecting its operations as a practical measure that achieves a level of assurance equivalent to the requirements of the Policy.</li> </ul>

These processes, including the practicable alternative measures implemented, provide a level of assurance that enables the senior management of the Illawarra Venues Authority to understand, manage and satisfactorily control risk exposures.

The Board of the Illawarra Venues Authority is of the opinion that the Audit and Risk Committee of Communities NSW and subsequently the Department of Education and Communities which provided oversight of governance, risk and control arrangements for the Illawarra Venues Authority were constituted and operated in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and Members of the CNSW Audit and Risk Committee were:

- Gerry Brus - independent Chair (29 April 2009 to 30 November 2011)
- David Roden - independent Member (15 June 2009 to 30 November 2011)
- Janett Milligan - non-independent Member (29 April 2009 to 30 November 2011)

The Chair and Members of the DEC Audit and Risk Committee are:

- Carolyn Burlew - (1 February 2010 to 1 February 2013) Chair
- Christine Feldmanis - (1 April 2010 to 1 April 2016) Independent Member
- Garry Dinnie - (1 January 2012 to 1 January 2014) Independent Member
- David Roden - (6 December 2011 to 31 October 2012) Independent Member

  
Chris Christodoulou  
Former Chair – IVA  
31 May 2012

  
Vicki Tiegs  
Former Member - IVA  
31 May 2012

Stuart Barnes, General Manager, Illawarra Venues Authority (0417 650 510)

## Appendix 8 Customer feedback

Venues NSW is committed to ensuring that it provides facilities and services that meet the needs and expectations of the individuals and community groups who visit our venues each year.

Local Venues Councils have been established in the Hunter, Western Sydney and Illawarra to provide advice to the Board and ensure that local communities continue to be closely involved in the way our venues operate.

We also encourage the community to provide feedback through our online channels. Each venue is contactable through their website, email address and social media such as Twitter and Facebook.

## Appendix 9 Waste reduction and purchasing policy

The NSW Government's Waste Reduction and Purchasing Policy (WRAPP) requires all NSW Government agencies to develop and implement a WRAPP plan to reduce waste in four areas:

- paper products
- office equipment and components
- vegetation
- construction and demolition material

It also requires that priority be given to buying materials with recycled content where they are cost and performance competitive.

Venues NSW is committed to reducing waste in accordance with the WRAPP Policy. The agency is committed to reducing general waste and re-using or recycling material wherever possible.

## Appendix 10 Consultants

Venues NSW had no consultancies greater than \$50,000.

Area of consultancy less than \$50,000	Number of engagements	Cost
Emergency management	3	\$9,837
Engineering	4	\$19,250
Organisation review	1	\$22,950
<b>Total cost of consultancies</b>		<b>\$52,037</b>

## Appendix 11 Payment of accounts

### Accounts Paid on Time for the Period 2 March to 30 June 2012

Target	100%
Actual	93%
Total Accounts Paid on Time	\$11,341,543
Total Amount Paid	\$12,191,570

### Aged Analysis of Accounts Payable as at 30 June 2012

Current	\$2,191,870
< 30 Days Overdue	\$549,430
30–60 Days Overdue	\$100,181
60–90 Days Overdue	\$58,002
> 90 Days Overdue	\$325,344

Venues NSW aims to pay 100% of accounts on time. Delays in processing accounts arose due to queries in relation to goods received and invoices. No interest was paid on overdue amounts.

## Appendix 12 Annual report availability and cost

The Venues NSW 2011–12 annual report is available online at [www.communities.nsw.gov.au](http://www.communities.nsw.gov.au)

The annual report was produced at a cost of approximately \$12,890 (excluding GST).

## Appendix 13 Credit card use

The Executive Director certifies that credit card use in Venues NSW has been conducted in accordance with relevant Premier's Memoranda and Treasury guidelines. There were no irregularities during the reporting period.

## Appendix 14 Investment performance

Funds were invested in the Treasury Corporation Hour Glass Cash Facility. The annual return on the cash facility was 4.9 per cent.

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### Newcastle International Sports Centre Club

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## Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

#### Venues NSW

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Venues NSW (the Authority), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entity it controlled at the period's end and during the financial period.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2012, and of their financial performance and cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Board of Management's Responsibility for the Financial Statements

The members of the Board of Management are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

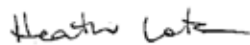
My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- 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, that may have been hyperlinked to or from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Heather Watson  
Director, Financial Audit Services

28 September 2012  
SYDNEY

## Statement of Members of the Board of Management

For the four months ended 30 June 2012

### Venues NSW Financial Statements

For the 4 months ended 30 June 2012

#### Statement by Members of the Board of Management

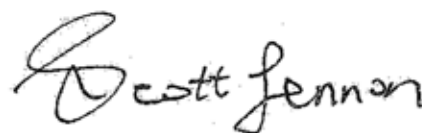
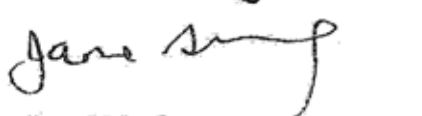
Pursuant to Section 41C(1B) of the Public Finance and Audit Act 1983, we declare on behalf of Venues NSW that:

- (i) in our opinion the financial statements of the Authority for the 4 months ended 30 June 2012 have been prepared in accordance with applicable Australian Accounting Standards (which includes Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010 and Treasurer's Directions.
- (ii) the financial statements exhibit a true and fair view of the financial position and financial performance for the 4 months ended 30 June 2012.
- (iii) there are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Chairperson

Date: 28/9/2012

Board Member

Date: 28/9/2012



## Statement of Comprehensive Income

For the four months ended 30 June 2012

	Note	Consolidated	Parent
		2012 \$'000	2012 \$'000
<b>Expenses excluding losses</b>			
Operating expenses			
Personnel services	2(a)	1,467	1,467
Event related costs	2(b)	1,497	1,497
Other operating expenses	2(c)	4,261	4,261
Depreciation and amortisation	2(d)	2,913	2,913
Finance costs	2(e)	2	2
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>		<b>10,140</b>	<b>10,140</b>
<b>Revenue</b>			
Event related revenue	3(a)	4,330	4,330
Investment revenue	3(b)	271	271
Grants and contributions	3(c)	846	846
Other revenue	3(d)	2,341	2,341
<b>Total Revenue</b>		<b>7,788</b>	<b>7,788</b>
Gain/(loss) on disposal	4	(3)	(3)
<b>Surplus /(Deficit) for the period before income tax expense</b>		<b>(2,355)</b>	<b>(2,355)</b>
Income tax expense		0	0
<b>Surplus /(Deficit) for the period after income tax expense</b>		<b>(2,355)</b>	<b>(2,355)</b>
<b>Other comprehensive income</b>			
<b>Total other comprehensive income</b>		<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(2,355)</b>	<b>(2,355)</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As at 30 June 2012

		Consolidated	Parent
	Note	2012 \$'000	2012 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	17,385	17,385
Receivables	7	3,386	3,411
Inventories	8	252	252
<b>Total Current Assets</b>		<b>21,023</b>	<b>21,048</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	9		
Land and buildings		283,709	283,709
Plant and equipment		13,640	13,640
Total property, plant and equipment		297,349	297,349
<b>Total Non-Current Assets</b>		<b>297,349</b>	<b>297,349</b>
<b>Total Assets</b>		<b>318,372</b>	<b>318,397</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	10,416	10,416
Borrowings	11	48	48
Provisions	12	713	713
<b>Total Current Liabilities</b>		<b>11,177</b>	<b>11,177</b>
<b>Non-Current Liabilities</b>			
Payables	10	3,887	3,887
Provisions	12	23	23
<b>Total Non-Current Liabilities</b>		<b>3,910</b>	<b>3,910</b>
<b>Total Liabilities</b>		<b>15,087</b>	<b>15,087</b>
<b>Net Assets</b>		<b>303,285</b>	<b>303,310</b>
<b>EQUITY</b>			
Accumulated funds		303,285	303,310
<b>Total Equity</b>		<b>303,285</b>	<b>303,310</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the four months ended 30 June 2012

	Note	Consolidated		Parent	
		Accumulated Funds \$'000	Total \$'000	Accumulated Funds \$'000	Total \$'000
Balance at 2 March 2012		0	0	0	0
Surplus / (Deficit) for the period		(2,355)	(2,355)	(2,355)	(2,355)
Other Comprehensive Income;					
Total other comprehensive income		0	0	0	0
Total Comprehensive Income for the period		(2,355)	(2,355)	(2,355)	(2,355)
Transactions with owners in their capacity as owners					
Increase / (decrease) in net assets from equity transfers	13	305,640	305,640	305,665	305,665
		305,640	305,640	305,665	305,665
Balance at 30 June 2012		303,285	303,285	303,310	303,310

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the four months ended 30 June 2012

		Consolidated (4 months)	Parent (4 months)
	Note	2012 \$'000	2011 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Operating expenses			
Personnel services		1,304	1,304
Event related payments		1,977	1,977
Other operating payments		5,677	5,677
Finance costs		2	2
<b>Total Payments</b>		<b>8,960</b>	<b>8,960</b>
<b>Receipts</b>			
Event related receipts		4,985	4,985
Interest received		271	271
Grants and contributions		846	846
Other		2,585	2,585
<b>Total Receipts</b>		<b>8,687</b>	<b>8,687</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	16	<b>(273)</b>	<b>(273)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of land and buildings, plant and equipment		18	18
Purchases of land and buildings, plant and equipment		(4,785)	(4,785)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(4,767)</b>	<b>(4,767)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings and advances			
Repayment of borrowings and advances		(48)	(48)
Other			
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(48)</b>	<b>(48)</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(5,088)</b>	<b>(5,088)</b>
Opening cash and cash equivalents			
Cash transferred in (out) as a result of administrative restructuring	13	22,473	22,473
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>17,385</b>	<b>17,385</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

For the four months ended 30 June 2012

### 1 Summary of Significant Accounting Policies

#### (a) Reporting entity

The entities, Hunter Region Sporting Venues Authority, Parramatta Stadium Trust and Illawarra Venues Authority were abolished on 1 March 2012 and the functions were transferred with effect from 2 March 2012 to Venues NSW Authority.

Note 5 includes the comparative statements of comprehensive income for the former Authorities and transferred functions and Note 13 discloses the assets and liabilities transferred.

#### (b) Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- the financial reporting directions issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Venues NSW (Parent Entity) as at 30 June 2012. Parent entity consists of Parramatta Stadium, Win Sports and Entertainment Centre, Hunter Venues and Newcastle Entertainment Centre and Showground. Venues NSW and its controlled entity (Newcastle International Sports Centre Club) together are referred to in these financial statements as consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

#### (d) Statement of compliance

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

#### (e) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

#### (f) Insurance

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

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

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

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

#### (h) Income recognition

Event related revenue is derived from revenues that can be allocated to specific sporting events. Where venue hire agreements specify that the hirer should contribute to the variable costs of staging an event, the costs recovered are included in event related revenue. Additional comments regarding the accounting policies for the recognition of income are discussed below.

#### (i) Grants and contributions

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

#### (ii) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

## Notes to the financial statements

For the four months ended 30 June 2012

### 1 Summary of Significant Accounting Policies (continued)

#### (i) Personnel services

Personnel services to the Authority are provided by the Office of Communities, Department of Education and Communities. The Authority does not directly employ staff and personnel services cost is recognised as it is incurred. A current liability (personnel services provisions) exists which include provisions of all employee related entitlements.

Liabilities recognised in respect of employee benefits that fall due wholly within 12 months of the reporting date are recognised and measured at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at present value in accordance with AASB119 Employee Benefits. This is based on the application of certain factors (specific in NSW TC 12/06) to employees with five or more years of service, using current rate of pay. Market yields on Government Bonds are used to discount such employee benefits.

#### (j) Assets

##### (i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. 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 amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. the deferred payment amount is effectively discounted 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 the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Authority revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluations were completed within the past five years and were based on independent assessments.

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 is 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 revaluation surplus, 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 revaluation surplus in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

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

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

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

As a not-for-profit entity with no cash generating units, AASB 136 *Impairment of Assets* effectively is not applicable. AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, where an asset is already measured at fair value, impairment can only arise if selling costs are material. Selling costs for the Authority are regarded as immaterial.

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

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority.

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

The following useful lives have been determined for each class of assets.

	Average useful life years
Buildings and infrastructure	5–100
Plant and equipment	2–75
Computer	3
Sculptures	60

### (vi) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

### (vii) Leased assets

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

### (viii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets 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, less any allowance for an impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

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

### (ix) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (x) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due.

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

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

## Notes to the financial statements

For the four months ended 30 June 2012

### 1 Summary of Significant Accounting Policies (continued)

#### (xi) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers the financial asset:

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

Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

#### (xii) Other assets

Other assets are recognised on a cost basis.

#### (k) Liabilities

##### (i) Payables

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

##### (ii) Borrowings

Loans are not held for trading or designated at fair value through profit or loss and are recognised at amortised cost using the effective interest rate method. Gains or losses are recognised in the net result for the period on derecognition.

#### (l) Equity and reserves

##### (i) Revaluation surplus

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

##### (ii) Accumulated funds

The category 'Accumulated Funds' includes all current retained funds.

##### (m) Equity transfers

The transfer of net assets between entities as a result of an administrative restructure, transfer of programs / functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to 'Accumulated Funds'. This treatment is consistent with AASB1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the Authority recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the Authority does not recognise that asset.

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

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

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

##### (o) Comparative information

Comparative information has not been stated as this is the first reporting period of the Authority.

##### (p) Income taxes

The Authority falls under the Tax Equivalent Regime for government businesses (TER). As a result the Authority is required to remit tax equivalents to NSW Office of State Revenue based on accounting profit. Under the TER Framework the Authority is not required to apply AASB112 'Income Taxes'.



## 2 Expenses excluding losses

### (a) Personnel services

	Consolidated	Parent
	2012 \$'000	2012 \$'000
Salaries and wages (including recreation leave)	1,235	1,235
Superannuation	107	107
Long service leave (including on costs)	32	32
Workers' compensation insurance	27	27
Payroll tax and fringe benefits tax	66	66
Other	–	–
<b>Total</b>	<b>1,467</b>	<b>1,467</b>

### (b) Event related costs

Contract staff	1,156	1,156
Cleaning	197	197
Other	144	144
<b>Total</b>	<b>1,497</b>	<b>1,497</b>

## Notes to the financial statements

For the four months ended 30 June 2012

### 2 Expenses excluding losses (continued)

(c) Other operating expenses include the following:

	Consolidated	Parent
	2012 \$'000	2012 \$'000
Maintenance	1,072	1,072
Fees for services required	521	521
Operating lease rental expense	1	1
Food and catering	–	–
Computer system expenses	29	29
Cost of sales	893	893
Minor equipment	3	3
Electricity and gas	294	294
Motor vehicle expenses	31	31
Postage and telephone	42	42
Insurance	110	110
Travel	12	12
Costs to be recovered	254	254
Internal audit and accountancy	–	–
Legal	53	53
Fees and licences	–	–
Security	299	299
Marketing/Advertising	94	94
Training	32	32
Printing and stationery	18	18
Audit of financial statements	108	108
Bank charges	7	7
Water charges	102	102
Bad and doubtful debts	–	–
Other	286	286
<b>Total</b>	<b>4,261</b>	<b>4,261</b>

## (d) Depreciation and amortisation expense

	Consolidated	Parent
	2012 \$'000	2012 \$'000
Depreciation		
Buildings	2,414	2,414
Plant and equipment	499	499
<b>Total</b>	<b>2,913</b>	<b>2,913</b>

## (e) Finance costs

Interest	2	2
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**3 Revenue**

## (a) Event related revenue

Ticket revenue	112	112
Venue and ground hire	453	453
Cost recovered from hirer	667	667
Game day catering	2,803	2,803
Corporate facility rental	137	137
Other	158	158
<b>Total</b>	<b>4,330</b>	<b>4,330</b>

## (b) Investment revenue

Interest revenue	271	271
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## (c) Grants and contributions

Department of Education and Communities	846	846
Other	0	0
<b>Total</b>	<b>846</b>	<b>846</b>

## Notes to the financial statements

For the four months ended 30 June 2012

### 3 Revenue (continued)

#### (d) Other revenue

	Consolidated	Parent
	2012 \$'000	2012 \$'000
Advertising	395	395
Leasing and rentals	259	259
Functions, catering and sponsorship	664	664
Members subscriptions & entrance fees	705	705
Car park revenue	318	318
Other	0	0
<b>Total</b>	<b>2,341</b>	<b>2,341</b>

### 4 Gain (Loss) on Disposal

Proceeds from disposal of plant and equipment	4	4
Less: Written down value of assets disposed	(7)	(7)
<b>Net gain/(loss) on disposal of plant and equipment</b>	<b>(3)</b>	<b>(3)</b>

### 5 Transfer of Functions

The entities, Hunter Region Sporting Venues Authority, Parramatta Stadium Trust and Illawarra Venues Authority were abolished on 1 March 2012 and the functions were transferred with effect from 2 March 2012 to Venues NSW.

The following summarises the expenses and income recognised by the transferor and transferee for the year ended 30 June 2012.

For the period 2 March 2012 to 30 June 2012 there were corporate services costs of \$165k incurred by Venues NSW which are not disclosed in note 5 but are included in the statement of comprehensive income.

## Hunter Region Sporting Venues Authority

Statement of comprehensive income for the functions transferred for the year ended 30 June 2012

	Consolidated				Parent			
	Hunter Region Sporting Venues Authority	Venues NSW	Total	Total	Hunter Region Sporting Venues Authority	Venues NSW	Total	Total
	1 July 2011 to 1 March 2012 \$'000	2 March 2012 to 30 June 2012 \$'000	2012 \$'000	2011 \$'000	1 July 2011 to 1 March 2012 \$'000	2 March 2012 to 30 June 2012 \$'000	2012 \$'000	2011 \$'000
<b>Expenses excluding losses</b>								
Operating expenses								
Personnel services	1,430	554	1,984	1,770	1,430	554	1,984	1,770
Event related costs	0	1,393	1,393	0	0	1,393	1,393	0
Other operating expenses	5,042	1,676	6,718	2,388	5,042	1,676	6,718	2,388
Depreciation and amortisation	3,469	1,878	5,347	2,185	3,469	1,878	5,347	2,185
Finance costs	20	2	22	15	19	2	21	14
Other operating expenses	1,524	721	2,245	2,783	1,550	721	2,271	2,783
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>	<b>11,485</b>	<b>6,224</b>	<b>17,709</b>	<b>9,141</b>	<b>11,510</b>	<b>6,224</b>	<b>17,734</b>	<b>9,140</b>
<b>Revenue</b>								
Event related revenue	7,633	2,617	10,250	7,235	7,633	2,617	10,250	7,235
Investment revenue	135	19	154	624	135	19	154	624
Grants and contributions	509	0	509	12,380	509	0	509	12,380
Other revenue	43	1,562	1,605	3	41	1,562	1,603	3
<b>Total Revenue</b>	<b>8,320</b>	<b>4,198</b>	<b>12,518</b>	<b>20,242</b>	<b>8,318</b>	<b>4,198</b>	<b>12,516</b>	<b>20,242</b>
Gain/(loss) on disposal	0	1	1		0	1	1	
<b>Surplus/(Deficit) for the period</b>	<b>(3,165)</b>	<b>(2,025)</b>	<b>(5,190)</b>	<b>11,101</b>	<b>(3,192)</b>	<b>(2,025)</b>	<b>(5,217)</b>	<b>11,102</b>
<b>Other comprehensive income</b>								
Net increase/(decrease) in property, plant and equipment revaluation surplus	0	0	0	13,868	0	0	0	13,868
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,868</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,868</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(3,165)</b>	<b>(2,025)</b>	<b>(5,190)</b>	<b>24,969</b>	<b>(3,192)</b>	<b>(2,025)</b>	<b>(5,217)</b>	<b>24,970</b>

## Notes to the financial statements

For the four months ended 30 June 2012

### 5 Transfer of Functions (continued)

#### Parramatta Stadium Trust

Statement of comprehensive income for the functions transferred for the year ended 30 June 2012

	Parramatta Stadium Trust	Venues NSW	Total	Total
	1 Jan 2012 to 1 March 2012 \$'000	2 March 2012 to 30 June 2012 \$'000	6 months ended 30 June 2012 \$'000	12 months ended 31 Dec 2011 \$'000
<b>Expenses excluding losses</b>				
Operating expenses				
Personnel services	131	317	448	755
Event related costs	0	34	34	
Other operating expenses	2	297	299	449
Depreciation and amortisation	274	568	842	1,639
Other operating expenses	165	194	359	989
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>	<b>572</b>	<b>1,410</b>	<b>1,982</b>	<b>3,832</b>
<b>Revenue</b>				
Event related revenue	24	793	817	539
Investment revenue	66	126	192	437
Other revenue	253	514	767	2,336
<b>Total Revenue</b>	<b>343</b>	<b>1,433</b>	<b>1,776</b>	<b>3,312</b>
<b>Gain/(loss) on disposal</b>	<b>(9)</b>	<b>(4)</b>	<b>(13)</b>	<b>(277)</b>
<b>Surplus/(Deficit) for the period</b>	<b>(238)</b>	<b>19</b>	<b>(219)</b>	<b>(797)</b>
<b>Other comprehensive income</b>				
Net increase/(decrease) in property, plant and equipment revaluation surplus	0	0	0	0
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(238)</b>	<b>19</b>	<b>(219)</b>	<b>(797)</b>

Note: The above comprehensive income statement for Parramatta Stadium Trust is for a six month period because Parramatta Stadium Trust has a different reporting period which ended on the 31 December instead of 30 June.

## Illawarra Venues Authority

Statement of comprehensive income for the functions transferred for the year ended 30 June 2012

	Illawarra Venues Authority	Venues NSW	Total	Total
	1 July 2011 to 1 March 2012 \$'000	2 March 2012 to 30 June 2012 \$'000	2012 \$'000	2011 \$'000
<b>Expenses excluding losses</b>				
Operating expenses				
Personnel services	1,230	594	1,824	1,661
Event related costs	0	70	70	0
Other operating expenses	0	137	137	0
Depreciation and amortisation	920	466	1,386	1,300
Finance costs	1	0	1	1
Other operating expenses	1,450	1,075	2,525	1,993
<b>TOTAL EXPENSES EXCLUDING LOSSES</b>	<b>3,601</b>	<b>2,342</b>	<b>5,943</b>	<b>4,955</b>
<b>Revenue</b>				
Event related revenue	3,072	919	3,991	2,914
Investment revenue	367	126	493	158
Grants and contributions	6,338	846	7,184	25,254
Other revenue	84	264	348	121
<b>Total Revenue</b>	<b>9,861</b>	<b>2,155</b>	<b>12,016</b>	<b>28,447</b>
Gain/(loss) on disposal	0	0	0	11
<b>Surplus/(Deficit) for the period</b>	<b>6,260</b>	<b>(187)</b>	<b>6,073</b>	<b>23,503</b>
<b>Other comprehensive income</b>				
Net increase/(decrease) in property, plant and equipment revaluation surplus	0	0	0	2,144
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,144</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>6,260</b>	<b>(187)</b>	<b>6,073</b>	<b>25,647</b>

## Notes to the financial statements

For the four months ended 30 June 2012

### 6 Current Assets - Cash and cash equivalents

	Consolidated	Parent
	\$'000	\$'000
Cash at bank and on hand	5,860	5,860
Cash at bank – Advance ticket sales	4,346	4,346
Treasury Corporation deposits	7,179	7,179
<b>Total</b>	<b>17,385</b>	<b>17,385</b>

Cash at bank – advanced ticket sales relates to cash collected in advance for upcoming events and is quarantined from operating funds.

### 7 Current Assets - Receivables

Debtors	2,868	2,868
Less: Allowance for impairment	(437)	(437)
Prepayments	83	83
GST receivable	745	745
Accrued income	4	4
Other accounts receivable	123	148
<b>Total Current Receivables</b>	<b>3,386</b>	<b>3,411</b>
Movement in the allowance for impairment		
Balance at 2 March 2012	(562)	(562)
Amounts written off during the 4 months ended 30 June 2012		
Amounts recovered during the 4 months ended 30 June 2012		
Decrease in allowance recognised in profit or loss	125	125
<b>Balance at 30 June 2012</b>	<b>(437)</b>	<b>(437)</b>

### 8 Current Assets - Inventories

Held for resale	252	252
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## 9 Non-Current Assets - Property, Plant and Equipment

	Consolidated			Parent		
	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000	Land and Buildings \$'000	Plant and Equipment \$'000	Total \$'000
<b>At 30 June 2012 – fair value</b>						
Gross carrying amount	345,527	20,050	365,577	345,527	20,050	365,577
Accumulated depreciation and impairment	(61,818)	(6,410)	(68,228)	(61,818)	(6,410)	(68,228)
Net carrying amount	283,709	13,640	297,349	283,709	13,640	297,349
<b>Reconciliation</b>						
Net carrying amount at 1 March 2012	0	0	0	0	0	0
Acquisitions through administrative restructures	278,534	13,762	292,296	278,534	13,762	292,296
Additions	7,290	697	7,987	7,290	697	7,987
Disposals	0	(21)	(21)	0	(21)	(21)
Transfer	299	(299)	0	299	(299)	0
Depreciation expense	(2,414)	(499)	(2,913)	(2,414)	(499)	(2,913)
	283,709	13,640	297,349	283,709	13,640	297,349

## 10 Current/Non-Current Liabilities - Payables

	Consolidated	Parent
	\$'000	\$'000
<b>Current</b>		
Creditors	1,260	1,260
Deposits held	1,161	1,161
Accrued expenses	4,884	4,884
Income in advance	2,214	2,214
GST payable	529	529
Other payables	368	368
<b>Total</b>	<b>10,416</b>	<b>10,416</b>
<b>Non-Current</b>		
Income in advance	3,887	3,887
	3,887	3,887

## Notes to the financial statements

For the four months ended 30 June 2012

### 11 Current/Non-Current Liabilities - Borrowings

	Consolidated	Parent
	\$'000	\$'000
<b>Current</b>		
Loan – NSW Treasury Corporation	48	48

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

	Consolidated	Parent
	\$'000	\$'000
<b>Current</b>		
Personnel services	713	713
Movements in provisions		
Carrying amount at 2 March 2012	647	647
Additional provisions recognised	87	87
Amounts used	(21)	(21)
Unused amounts reversed	0	0
Unwinding / change in the discount rate	0	0
Carrying amount at 30 June 2012	713	713
<b>Non-Current</b>		
Personnel services	23	23
Movements in provisions		
Carrying amount at 2 March 2012	21	21
Additional provisions recognised	2	2
Amounts used		
Unused amounts reversed		
Unwinding / change in the discount rate		
Carrying amount at 30 June 2012	23	23

The increase/decrease in net assets from equity transfers of Hunter Region Sporting Venues Authority, Parramatta Stadium Trust and Illawarra Venues Authority to Venues NSW is summarised as below.

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

	Hunter Region Sporting Venues Authority	Parramatta Stadium Trust	Illawarra Venues Authority	Total
	1 March 2012 \$'000	1 March 2012 \$'000	1 March 2012 \$'000	1 March 2012 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	2,116	8,280	12,077	22,473
Receivables	1,835	210	266	2,311
Inventories	201	0	0	201
<b>Total Current Assets</b>	<b>4,152</b>	<b>8,490</b>	<b>12,343</b>	<b>24,985</b>
<b>Non-Current Assets</b>				
Property, plant and equipment				
– Land and buildings	153,186	39,876	85,472	278,534
– Plant and equipment	1,590	11,212	960	13,762
Total property, plant and equipment	154,776	51,088	86,432	292,296
<b>Total Non-Current Assets</b>	<b>154,776</b>	<b>51,088</b>	<b>86,432</b>	<b>292,296</b>
<b>Total Assets</b>	<b>158,928</b>	<b>59,578</b>	<b>98,775</b>	<b>317,281</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	3,634	248	3,230	7,112
Borrowings	48			48
Provisions	194	136	222	552
Other				0
<b>Total Current Liabilities</b>	<b>3,876</b>	<b>384</b>	<b>3,452</b>	<b>7,712</b>
<b>Non-Current Liabilities</b>				
Payables	0	0	3,835	3,835
Borrowings	48	0	0	48
Provisions	21	0	0	21
Other				0
<b>Total Non-Current Liabilities</b>	<b>69</b>	<b>0</b>	<b>3,835</b>	<b>3,904</b>
<b>Total Liabilities</b>	<b>3,945</b>	<b>384</b>	<b>7,287</b>	<b>11,616</b>
<b>Net Assets</b>	<b>154,983</b>	<b>59,194</b>	<b>91,488</b>	<b>305,665</b>
<b>EQUITY</b>				
Reserves	0	0	0	0
Accumulated funds	154,983	59,194	91,488	305,665
<b>Total Equity</b>	<b>154,983</b>	<b>59,194</b>	<b>91,488</b>	<b>305,665</b>

## Notes to the financial statements

For the four months ended 30 June 2012

### 14 Commitments to Expenditure

#### (a) Operating lease commitments

	\$'000
Future non-cancellable operating lease rentals not provided for and payable:	
Not later than one year	38
Later than one year and not later than five years	31
Total (including GST)	69

#### (b) Capital expenditure commitments

	\$'000
Future capital expenditure not provided for and payable:	
Not later than one year	1,003
Later than one year and not later than five years	0
Total (including GST)	1,003

### 15 Contingent Liabilities and Contingent Assets

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

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

	Consolidated	Parent
	2012 \$'000	2012 \$'000
Net cash used on operating activities	(273)	(273)
Depreciation	(2,913)	(2,913)
Allowance for impairment	125	125
Decrease (increase) in provisions	(163)	(163)
Increase (decrease) in receivables	975	975
Increase (decrease) in inventory	51	51
Decrease (increase) in current payables	1,131	1,131
Decrease (increase) in income in advance	(1,285)	(1,285)
Net gain/(loss) on sale of plant and equipment	(3)	(3)
<b>Surplus/(Deficit) for the period</b>	<b>(2,355)</b>	<b>(2,355)</b>

## 17 Financial Instruments

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

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

The Board of Management with advice from the Audit and Risk Committee of the Department of Education and Communities 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 Authority, to set risk limits and controls and to monitor risks.

### (a) Financial instrument categories

			Consolidated	Parent
			Carrying Amount 2012 \$'000	Carrying Amount 2012 \$'000
Financial Assets	Note	Category		
<b>Class</b>				
Cash and cash equivalents	6	N/A	17,385	17,385
Receivables (excludes statutory receivables and prepayments)	7	Loans and receivables (at amortised cost)	2,558	2,583
			19,943	19,968
<hr/>				
			Consolidated	Parent
			Carrying Amount 2012 \$'000	Carrying Amount 2012 \$'000
Financial Liabilities	Note	Category		
<b>Class</b>				
Payables (excludes statutory payables and unearned revenue)	10	Financial liabilities measured at amortised cost	7,673	7,673
Borrowings	11	Financial liabilities measured at amortised cost	48	48
			7,721	7,721

## Notes to the financial statements

For the four months ended 30 June 2012

### 17 Financial Instruments (continued)

#### (b) Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. 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 Authority, including cash, and receivables. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

#### Cash

Cash comprises cash on hand and bank balances. Interest is earned on daily bank balances at the monthly average adjusted by relevant banks and NSW Treasury Corporation.

The table below summarises the fair market value sensitivity data for cash facility deposits.

	Sensitivity % 2012	Balance	Impact
Hour glass cash facility	+/- 1%	\$'000	\$'000
		7,179	72

The Authority holds units in the following hour glass investment facility.

Facility	Investments	Investment Horizon
Hour Glass Cash Facility	Cash, money market investments	Up to 1.5 years

Hour glass cash investment facilities are unrated and are not guaranteed by the State.

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

As trustee, Tcorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties.

#### Fair Value Hierarchy

Instrument	Classification	Basis for classification
Units in trust	Level 2	Prices are observable, however, no active market exists for these facilities as they are only accessible to government agencies

**(i) Receivables - trade debtors**

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

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

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (Total \$411,595) and less than 3 months past due (Total \$135,295) are not considered impaired. Together these represent 25% of the total trade debtors.

	\$'000 Total	Past due but not impaired	Considered impaired
<b>Consolidated</b>			
2012			
< 3 months overdue	135	135	
> 3 months overdue	1,663	1,226	437
<b>Total</b>	<b>1,798</b>	<b>1,361</b>	<b>437</b>

	\$'000 Total	Past due but not impaired	Considered impaired
<b>Parent</b>			
2012			
< 3 months overdue	135	135	
> 3 months overdue	1,663	1,226	437
<b>Total</b>	<b>1,798</b>	<b>1,361</b>	<b>437</b>

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

**(ii) Receivables - other**

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

**(c) Liquidity risk**

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of loans and other advances.

During the current period, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

## Notes to the financial statements

For the four months ended 30 June 2012

### 17 Financial Instruments (continued)

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received.

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

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

Consolidated	Weighted Average Effective Int. Rate	Nominal Amount	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1–5 yrs	> 5 yrs
Total:								
Payables		7,673	0	0	7,673	7,673	0	0
Borrowings	7.12%	48	48	0		48	0	0
		7,721	48	0	7,673	7,721	0	0

Parent	Weighted Average Effective Int. Rate	Nominal Amount	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest bearing	< 1 yr	1–5 yrs	> 5 yrs
Total:								
Payables		7,673	0	0	7,673	7,673	0	0
Borrowings	7.12%	48	48	0		48	0	0
		7,721	48	0	7,673	7,721	0	0

Notes: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Authority can be required to pay.

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk on the Authority's borrowings and other risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The Authority has no exposure to foreign currency risk, and does not enter into commodity contracts.



**Interest rate risk**

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

Consolidated	Carrying Amount	\$'000 -1%		\$'000 1%	
		Profit	Equity	Profit	Equity
Financial assets					
Cash and cash equivalents	17,385	(174)	(174)	174	174
Receivables	2,558	(26)	(26)	26	26
	19,943	(200)	(200)	200	200
Financial liabilities					
Borrowings	48	0	0	0	0

Parent	Carrying Amount	\$'000 -1%		\$'000 1%	
		Profit	Equity	Profit	Equity
Financial assets					
Cash and cash equivalents	17,385	(174)	(174)	174	174
Receivables	2,583	(26)	(26)	26	26
	19,968	(200)	(200)	200	200
Financial liabilities					
Borrowings	48	0	0	0	0

**(e) Fair value**

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of many of the financial instruments.

**18 Events after the Reporting Period**

There has not arisen in the interval between the 30 June 2012 and the date of this report, any item, transaction or event of a material or unusual nature likely, in the opinion of the members of the Board of Management to affect significantly the operations of the Authority or the affairs of the Authority in the future financial years.

**End of audited financial statements**

### Independent Auditor's Report



#### INDEPENDENT AUDITOR'S REPORT

##### Newcastle International Sports Centre Club

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Newcastle International Sports Centre Club (the Club), which comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Club as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Board of Management's Responsibility for the Financial Statements

The members of the Board of Management are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Club's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Club
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Heather Watson  
Director, Financial Audit Services

28 September 2012  
SYDNEY

### Statement of Members of the Board of Management

For the year ended 30 June 2012

#### Newcastle International Sports Centre Club Financial Statements

For the year ended 30 June 2012

#### Statement by Members of the Board of Management

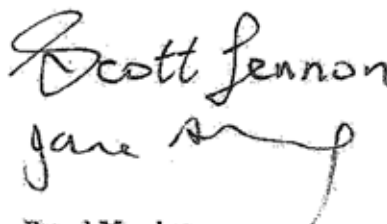
Pursuant to Section 41C(1B) of the Public Finance and Audit Act 1983, we declare on behalf of Venues NSW that:

- (i) in our opinion the financial statements of the Authority for the year ended 30 June 2012 have been prepared in accordance with applicable Australian Accounting Standards (which includes Australian Accounting Interpretations), the requirements of the *Public Finance and Audit Act 1983* and the Public Finance and Audit Regulation 2010 and Treasurer's Directions.
- (ii) the financial statements exhibit a true and fair view of the financial position and financial performance for the year ended 30 June 2012.
- (iii) there are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.



Chairperson

Date: 28/9/2012



Board Member

Date: 28/9/2012

### Statement of Comprehensive Income

For the year ended 30 June 2012

	Note	Year Ended 30 June 2012 \$	Year Ended 30 June 2011 \$
<b>Revenue</b>			
Other income		2,256	–
<b>Expenses</b>			
Administration expenses		(650)	(720)
<b>Surplus/(Deficit) Before Income Tax for the Year</b>		<b>1,606</b>	<b>(720)</b>
<b>Total Comprehensive Income/(Expense) for the Year</b>		<b>1,606</b>	<b>(720)</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

### Statement of Financial Position

As at 30 June 2012

	Note	30 June 2012 \$	30 June 2011 \$
<b>Current Assets</b>			
Cash and Cash Equivalents		–	7,577
<b>Total Current Assets</b>		–	7,577
<b>Total Assets</b>		–	7,577
<b>Current Liabilities</b>			
Trade and other payables	2	–	2,256
<b>Total Current Liabilities</b>		–	2,256
<b>Non Current Liabilities</b>			
Trade and other payables	3	25,063	31,990
<b>Total Non Current Liabilities</b>		25,063	31,990
<b>Total Liabilities</b>		25,063	34,246
<b>Net Liabilities</b>		(25,063)	(26,669)
<b>Equity</b>			
Accumulated Losses	4	(25,063)	(26,669)
<b>Total Equity</b>		(25,063)	(26,669)

The above balance sheet should be read in conjunction with the accompanying notes.

### Statement of Changes in Equity

For the year ended 30 June 2012

	Retained Earnings \$	Total \$
Balance at 1 July 2010	(25,949)	(25,949)
Total Comprehensive Income for the year as reported in the 2011 financial statements	(720)	(720)
Balance at 30 June 2011	(26,669)	(26,669)
Total Comprehensive Income for the year	1,606	1,606
Balance at 30 June 2012	(25,063)	(25,063)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

### Statement of Cash Flows

For the year ended 30 June 2012

		Year Ended 30 June 2012 \$	Year Ended 30 June 2011 \$
	Note	Inflows (Outflows)	Inflows (Outflows)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		–	–
Payments to suppliers and employees		(650)	(720)
<b>Net cash provided by operating activities</b>	<b>7</b>	<b>(650)</b>	<b>(720)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		–	–
Repayment of borrowings		(6,927)	–
<b>Net cash provided by (used) in financing activities</b>		<b>(6,927)</b>	<b>–</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(7,577)</b>	<b>(720)</b>
Cash at beginning of the financial year		7,577	8,297
<b>Cash at End of the Financial Year</b>	<b>6</b>	<b>–</b>	<b>7,577</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.



### Notes to the financial statements

For the year ended 30 June 2012

#### 1 Summary of Significant Accounting Policies

##### Basis of preparation

The Financial Statements are a general purpose financial report which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the provisions of the *Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the Treasurer's directions.

The accounts have been prepared under the accrual basis of accounting. Except for certain assets which, as noted, are at valuation, the accounts are prepared in accordance with the historical cost convention, modified where applicable by the measurement at fair value of selected non-current assets and financial liabilities. The accounting policies adopted are consistent with those of the previous year.

The Newcastle International Sports Centre Club (Club) is a subsidiary of Venues NSW.

The Club, in complying with the requirements of the *Public Finance and Audit Act 1983*, has kept proper accounts and records of its operations.

The financial report for the year ended 30 June 2012 has been authorised for issue by the Board Members of Venues NSW on 28 September 2012.

##### (a) Income tax

The Club is exempt of income tax under Section 50-25 of the *Income Tax Assessment Act, 1997* (as amended).

##### (b) Cash

For the purposes of the Statement of Cash Flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

##### (c) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

##### (d) Trade and other creditors

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Club. These amounts are unsecured and are usually settled within 30 days.

##### (e) Going concern

The operations of the Newcastle International Sports Centre Club ceased trading on 12 December 2008 due to the demolition of the Western Grandstand at Hunter Stadium. At the date of this report no decision has been made as to whether the Club will commence trading again in the future.

Venues NSW has agreed to provide financial support to the Club until a decision is made as to its future.

##### (f) Financial instruments

###### Recognition and Initial Measurement

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

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

###### Derecognition

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

###### Classification and Subsequent Measurement

###### (i) Financial liabilities

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

###### Fair Value

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

### Notes to the financial statements

For the year ended 30 June 2012

#### 1 Summary of Significant Accounting Policies (continued)

##### Impairment

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

#### 2 Current Liabilities – Trade and Other Payables

	30 June 2012	30 June 2011
	\$	\$
Trade Payables	–	–
Accrued Expenses	–	–
Sundry Payables	–	2,256
	–	2,256

#### 3 Non Current Liabilities – Trade and Other Payables

	30 June 2012	30 June 2011
	\$	\$
Loans from Related Entity	25,063	31,990

#### 4 Accumulated Losses

	30 June 2012	30 June 2011
	\$	\$
Accumulated Losses at the beginning of the financial year	(26,669)	(25,949)
Profit/(loss) for the year	1,606	(720)
Accumulated Losses at the end of the financial year	(25,063)	(26,669)

#### 5 Financial Risk Management

##### (a) Financial risk management policies

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

The Club does not have any derivative instruments at 30 June 2012.

##### Financial risk exposures and management

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

The main risks the Club is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

### 5 Financial Risk Management (continued)

#### Interest rate risk

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

#### Liquidity risk

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

#### Credit risk

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

#### (b) Financial instruments composition and maturity analysis

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

	Within 0–3 months	Within 3–6 months	6 to 12 months	1 to 5 years	Total Contractual Cashflows	Carrying amount of liabilities
	\$	\$	\$	\$	\$	\$
<b>30 June 2012</b>						
<b>Financial Liabilities</b>						
Trade and Other Payables	–	–	–	–	–	–
Loans to Related Entities	–	–	–	25,063	25,063	25,063
<b>Total contractual cashflows</b>	–	–	–	25,063	25,063	25,063

	Within 0–3 months	Within 3–6 months	6 to 12 months	1 to 5 years	Total Contractual Cashflows	Carrying amount of liabilities
	\$	\$	\$	\$	\$	\$
<b>30 June 2011</b>						
<b>Financial Liabilities</b>						
Trade and Other Payables	2,256	–	–	–	2,256	2,256
Loans to Related Entities	–	–	–	31,990	31,990	31,990
<b>Total contractual cashflows</b>	2,256	–	–	31,990	34,246	34,246

#### (c) Sensitivity analysis

##### Interest Rate Risk and Market Risk:

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

### Notes to the financial statements

For the year ended 30 June 2012

#### 6 Cash Flow Information

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

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

	30 June 2012	30 June 2011
	\$	\$
<b>Cash and cash equivalents</b>	–	7,577

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

Surplus/(deficit) for the year	1,606	(720)
Changes in operating assets and liabilities:		
Decrease/(increase) in trade debtors	–	–
Increase/(decrease) in sundry creditors	(2,256)	–
<b>Net cash provided by operating activities</b>	<b>(650)</b>	<b>(720)</b>

#### 8 Subsequent Events

There were no events subsequent to year end which would have a material effect on the financial position of the Club.

End of audited financial statements

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## Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

#### Hunter Region Sporting Venues Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Hunter Region Sporting Venues Authority (the Authority), which comprises the statement of financial position as at 1 March 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the period end or from time to time during the financial period.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 1 March 2012, and of their financial performance for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Chairman's Responsibility for the Financial Statements

The Chairman is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Chairman determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chairman, as well as evaluating the overall presentation of the financial statements.

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

My opinion does not provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- 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.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

S Bond

Sally Bond  
Director, Financial Audit Services

1 June 2012  
SYDNEY

## Statement by the Chairman

For the Period Ended 1 March 2012


### Hunter Region Sporting Venues Authority Financial Statements

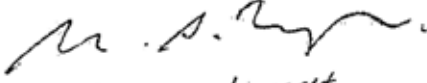
For the Period Ended 1 March 2012

#### Statement by Chairman

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*; we state that:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* (as applicable) and The Treasurer's Directions;
- b) the statements exhibit a true and fair view of the financial position at 1 March 2012 and transactions of the Hunter Region Sporting Venues Authority for the period then ended;
- c) there are no circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

  
Glenn Turner  
Former Trust Chairman/Venues NSW Board Member

  
KEITH LYND  
DIRECTOR.

At Newcastle this 29 day of May 2012.



### Statement of Comprehensive Income

For the Period Ended 1 March 2012

	Note	Consolidated		Parent	
		8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
<b>Revenue</b>					
Revenue from continuing activities	2(a)	3,143,392	5,149,487	3,143,392	5,149,487
Stadium income	2(b)	4,489,494	2,085,454	4,489,494	2,085,454
Other revenue	2(c)	687,043	13,007,599	684,787	13,007,599
<b>Total Revenue</b>		<b>8,319,929</b>	<b>20,242,540</b>	<b>8,317,673</b>	<b>20,242,540</b>
<b>Expenses</b>					
Raw materials and consumables used		1,775,519	1,000,099	1,775,519	1,000,099
Personnel services	3(a)	1,429,938	1,769,594	1,429,938	1,769,594
Depreciation and amortisation	3(b)	3,468,914	2,185,181	3,468,914	2,185,181
Bad debts expense		126,239	435,490	151,302	435,490
Finance costs	20	19,926	15,066	19,276	14,346
Insurance		162,550	222,660	162,550	222,660
Legal costs		26,035	137,114	26,035	137,114
Management fees		347,514	544,740	347,514	544,740
Professional consultancy services	21	103,514	144,084	103,514	144,084
Repairs and maintenance		210,029	682,681	210,029	682,681
Stadium expenditure	3(c)	3,266,820	1,387,602	3,266,820	1,387,602
Other operating expenses	3(d)	548,399	616,468	548,399	616,468
<b>Total Expenses</b>		<b>11,485,397</b>	<b>9,140,779</b>	<b>11,509,810</b>	<b>9,140,059</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(3,165,468)</b>	<b>11,101,761</b>	<b>(3,192,137)</b>	<b>11,102,481</b>
<b>Other Comprehensive Income</b>					
Net increase in Property, Plant and Equipment					
Valuation	9(c)	–	13,867,721	–	13,867,721
<b>Total Other Comprehensive Income for the Period</b>		<b>–</b>	<b>13,867,721</b>	<b>–</b>	<b>13,867,721</b>
<b>TOTAL COMPREHENSIVE INCOME/ (EXPENSE) FOR THE PERIOD</b>		<b>(3,165,468)</b>	<b>24,969,482</b>	<b>(3,192,137)</b>	<b>24,970,202</b>

The accompanying notes form part of these financial statements.

### Statement of Financial Position

As at 1 March 2012

	Note	Consolidated		Parent	
		1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	5	1,566,290	3,966,668	1,566,290	3,959,091
Trade and other receivables	6	1,810,249	1,761,641	1,810,249	1,795,887
Inventories	7	200,496	240,704	200,496	240,704
Financial assets	8	550,000	805,313	550,000	805,313
<b>Total Current Assets</b>		<b>4,127,035</b>	<b>6,774,326</b>	<b>4,127,035</b>	<b>6,800,995</b>
<b>Non-Current Assets</b>					
Property, plant and equipment					
Land and buildings	9(a)	153,185,884	154,938,675	153,185,884	154,938,675
Plant and equipment	9(b)	1,590,071	1,645,547	1,590,071	1,645,547
<b>Total Non-Current Assets</b>		<b>154,775,955</b>	<b>156,584,222</b>	<b>154,775,955</b>	<b>156,584,222</b>
<b>Total Assets</b>		<b>158,902,990</b>	<b>163,358,548</b>	<b>158,902,990</b>	<b>163,385,217</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Trade and other payables	10	3,633,693	4,902,299	3,633,693	4,902,299
Interest bearing liabilities	11	48,000	96,000	48,000	96,000
Provisions	12	194,584	168,433	194,584	168,433
<b>Total Current Liabilities</b>		<b>3,876,277</b>	<b>5,166,732</b>	<b>3,876,277</b>	<b>5,166,732</b>
<b>Non-Current Liabilities</b>					
Interest bearing liabilities	13	48,000	48,000	48,000	48,000
Provisions	14	20,539	20,174	20,539	20,174
<b>Total Non-Current Liabilities</b>		<b>68,539</b>	<b>68,174</b>	<b>68,539</b>	<b>68,174</b>
<b>Total Liabilities</b>		<b>3,944,816</b>	<b>5,234,906</b>	<b>3,944,816</b>	<b>5,234,906</b>
<b>NET ASSETS</b>		<b>154,958,174</b>	<b>158,123,642</b>	<b>154,958,174</b>	<b>158,150,311</b>
<b>Equity</b>					
Contributed Equity	15(a)	123,594,120	123,594,120	123,590,203	123,590,203
Accumulated funds	15(b)	17,496,333	20,661,801	17,500,250	20,692,387
Reserves	15(c)	13,867,721	13,867,721	13,867,721	13,867,721
<b>TOTAL EQUITY</b>		<b>154,958,174</b>	<b>158,123,642</b>	<b>154,958,174</b>	<b>158,123,642</b>

The accompanying notes form part of these financial statements.

### Statement of Changes in Equity

For the Period Ended 1 March 2012

	Contributed Equity \$	Accumulated Funds \$	Asset Revaluation Reserve \$	Total \$
<b>Consolidated</b>				
Balance at 1 July 2010	123,594,120	9,560,040	–	133,154,160
Total Comprehensive Income for the Year	–	11,101,761	13,867,721	24,969,482
Balance at 30 June 2011	123,594,120	20,661,801	13,867,721	158,123,642
Total Comprehensive Income for the Period	–	(3,165,468)	–	(3,165,468)
Balance at 1 March 2012	123,594,120	17,496,333	13,867,721	154,958,174
<b>Parent</b>				
Balance at 1 July 2010	123,590,203	9,589,906	–	133,180,109
Total Comprehensive Income for the Year	–	11,102,481	13,867,721	24,970,202
Balance at 30 June 2011	123,590,203	20,692,387	13,867,721	158,150,311
Total Comprehensive Income for the Period	–	(3,192,137)	–	(3,192,137)
Balance at 1 March 2012	123,590,203	17,500,250	13,867,721	154,958,174

The accompanying notes form part of these financial statements.

### Statement of Cash Flows

For the Period Ended 1 March 2012

	Note	Consolidated		Parent	
		8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
<b>Cash Flows from Operating Activities</b>					
<b>Receipts</b>					
Receipts from customers		5,370,902	5,849,180	5,370,902	5,849,180
Interest received		135,266	236,945	135,266	236,945
T-Corp Distributions/Movements		–	387,362	–	387,362
Grants Received		508,525	12,380,000	508,525	12,380,000
Receipts from related entity		–	–	6,927	–
<b>Total Receipts</b>		<b>6,014,693</b>	<b>18,853,487</b>	<b>6,021,620</b>	<b>18,853,487</b>
<b>Payments</b>					
Interest and other costs of finance paid		(7,082)	(7,061)	(6,432)	(7,061)
Payments to suppliers and employees		(7,504,655)	(4,379,767)	(7,504,655)	(4,379,047)
<b>Total Payments</b>		<b>(7,511,737)</b>	<b>(4,386,828)</b>	<b>(7,511,087)</b>	<b>(4,386,108)</b>
<b>Net Cash Flows from Operating Activities</b>	24	<b>(1,497,044)</b>	<b>14,466,659</b>	<b>(1,489,467)</b>	<b>14,467,379</b>
<b>Cash Flows from Investing Activities</b>					
Proceeds from sale of land and buildings		–	750,000	–	750,000
Purchase of land and buildings, plant and equipment		(1,110,647)	(38,910,833)	(1,110,647)	(38,910,833)
<b>Net Cash Flows From Investing Activities</b>		<b>(1,110,647)</b>	<b>(38,160,833)</b>	<b>(1,110,647)</b>	<b>(38,160,833)</b>
<b>Cash Flows from Financing Activities</b>					
Repayment of borrowings		(48,000)	–	(48,000)	–
<b>Net Cash Flows From Financing Activities</b>		<b>(48,000)</b>	<b>–</b>	<b>(48,000)</b>	<b>–</b>
<b>Net Increase/(Decrease) in Cash</b>		<b>(2,655,691)</b>	<b>(23,694,174)</b>	<b>(2,648,114)</b>	<b>(23,693,454)</b>
Opening cash and cash equivalents		4,771,981	28,466,155	4,764,404	28,457,858
<b>CLOSING CASH AND CASH EQUIVALENTS*</b>	5	<b>2,116,290</b>	<b>4,771,981</b>	<b>2,116,290</b>	<b>4,764,404</b>

\* Cash includes \$401,691 which has been collected by the Authority as an agent of the promoter in respect of advance ticket sales.

The accompanying notes form part of these financial statements.

## Notes to the financial statements

For the Period Ended 1 March 2012

### 1 Summary of Significant Accounting Policies

The Hunter Region Sporting Venues Authority (Authority) was established by the *Sporting Venues Authorities Act 2008* No.65.

The Newcastle Showground and Exhibition Centre Trust and the Newcastle International Sports Centre Trust were dissolved on 11 July 2008 and all assets, rights and liabilities were transferred to the Hunter Region Sporting Venues Authority on 12 July 2008 at fair value.

References to NEC refer to the former Newcastle Showground and Exhibition Centre Trust.

References to ISC refer to the former Newcastle International Sports Centre Trust.

The NEC had appointed Ogden IFC (Newcastle) Pty Ltd to manage and operate all Newcastle Showground site facilities on its behalf and this appointment continues under the new Hunter Region Sporting Venues Authority. On 1 January 2008, Ogden IFC (Newcastle) Pty Ltd sold 50% of its business to a US based company called AEG Facilities Inc. This new company is now known as AEG Ogden (Newcastle) Pty Ltd. AEG Ogden (Newcastle) Pty Ltd continue to manage the site under the original management contract.

In November 2011, the NSW Government enacted the *Sporting Venues Authorities Amendment (Venues NSW) Act 2011*. The Act allowed for the abolition of the Authority and the transfer of its assets, rights and liabilities to a newly created sporting venues authority (Venues NSW) on the proclamation date. Proclamation occurred on 2 March 2012. As a result, the Authority has prepared the financial statements on the basis that the Authority is not a going concern. The Authority's assets and liabilities have been measured at amounts expected to be realised on transfer to Venues NSW on the proclamation date.

The Authority, in complying with the requirements of the *Public Finance and Audit Act 1983*, has kept proper accounts and records of its operations.

The Authority operates with the objective of placing all premises under the care, control and management of the Authority to use for recreation, entertainment, exhibition and sporting competition.

The Authority's Financial Statements are a general purpose financial report which have been prepared in accordance with Australian Accounting Standards (which include Australian Accounting Interpretations), the provisions of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the Treasurer's directions.

The statements have also been prepared under the historical cost convention using accrual accounting, except for certain assets which as noted, are at valuation.

The Authority was abolished on the 2nd March 2012. As a result the current reporting period is only for eight months. The comparative period presented is for the full year ended 30 June 2011. As a result, the amounts presented in the financial statements are not entirely comparable.

The financial report for the period ended 1 March 2012 has been authorised for issue by the Board Members of Venues NSW on 29th May 2012.

#### (a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the Hunter Region Sporting Venues Authority ("Parent Entity") as at 1 March 2012. Hunter Region Sporting Venues Authority and its controlled entity (Newcastle International Sports Centre Club) together are referred to in this financial report as "Consolidated Entity". The effect of all transactions between entities in the consolidated entity are eliminated in full.

#### (b) Changes in accounting policy

The Authority's accounting policies and procedures are consistent with the previous year unless otherwise stated.

#### (c) Income tax

The Authority is exempt of income tax under Section 50-25 of the *Income Tax Assessment Act, 1997* (as amended).

#### (d) Inventories

Stock on hand is stated at the lower of cost and net realisable value.

#### (e) Receivables and revenue recognition

The Authority acts as an agent for Ticketek and its customers in respect of advance ticket sales with ticket commission revenue and other revenues in relation to the use of the facility recognised at the time of the event occurring. The Authority's management agent manages the Ticketek agency arrangement with the revenue brought to account on a net basis.

Government contributions are recognised at fair value. The Authority was in receipt of State Government allocations of \$.508m in the period ending 1 March 2012 for the renovation of the Western Grandstand at Hunter Stadium.

Insurance revenue is recognised at fair value on a cash receipt basis.

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 1 Summary of Significant Accounting Policies (continued)

Interest revenue is recognised at fair value on an accruals basis.

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables.

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

Depreciation is calculated on a straight line basis so as to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the entity. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The expected useful lives are as follows:

Eastern and Western Grandstands	Average useful life years
<ul style="list-style-type: none"> <li>Plant and equipment, car parks and roads, fixtures</li> </ul>	10 years
<ul style="list-style-type: none"> <li>Roller shutters, glazed doors, electrical (building), sports lighting</li> </ul>	15 years
<ul style="list-style-type: none"> <li>Pumps, seating, signage, ticketing equipment</li> </ul>	20 years
<ul style="list-style-type: none"> <li>Structure, plumbing, metalwork</li> </ul>	50 years
NEC Buildings	20 to 40 years
(Other) Plant & Equipment	3 to 10 years

#### (g) Trade and other creditors

These amounts represent liabilities for goods and services provided to the Authority prior to the period ending 1 March 2012 and which are unpaid. These amounts are unsecured and are normally paid within 30 days of recognition.

#### (h) Employee entitlements

##### (i) Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave are recognised, and are measured at the amount unpaid, including applicable on-costs, at the reporting date at current pay rates in respect of employees' service up to that date.

##### (ii) Long service leave

A liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### (iii) Superannuation

Liabilities for superannuation are recognised, and are measured at the amount unpaid at the reporting date at current employer contribution rates in respect of employees' service up to that date.

#### (i) Doubtful debts

The doubtful debts have been reviewed at balance date and appropriate provision has been made for debts which are considered doubtful. Debts which are known to be uncollectable are written off.

#### (j) Property, plant and equipment

Under NSW Treasury determination the Authority is considered to be a transitional/not for profit entity. As future economic benefits are not primarily dependent on the ability of fixed assets to generate net cash flows, Treasury policy in accord with AASB 116 "Property, plant and equipment" and AASB 136: "Impairment of Assets" requires physical non-current assets to be valued at fair value. Fair value is defined as "the amount for which an asset could be exchanged (or a liability settled) between knowledgeable, willing parties in an arm's length transaction".

The land component was provided on the basis of market value for current use and classification. The Authority is of the opinion that land and buildings are recognised at fair value at 1 March 2012, following revaluation during the previous financial year.

Plant and equipment are recorded at fair value under written down cost methodology.

The Crown Land in the Authority's control is held under a recognised Crown Leasehold arrangement. This Crown Land has been included as an asset as the Authority maintains control over the asset.

### (k) Revaluation of non-current assets

Land and buildings are revalued with sufficient regularity to ensure carrying values do not materially differ from fair values at balance date. Revaluation decrements are debited directly to the asset revaluation reserve to the extent that the decrement reverses a revaluation increment in respect of that asset. Where the decrement exceeds a previously recognised increment, the excess is recognised immediately as an expense.

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, the increment is recognised immediately as revenue.

### (l) Financial instruments

#### Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

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

#### Classification and subsequent measurement

##### (i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

##### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Authority's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

##### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

##### (v) Financial liabilities

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

#### Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### Impairment

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

#### Financial guarantees

Where material, financial guarantees issued, which requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 1 Summary of Significant Accounting Policies (continued)

##### Derecognition

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

##### (m) Capital and maintenance expenditure

The cost of non-current assets capitalised includes all costs directly associated with the purchase and/or construction of non-current assets. Assets with acquisition costs less than \$1,000 are charged as expenses in the year of acquisition. Maintenance, repair costs and minor repairs are charged as expenses as incurred.

##### (n) Capital risk management

In managing its capital, the Authority's primary objective is to ensure its continued ability to maintain the site with limited government support. In order to achieve this objective, the Authority seeks to balance risk and return at an acceptable level and also to maintain a sufficient funding base to enable the Authority to meet its working capital needs. In making decisions to adjust its capital structure to achieve these aims through the reduction of debt, the Authority considers not only its short-term position but also its long-term operational and strategic objectives.

The Authority has significant assets compared to its debt levels.

##### (o) Cash

For the purposes of the Statement of Cash Flows, cash includes deposits at call and investments which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis.

##### (p) Borrowings

Loans are carried at their current capital value, which is the face value of the debt less any unamortised discount or plus unamortised premiums. The discounts or premiums are treated as an interest expense or income, respectively, and amortised over the term of the debt. Interest is accrued over the period it becomes due and is recorded as part of creditors.

##### (q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

##### (r) New accounting standards for application in future periods

At reporting date a number of Australian Accounting Standards have been issued by the AASB but are not yet operative.

These have not been early adopted by the Authority.

It is considered implementation of these standards will not have a material impact on the Authority's financial statements.



### 2 Revenue

#### (a) Revenue from continuing activities

	Consolidated		Parent	
	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
Rendering of services:				
Rent received	188,400	979,579	188,400	979,579
Venue and ground hire	849,553	1,362,268	849,553	1,362,268
Sale of goods	1,300,338	1,625,418	1,300,338	1,625,418
Ticketing income	331,830	574,973	331,830	574,973
Other	473,271	607,249	473,271	607,249
<b>Total</b>	<b>3,143,392</b>	<b>5,149,487</b>	<b>3,143,392</b>	<b>5,149,487</b>

#### (b) Stadium Income

Ticket revenue	398,460	354,141	398,460	354,141
Game day catering	1,332,400	774,948	1,332,400	774,948
Retail income	1,974,672	773,503	1,974,672	773,503
Other	783,962	182,862	783,962	182,862
<b>Total</b>	<b>4,489,494</b>	<b>2,085,454</b>	<b>4,489,494</b>	<b>2,085,454</b>

#### (c) Other revenue

Government Grants (Western Stand)	–	11,000,000	–	11,000,000
Communities NSW Funding (Western Stand)	508,525	1,380,000	508,525	1,380,000
Interest revenue	135,266	236,945	135,266	236,945
TCorp Hour-Glass Investment facility	–	387,362	–	387,362
Other	43,252	3,292	40,996	3,292
<b>Total</b>	<b>687,043</b>	<b>13,007,599</b>	<b>684,787</b>	<b>13,007,599</b>
<b>Total Revenue</b>	<b>8,319,929</b>	<b>20,242,540</b>	<b>8,317,673</b>	<b>20,242,540</b>

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 3 Expenses

##### (a) Personnel services

	Consolidated		Parent	
	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
Personnel expenses – Office of Communities	316,202	221,183	316,202	221,183
Personnel expenses – AEG Ogden	1,113,736	1,548,411	1,113,736	1,548,411
<b>Total</b>	<b>1,429,938</b>	<b>1,769,594</b>	<b>1,429,938</b>	<b>1,769,594</b>

##### (b) Depreciation and amortisation

Depreciation				
Buildings	3,219,867	1,882,262	3,219,867	1,882,262
Motor vehicles	2,479	3,718	2,479	3,718
Office equipment	11,851	11,802	11,851	11,802
Plant & equipment	234,717	287,399	234,717	287,399
<b>Total</b>	<b>3,468,914</b>	<b>2,185,181</b>	<b>3,468,914</b>	<b>2,185,181</b>

##### (c) Stadium expenditure

Contract catering staff	1,372,723	707,776	1,372,723	707,776
Cleaning supplies	268,014	130,864	268,014	130,864
Consultancy fees	141,507	2,842	141,507	2,842
Electricity	267,877	33,199	267,877	33,199
Equipment Hire	132,863	26,475	132,863	26,475
Repairs and maintenance	157,705	7,467	157,705	7,467
Security	514,577	271,607	514,577	271,607
Other expenses	411,554	207,372	411,554	207,372
<b>Total</b>	<b>3,266,820</b>	<b>1,387,602</b>	<b>3,266,820</b>	<b>1,387,602</b>

### 3 Expenses (continued)

#### (d) Other operating expenses

	Note	Consolidated		Parent	
		8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
Accounting services		35,200	35,750	35,200	35,750
Advertising		15,457	10,502	15,457	10,502
Audit fees	16	60,000	85,291	60,000	85,291
Board fees	17	8,029	42,279	8,029	42,279
Cash collection expenses		2,744	10,603	2,744	10,603
Contract services		27,872	43,146	27,872	43,146
Fringe benefits tax		1,842	2,865	1,842	2,865
Loss on sale of assets		–	8,000	–	8,000
Motor vehicle expenses		2,644	2,636	2,644	2,636
Rent		1,211	25,617	1,211	25,617
Staff amenities and training		26,356	26,980	26,356	26,980
Power and water		121,451	144,535	121,451	144,535
Subscriptions		5,583	7,783	5,583	7,783
Security		16,942	20,681	16,942	20,681
Telephone		35,870	49,511	35,870	49,511
Travelling expenses		16,651	5,373	16,651	5,373
Office expenses		23,927	25,945	23,927	25,945
IT maintenance		51,820	26,932	51,820	26,932
Other		94,800	42,039	94,800	42,039
<b>Total</b>		<b>548,399</b>	<b>616,468</b>	<b>548,399</b>	<b>616,468</b>

### 4 Individually Significant Items

There are no other significant items that are relevant in explaining the financial performance.

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 5 Current Assets - Cash and Cash Equivalents

Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
Cash on hand	227,757	55,832	227,757	55,832
Cash at bank	936,842	1,315,114	936,842	1,307,537
Deposits at call	–	59,654	–	59,654
Sub Total – Cash to fund operations	1,164,599	1,430,600	1,164,599	1,423,023
Cash at Bank – Advance ticket sales	401,691	2,536,068	401,691	2,536,068
<b>Total</b>	<b>1,566,290</b>	<b>3,966,668</b>	<b>1,566,290</b>	<b>3,959,091</b>

Cash at bank is interest bearing at the market rate. Cash on hand is non interest bearing.

#### Reconciliation of Cash

The above figures are reconciled to the cash at the end of the period as shown in the statement of cash flows as follows:

Balances as above	1,566,290	3,966,668	1,566,290	3,959,091
Financial Assets	550,000	805,313	550,000	805,313
<b>Balances per statement of cash flows</b>	<b>2,116,290</b>	<b>4,771,981</b>	<b>2,116,290</b>	<b>4,764,404</b>

Refer Note 26 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

#### 6 Current Assets - Trade and Other Receivables

Trade Debtors	1,679,067	1,266,146	1,679,067	1,266,146
Less Provision for Impairment	(561,729)	(435,490)	(561,729)	(435,490)
	1,117,338	830,656	1,117,338	830,656
Accrued Income	528,576	292,754	528,576	292,754
Prepaid Insurance	121,045	32,661	121,045	32,661
Other Prepayments	15,662	16,465	15,662	16,465
Loan to Controlled Entity	–	–	25,063	31,990
Less Provision for Impairment	–	–	(25,063)	–
Rental Bond	2,480	3,850	2,480	3,850
GST Refundable	–	546,476	–	548,732
Other Asset – Uniforms	25,148	38,779	25,148	38,779
<b>Total</b>	<b>1,810,249</b>	<b>1,761,641</b>	<b>1,810,249</b>	<b>1,795,887</b>

### 7 Current Assets - Inventories

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
Stock on Hand	200,496	240,704	200,496	240,704

### 8 Current Assets - Financial Assets at Fair Value

Fair value through profit & loss	-	50	-	50
Held to maturity investments	550,000	805,263	550,000	805,263
<b>Balances per statement of cash flows</b>	<b>550,000</b>	<b>805,313</b>	<b>550,000</b>	<b>805,313</b>

#### Fair value through profit & loss

T-Corp Investment – Cash Facility				
Balance at beginning of year	50	22,345,738	50	22,345,738
Additions	-	322,198	-	322,198
Disposals	(50)	(22,733,050)	(50)	(22,733,050)
Revaluations to Income Statement	-	65,164	-	65,164
<b>Balance at end of year</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>50</b>

The investment held with Treasury Corp is measured and reported to management on a fair value basis in accordance with Note 1(l) of the financial statements.

#### Held to maturity investments

Term Deposits				
Balance at beginning of year	805,263	1,223,619	805,263	1,223,619
Additions	424	67,294	424	67,294
Disposals	(255,687)	(485,650)	(255,687)	(485,650)
<b>Balance at end of year</b>	<b>550,000</b>	<b>805,263</b>	<b>550,000</b>	<b>805,263</b>

This consists of term deposits with a term greater than 3 months, bearing interest at 6.25% (2011: 5.5% to 6.5%).

### Notes to the financial statements

For the Period Ended 1 March 2012

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

##### (a) Land and buildings

The Authority's valuation of freehold land is based on independent valuations performed in November 2005 and updated again in June 2011 by NSW Land and Property.

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
<b>Land</b>				
At fair value – Newcastle Showground & Entertainment Centre	5,375,000	5,375,000	5,375,000	5,375,000
At fair value – Newcastle International Sports Centre	12,295,000	12,295,000	12,295,000	12,295,000
	<b>17,670,000</b>	<b>17,670,000</b>	<b>17,670,000</b>	<b>17,670,000</b>
<b>Showground &amp; Entertainment Centre Facility</b>				
At fair value	20,382,776	20,382,776	20,382,776	20,382,776
At cost	65,811	–	65,811	–
Less: accumulated depreciation	(597,124)	–	(597,124)	–
	<b>19,851,463</b>	<b>20,382,776</b>	<b>19,851,463</b>	<b>20,382,776</b>
<b>ISC Facility</b>				
At fair value	116,587,351	116,587,351	116,587,351	116,587,351
At cost	1,401,265	–	1,401,265	–
Less: accumulated depreciation	(2,602,840)	–	(2,602,840)	–
	<b>115,385,776</b>	<b>116,587,351</b>	<b>115,385,776</b>	<b>116,587,351</b>
<b>Maintenance Facility – ISC</b>				
At fair value	298,548	298,548	298,548	298,548
Less: accumulated depreciation	(19,903)	–	(19,903)	–
	<b>278,645</b>	<b>298,548</b>	<b>278,645</b>	<b>298,548</b>
<b>Total Land and Buildings</b>	<b>153,185,884</b>	<b>154,938,675</b>	<b>153,185,884</b>	<b>154,938,675</b>

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

#### (b) Plant and equipment

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
<b>Plant and Equipment – NEC</b>				
At fair value	1,282,890	1,282,890	1,282,890	1,282,890
At cost	167,815	104,680	167,815	104,680
Less: accumulated depreciation	(560,724)	(461,827)	(560,724)	(461,827)
	<b>889,981</b>	<b>925,743</b>	<b>889,981</b>	<b>925,743</b>
<b>Plant and Equipment – ISC</b>				
At fair value	844,376	844,376	844,376	844,376
At cost	293,929	209,606	293,929	209,606
Less: accumulated depreciation	(535,280)	(399,461)	(535,280)	(399,461)
	<b>603,025</b>	<b>654,521</b>	<b>603,025</b>	<b>654,521</b>
<b>Office Equipment – NEC</b>				
At fair value	16,312	16,312	16,312	16,312
At cost	67,882	28,914	67,882	28,914
Less: accumulated depreciation	(33,700)	(25,149)	(33,700)	(25,149)
	<b>50,494</b>	<b>20,077</b>	<b>50,494</b>	<b>20,077</b>
<b>Office Equipment – ISC</b>				
Office equipment at cost	53,724	46,580	53,724	46,580
Less: accumulated depreciation	(8,901)	(5,601)	(8,901)	(5,601)
	<b>44,823</b>	<b>40,979</b>	<b>44,823</b>	<b>40,979</b>
<b>Motor Vehicles – NEC</b>				
At fair value	15,381	15,381	15,381	15,381
Less: accumulated depreciation	(13,633)	(11,154)	(13,633)	(11,154)
	<b>1,748</b>	<b>4,227</b>	<b>1,748</b>	<b>4,227</b>
<b>Total Plant &amp; Equipment</b>	<b>1,590,071</b>	<b>1,645,547</b>	<b>1,590,071</b>	<b>1,645,547</b>
<b>Total Property, Plant and Equipment at Net Carrying Amount</b>	<b>154,775,955</b>	<b>156,584,222</b>	<b>154,775,955</b>	<b>156,584,222</b>

### Notes to the financial statements

For the Period Ended 1 March 2012

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

##### (c) Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Carrying amount at 1/7/2011	Revaluations	Additions	Disposals	Depreciation	Carrying amount at 1/03/2012
<b>Consolidated</b>	\$	\$	\$	\$	\$	\$
Freehold land	17,670,000	–	–	–	–	17,670,000
Entertainment centre facility	20,382,776	–	65,811	–	(597,124)	19,851,463
ISC facility	116,587,351	–	1,401,265	–	(2,602,840)	115,385,776
Maintenance facility	298,548	–	–	–	(19,903)	278,645
Plant & equipment – NEC	925,743	–	63,135	–	(98,897)	889,981
Plant & equipment – ISC	654,521	–	84,324	–	(135,820)	603,025
Office equipment – NEC	20,077	–	38,968	–	(8,551)	50,494
Office equipment – ISC	40,979	–	7,144	–	(3,300)	44,823
Motor vehicles	4,227	–	–	–	(2,479)	1,748
	<b>156,584,222</b>	<b>–</b>	<b>1,660,647</b>	<b>–</b>	<b>(3,468,914)</b>	<b>154,775,955</b>

	Carrying amount at 1/7/2011	Revaluations	Additions	Disposals	Depreciation	Carrying amount at 1/03/2012
<b>Parent</b>	\$	\$	\$	\$	\$	\$
Freehold land	17,670,000	–	–	–	–	17,670,000
Entertainment centre facility	20,382,776	–	65,811	–	(597,124)	19,851,463
ISC facility	116,587,351	–	1,401,265	–	(2,602,840)	115,385,776
Maintenance facility	298,548	–	–	–	(19,903)	278,645
Plant & equipment – NEC	925,743	–	63,135	–	(98,897)	889,981
Plant & equipment – ISC	654,521	–	84,324	–	(135,820)	603,025
Office equipment – NEC	20,077	–	38,968	–	(8,551)	50,494
Office equipment – ISC	40,979	–	7,144	–	(3,300)	44,823
Motor vehicles	4,227	–	–	–	(2,479)	1,748
	<b>156,584,222</b>	<b>–</b>	<b>1,660,647</b>	<b>–</b>	<b>(3,468,914)</b>	<b>154,775,955</b>



### 10 Current Liabilities – Trade and Other Payables

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
Trade creditors	2,081,034	1,522,628	2,081,034	1,522,628
Creditors – Advance ticket sales	339,595	2,325,110	339,595	2,325,110
Personnel services	31,252	120,262	31,252	120,262
Provision for annual leave	94,520	95,645	94,520	95,645
Income in advance	366,814	523,803	366,814	523,803
Accrued expenses	714,309	314,851	714,309	314,851
GST Payable	6,169	–	6,169	–
<b>Total</b>	<b>3,633,693</b>	<b>4,902,299</b>	<b>3,633,693</b>	<b>4,902,299</b>

Details regarding credit risk, liquidity risk and market risk are disclosed in Note 26.

### 11 Current Liabilities – Interest Bearing Liabilities

Unsecured Liabilities				
Loan – NSW Treasury Corporation	48,000	96,000	48,000	96,000

The loan with the NSW Treasury Corporation is bearing interest at 5.12% per annum. The loan is due to mature on 12 June 2013.

### 12 Current Liabilities – Provisions

Provision for long service leave	194,584	168,433	194,584	168,433
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### 13 Non-Current Liabilities – Interest Bearing Liabilities

Unsecured Liabilities				
Loan – NSW Treasury Corporation	48,000	48,000	48,000	48,000

The loan with the NSW Treasury Corporation is bearing interest at 5.12% per annum. The loan is due to mature on 12 June 2013.

### 14 Non-Current Liabilities – Provisions

Provision for long service leave	20,539	20,174	20,539	20,174
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### Notes to the financial statements

For the Period Ended 1 March 2012

#### 15 Equity

##### (a) Contributed equity

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
Contributed equity	123,594,120	123,594,120	123,590,203	123,590,203

The Authority was created on 12 July 2008 and all assets and liabilities of the NEC and ISC were transferred into the Authority at fair value and have been recognised as an equity contribution.

##### (b) Accumulated funds

Balance at beginning of period	20,661,801	9,560,040	20,692,387	9,589,906
Surplus/(Deficit) for the period	(3,165,468)	11,101,761	(3,192,137)	11,102,481
Balance at end of period	17,496,333	20,661,801	17,500,250	20,692,387

##### (c) Reserves

<i>Asset revaluation reserve</i>				
Balance at beginning of period	13,867,721	–	13,867,721	–
Net increase in property, plant and equipment valuation	–	13,867,721	–	13,867,721
Balance at end of period	13,867,721	13,867,721	13,867,721	13,867,721

#### 16 Remuneration of Auditors

	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
Audit Office of NSW – audit of financial statements	60,000	79,050
Deloitte – business risk assessment	–	6,241
	60,000	85,291

### 17 Related Party Transactions

#### Remuneration

The following amounts were paid to members of the Board of Management:

	Consolidated		Parent	
	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
Glenn Turner	2,619	–	2,619	–
Keith Lynch	2,619	–	2,619	–
Cathy Tate	2,619	–	2,619	–
Ted Atchison	–	19,739	–	19,739
Sheridan Ferrier	172	4,840	172	4,840
Samantha Martin Williams	–	4,633	–	4,633
Andrew Bright	–	4,321	–	4,321
Steve Davidson	–	4,425	–	4,425
Jayne Drinkwater	–	4,321	–	4,321
	<b>8,029</b>	<b>42,279</b>	<b>8,029</b>	<b>42,279</b>

All the Board of Management members listed in the 2011 financial year were removed from their positions on 6 June 2011 by order of NSW Sport and Recreation Minister Graham Annesley.

A new Board of Management was installed on 6 July 2011 consisting of Glenn Turner, Keith Lynch and Cathy Tate. This appointment ceased on 1 March 2012 due to the abolition of the Hunter Region Sporting Venues Authority, and new board members were appointed to the replacement entity, Venues NSW.

The mention of Sheridan Ferrier in 2012 financial year relates to a small adjustment in her superannuation entitlement.

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 18 Lease Receivables

Receivable for operating leases

Lessee	Annual lease income (GST inclusive)	Lease expiry date
Newcastle City Touch	0	30 June 2011
Newcastle Knights (Administration Building) *	36,400	24 August 2013
Newcastle Knights (Grounds)	0	Under Negotiation
Newcastle Hockey Association	20,852	31 July 2009
Go Karts Go	31,280	31 December 2011
Newcastle Supa Putt	30,250	31 December 2011
Planet Fitness	45,750	31 August 2014
Newcastle Harness Racing Club	49,500	30 June 2027
Optus Mobile Pty Limited	17,423	5 October 2010
Hunter New England Area Health	27,500	12 September 2009

Where leases have expired, the Authority and the tenant have agreed to continue on a monthly basis while new leases are negotiated.

\* Hunter Venues chose not to apply the lease payment conditions while the negotiations with the Knights on Heads of Agreement, Final Access Agreement and Indebtedness were taking place.

#### 19 Employee Benefits

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
<b>Employee benefit liabilities</b>				
Provision for employee benefits				
Annual leave payable (Note 10)	94,520	95,645	94,520	95,645
Current long service leave payable (Note 12)	194,584	168,433	194,584	168,433
Non current long service leave payable (Note 14)	20,539	20,174	20,539	20,174
Aggregate employee benefit liability	309,643	3 284,252	309,643	284,252
<b>Employee numbers</b>				
Average number of employees during the financial period	30	32	30	32

### 20 Finance Costs

	Consolidated		Parent	
	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
Bank charges	13,494	8,005	12,844	7,285
Interest – T Corp	5,846	7,009	5,846	7,009
Interest – Credit card	129	52	129	52
Interest – Energy Australia	457	–	457	–
	<b>19,926</b>	<b>15,066</b>	<b>19,276</b>	<b>14,346</b>

### 21 Professional Consultancy Services

Amounts paid to Certified Building Specialists	1,000	–	1,000	–
Amounts paid for computer consulting services	940	800	940	800
Amounts paid to Gallagher Bassett	405	–	405	–
Amounts paid to Livingstone Services	1,278	–	1,278	–
Amounts paid to Asset Technologies Pacific	9,600	–	9,600	–
Amounts paid to Parramatta Stadium Trust	4,719	–	4,719	–
Amounts paid to Repucom International	18,820	–	18,820	–
Amounts paid to Finish Pty Ltd	47,200	67,600	47,200	67,600
Amounts paid to Riskworks Pty Ltd	10,855	29,852	10,855	29,852
Amounts paid to A1 Audio	–	420	–	420
Amounts paid to Reliance Risk for risk assessment	–	477	–	477
Amounts paid to Neatcorp for logo design work	–	2,273	–	2,273
Amounts paid for HR consulting	–	2,291	–	2,291
Amounts paid for Enigma	–	20,696	–	20,696
Amounts paid for Dean Hassal Consulting	–	6,937	–	6,937
Amounts paid for Apex Events	8,697	2,000	8,697	2,000
Amounts paid for Epar	–	3,990	–	3,990
Amounts paid for Select Training	–	5,948	–	5,948
Amounts paid for preliminary fire engineering	–	800	–	800
	<b>103,514</b>	<b>144,084</b>	<b>103,514</b>	<b>144,084</b>

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 22 Contingent Liabilities and Contingent Assets

##### Contingent Liabilities

The Authority has a receivable identified as Loan to Controlled Entity of \$25,063 (2011: \$31,990), from the Newcastle International Sports Centre Club, which ceased trading on 12 December 2008 due to the demolition of the Western Grandstand at Hunter Stadium. A provision for impairment has been recorded as it is not expected that this loan will be repaid as the Club has no assets.

At the date of this report no decision has been made as to whether the Club will commence trading again in the future, however Venues NSW has agreed to provide financial support to the Club until a decision is made as to its future.

#### 23 Economic Dependency

The Newcastle Showground and Exhibition Centre derives the majority of its income, being entertainment centre and ground hiring income and income from concessions from the procurement and success of events booked. The level of income is dependent on the continued procurement of successful events from the national and international markets.

Hunter Venues derives a majority of its Stadium income from catering in retail and corporate areas at NRL and A-League fixtures hosted at the Stadium. This income is directly affected by attendance and spending habits of attendees. A number of factors outside of the control of Hunter Venues will impact on attendance including performance of team, weather conditions and scheduling of fixtures.

#### 24 Reconciliation of Cash Flows from Operating Activities to Surplus from Operations

Reconciliation of cash flows from operating activities to the surplus as reported in the Statement of Comprehensive Income:

	Consolidated		Parent	
	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$	8 months ended 1 March 2012 \$	Year Ended 30 June 2011 \$
Surplus/(deficit) for the Period	(3,165,468)	11,101,761	(3,192,137)	11,102,481
Non cash flows in operating activities:				
Depreciation	3,468,914	2,185,181	3,468,914	2,185,181
Bad debts expense	126,239	435,490	151,302	435,490
Loss on sale of assets	–	8,000	–	8,000
Changes in operating assets and liabilities:				
Decrease/(increase) in receivables	(721,322)	(954,021)	(714,395)	(954,021)
Decrease/(increase) in inventories	40,208	(186,731)	40,208	(186,731)
Increase/(decrease) in sundry creditors	(1,271,004)	1,843,516	(1,268,748)	1,843,516
Increase/(decrease) in employee entitlements	25,389	33,463	25,389	33,463
<b>Net cash provided by operating activities</b>	<b>(1,497,044)</b>	<b>14,466,659</b>	<b>(1,489,467)</b>	<b>14,467,379</b>

### 25 Commitments for Expenditure

#### Capital Expenditure Western Grandstand Redevelopment

	Parent	
	1 March 2012	30 June 2011
	\$	\$
Not later than 1 year	–	2,390,732

### 26 Financial Instruments

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance its operations.

The Authority's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

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

#### (a) Financial instrument categories

Class	Note	Consolidated		Parent	
		1 March 2012 Carrying Amount \$	30 June 2011 Carrying Amount \$	1 March 2012 Carrying Amount \$	30 June 2011 Carrying Amount \$
<b>Financial Assets</b>					
Cash and cash equivalents	5	1,566,290	3,966,668	1,566,290	3,959,091
Trade and other receivables	6	1,810,249	1,761,641	1,810,249	1,795,887
Financial assets at fair value	8	–	50	–	50
Held to maturity financial assets	8	550,000	805,263	550,000	805,263
		<b>3,926,539</b>	<b>6,533,622</b>	<b>3,926,539</b>	<b>6,560,291</b>
<b>Financial Liabilities</b>					
Bank loan secured	11, 13	96,000	144,000	96,000	144,000
Trade and other payables	10	3,633,693	4,902,299	3,633,693	4,902,299
		<b>3,729,693</b>	<b>5,046,299</b>	<b>3,729,693</b>	<b>5,046,299</b>

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 26 Financial Instruments (continued)

##### (b) Credit risk

Credit risk arises when there is the possibility of the Group's debtors defaulting on their contractual obligations, resulting in a financial loss to the Group. 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 Group, which comprises cash and receivables. No collateral is held by the Group.

##### (i) Cash on hand and cash equivalents

###### Bank Account

The consolidated entity's bank accounts totalling \$1,338,533 (2011: \$3,851,182) earn interest at the market variable rates.

The published Annual Report for 30 June 2011 included \$3,910,836. This figure was overstated as it included a Term Deposit of \$59,654 which was included in the subsequent note for Term Deposits.

###### Term Deposits

As at period end \$550,000 was on deposit with Newcastle Permanent Building Society. Funds have since been redeemed on 2 April 2012.

###### Borrowings

The Authority has borrowings totalling \$96,000 (2011: \$144,000) with the NSW Treasury Corporation and interest is charged at 5.12% p.a. fixed.

##### (ii) Receivables – trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. A provision for impairment is raised when there is objective evidence that the Authority will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 14 – 30 day terms.

The Group is marginally exposed to concentrations of credit risk to a single trade debtor as a significant proportion of debtors relating to the operation of Ausgrid Stadium are with Hunter Sports Group (HSG) which took control of Newcastle Knights Limited on 5 August 2011. A provision for impairment of \$435,490 has been recorded in relation to the debt that is currently owed by HSG for costs incurred by the Authority to repair damage to the turf at Hunter Stadium. The Authority is of the opinion that there is a possibility of recovering the debt from HSG however a conservative approach has been taken by providing for the impairment of this debt. In addition, the Authority has reached agreement with HSG to further reduce the debt owed by \$125,000. As a result, an additional provision for impairment for this amount has been taken up in the period ended 1 March 2012.

	Total \$	Amount not impaired \$	Considered impaired \$
<b>Consolidated</b>			
Not past due	118,939	118,939	–
Past due [30] days	136,352	136,352	–
Past due [31-60] days	136,053	136,053	–
Past due [61-90] days	141,495	141,495	–
Past due [>90] days	1,146,228	584,499	561,729
<b>Total</b>	<b>1,679,067</b>	<b>1,117,338</b>	<b>561,729</b>



	Total \$	Amount not impaired \$	Considered impaired \$
<b>Parent</b>			
Not past due	118,939	118,939	–
Past due [30] days	136,352	136,352	–
Past due [31-60] days	136,053	136,053	–
Past due [61-90] days	141,495	141,495	–
Past due [>90] days	1,146,228	584,499	561,729
<b>Total</b>	<b>1,679,067</b>	<b>1,117,338</b>	<b>561,729</b>

### (iii) Receivables – other

The Authority has a receivable identified as Loan to Controlled Entity of \$25,063 (2011: \$31,990), from the Newcastle International Sports Centre Club. A provision for impairment has been recorded in relation to this loan as it is not expected that it will be repaid as the Club is currently a dormant entity and has no assets.

### (c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due. The Group continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets. The objective is to maintain continuity of funding and cash and cash equivalent balances to maximise earnings and to meet payment commitments as they fall due.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received which have been invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSWTC 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 a statement is received.

### (d) Sensitivity Analysis

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk and market risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

#### (i) Interest rate risk

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Group operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance date. The analysis is performed on the same basis for 2011. The analysis assumes that all other variables remain constant.

Exposure to interest rate risk arises primarily through the Group's cash assets. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Group's exposure to interest rate risk is set out below.

### Notes to the financial statements

For the Period Ended 1 March 2012

#### 26 Financial Instruments (continued)

	Consolidated		Parent	
	1 March 2012 \$	30 June 2011 \$	1 March 2012 \$	30 June 2011 \$
Change in Profit				
– Increase in interest rate by 1%	32,985	53,823	32,985	53,744
– Decrease in interest rate by 1%	(32,985)	(53,823)	(32,985)	(53,744)
Change in Equity				
– Increase in interest rate by 1%	32,985	53,823	32,985	53,744
– Decrease in interest rate by 1%	(32,985)	(53,823)	(32,985)	(53,744)

The financial instruments affected by interest rate risk which were included in the above sensitivity analysis include cash and cash equivalents and financial assets.

#### (ii) 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 Group has no exposure to market risk or foreign currency risk and does not enter into commodity contracts.

#### 27 Management Agreement

The Hunter Region Sporting Venues Authority has a management contract with AEG Ogden (Newcastle) Pty Ltd for an initial period of 15 years that was due to expire on 30 June 2006. AEG Ogden (Newcastle) Pty Ltd have exercised two of their options to extend the contract for a further ten years, and have one further five year option at 30 June 2016 which will see them through to 30 June 2021.

#### 28 After Balance Date Events

In November 2011, the Government enacted the *Sporting Venues Authorities Amendment (Venues NSW) Act 2011*.

This Act allows for the abolition of the Hunter Region Sporting Venues Authority and the transfer of its assets, rights and liabilities to a newly created sporting venues authority, Venues NSW, on 2 March 2012.

At this point, it is uncertain how the establishment of the new authority will affect the future operations of the venues previously managed by the Hunter Region Sporting Venues Authority.

**End of audited financial statements**

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## Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

#### Parramatta Stadium Trust

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Parramatta Stadium Trust (the Trust), which comprises the statement of financial position as at 1 March 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 1 March 2012, and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Trust
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- 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 that may have been hyperlinked to/from the financial statements.

### **Independence**

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Heather Watson  
Director, Financial Audit Services

1 May 2012  
SYDNEY

### Statement by Members of the Trust

1 January 2012 to 1 March 2012



Parramatta Stadium Trust  
O'Connell Street  
Parramatta NSW 2150  
PO Box 2471  
North Parramatta  
NSW 1750  
Telephone 02 9683 5755  
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[info@parramattastadium.com.au](mailto:info@parramattastadium.com.au)

**Period: 1 January 2012 to 1 March 2012**

#### Statement by Members of the Trust:

Pursuant to Section 41C (1C) of the Public Finance and Audit Act, 1983, we declare on behalf of the Trust that in our opinion:

1. The attached financial statements exhibit a true and fair view of the financial position and transactions of the Parramatta Stadium Trust for the period ended 1 March 2012.
2. The financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the Public Finance and Audit Regulation ~~2011~~, and the Treasurer's Directions. *2010*
3. Further we are not aware of any circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

C Gallagher  
Chairman

P Smith  
Chairperson of the Finance and Audit Committee

23 April 2012



### Statement of Comprehensive Income

For the period ended 1 March 2012

	Note	1/1/12 to 1/3/12 \$	2011 \$
<b>REVENUE</b>			
<b>Event Related:</b>			
Hire fees		–	187,621
Catering			
Food and beverage trading	2(a)	13,858	325,359
Liquor trading	2(b)	10,167	214,016
Costs recovered from hirers	1(g)	2,289	579,677
Private box rental		61,824	359,964
Other	3(a)	–	72,202
		88,138	1,738,839
<b>General:</b>			
Advertising		68,516	393,467
Other rental		17,070	126,794
Interest		65,801	436,548
Car parking revenue		91,757	554,616
Other	3(b)	11,691	61,820
		254,835	1,573,245
<b>TOTAL REVENUE</b>		<b>342,973</b>	<b>3,312,084</b>
<b>EXPENDITURE</b>			
<b>Event Related:</b>			
Operating costs	4	1,879	449,466
<b>General:</b>			
Depreciation	13	274,268	1,638,578
Personnel services	6	131,417	754,806
Trustee emoluments	5	6,056	35,332
Maintenance		62,739	265,056
Cleaning and waste disposal		10,927	79,100
Water and sewerage		14,789	84,848
Telephone gas and electricity		21,451	141,743
Insurance		7,464	46,417
Advertising and promotion		4,505	65,571
Entertainment & hospitality		58	12,365

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## Statement of Comprehensive Income

For the period ended 1 March 2012

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	Note	1/1/12 to 1/3/12 \$	2011 \$
Capital items expensed		2,123	11,174
Accounting and legal services		73	16,512
Audit fees	7	15,000	41,188
Printing and stationery		2,554	14,390
Consulting fees	8	3,038	98,829
Other	9	13,259	76,975
<b>TOTAL EXPENDITURE</b>		<b>571,600</b>	<b>3,832,350</b>
Gain/(loss) on disposal of assets	10	(9,500)	(276,569)
<b>SURPLUS/(DEFICIT) BEFORE INCOME TAX</b>		<b>(238,127)</b>	<b>(796,835)</b>
Income tax expense		–	–
<b>SURPLUS/(DEFICIT) AFTER INCOME TAX</b>		<b>(238,127)</b>	<b>(796,835)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>–</b>	<b>–</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>–</b>	<b>–</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(238,127)</b>	<b>(796,835)</b>

The accompanying notes form part of these financial statements.



## Statement of Financial Position

As at 1 March 2012

	Note	2012 \$	31 Dec 2011 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	8,280,119	8,384,290
Trade and other receivables	12	209,906	143,348
<b>TOTAL CURRENT ASSETS</b>		<b>8,490,025</b>	<b>8,527,638</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	51,087,698	51,304,234
<b>TOTAL NON-CURRENT ASSETS</b>		<b>51,087,698</b>	<b>51,304,234</b>
<b>TOTAL ASSETS</b>		<b>59,577,723</b>	<b>59,831,872</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	155,069	144,317
Personnel services provision	16	135,868	137,829
Other	15	92,662	117,475
<b>TOTAL CURRENT LIABILITIES</b>		<b>383,599</b>	<b>399,621</b>
<b>TOTAL LIABILITIES</b>		<b>383,599</b>	<b>399,621</b>
<b>NET ASSETS</b>		<b>59,194,124</b>	<b>59,432,251</b>
<b>EQUITY</b>			
Reserves		23,948,940	23,948,940
Accumulated Funds		35,245,184	35,483,311
<b>TOTAL EQUITY</b>		<b>59,194,124</b>	<b>59,432,251</b>

The accompanying notes form part of these financial statements.

### Statement of Changes in Equity

For the period ended 1 March 2012

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	1/1/12 to 1/3/12 \$	2011 \$	1/1/12 to 1/3/12 \$	2011 \$	1/1/12 to 1/3/12 \$	2011 \$
Balance at the beginning of the period	35,483,311	36,280,146	23,948,940	23,948,940	59,432,251	60,229,086
Changes in equity – other than transactions with owners as owners						
Surplus/(Deficit) for the period	(238,127)	(796,835)	–	–	(238,127)	(796,835)
Other Comprehensive Income	–	–	–	–	–	–
Total changes in equity	(238,127)	(796,835)	–	–	–	(796,835)
Balance at the end of the period	35,245,184	35,483,311	23,948,940	23,948,940	59,194,124	59,432,251

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the period ended 1 March 2012

	Note	1/1/12 to 1/3/12 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		203,757	3,134,803
Payments to suppliers		(306,497)	(2,459,580)
Interest received		65,801	436,548
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	17(b)	<b>(36,939)</b>	<b>1,111,771</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(67,232)	(1,166,214)
Proceeds from sale of property plant and equipment		–	15,000
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(67,232)</b>	<b>(1,151,214)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(104,171)</b>	<b>(39,443)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	17(a)	<b>8,384,290</b>	<b>8,423,733</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	17(a)	<b>8,280,119</b>	<b>8,384,290</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

For the period ended 1 March 2012

### 1 Summary of Significant Accounting Policies

#### (a) Reporting Entity

Parramatta Stadium Trust, (the Trust) as a reporting entity, is a NSW Government Trading Enterprise. The Trust is domiciled in Australia and its principal office is at O'Connell Street, Parramatta.

The Parramatta Stadium Trust is constituted under the provisions of the *Parramatta Stadium Trust Act, 1988*. The Parramatta Stadium Trust is a not for profit entity (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.

In November 2011, the NSW Government enacted the *Sporting Venues Authorities Amendment (Venues NSW) Act 2011*. The Act allows for the repeal of the *Parramatta Stadium Trust Act 1988*, abolition of the Trust, and the transfer of its assets, rights and liabilities to a newly created sporting venues authority (Venues NSW) on the proclamation date. Proclamation occurred on 2 March 2012.

As a result the Trust has prepared the financial statements on the basis that the Trust is not a going concern. The Trust's assets and liabilities have been measured at amounts expected to be realised on transfer to Venues NSW on the proclamation date.

These financial statements for the period ended 1 March has been authorised for issue by Trustees of the Trust on 23 April 2012.

#### (b) Basis of preparation

The Trust's financial statements are general-purpose financial statements that have been prepared in accordance with:

- applicable Australian Accounting Standards, (which include Australian Accounting Interpretations) and
- the requirements of the *Public Finance and Audit Act 1983* and Regulation.

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

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

All amounts are expressed in Australian currency.

The Trust was abolished on 1 March 2012. As a result the reporting period is only 61 days. The comparative period presented is for the full year ended 31 December 2011. Therefore the amounts presented in the financial statements are not entirely comparable.

#### (c) Changes to accounting policy

There were no changes to accounting policy this period.

#### (d) Statement of compliance

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

#### (e) Insurance

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

#### (f) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

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

#### (g) Income recognition

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

#### (i) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

**(ii) Investment income**

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term.

**(iii) Event related revenue**

Event related revenue is derived from revenues that can be allocated to specific sporting events.

**(iv) Grants and donations**

Grants and donations are recognised as revenues when the Trust obtains control over the assets comprising the grant/donation. Control is normally obtained upon the receipt of cash.

**(v) Costs recovered from hirers**

Where venue hire agreements specify that the hirer should contribute to the variable costs of staging an event, the costs recovered are disclosed as a separate revenue item in the Statement of Comprehensive Income. Costs incurred are disclosed in the relevant expenditure categories in the Statement of Comprehensive Income.

**(h) Assets****Acquisition of assets**

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the agency. 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 amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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.

**(i) Capitalisation threshold**

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

**(j) Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Trust revalues each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation for the Land, Building and Infrastructure was completed with an effective date of 31 December 2010 and was based on independent assessment. Land, Building and Infrastructure valuation was performed by Mark Glanville, registered valuer at Land and Property Management Authority and Plant and Equipment valuation was performed by Stephen Ngai, member of Australian Institute of Quantity Surveyors.

Plant & Equipment 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.

### Notes to the financial statements

For the period ended 1 March 2012

#### 1 Summary of Significant Accounting Policies (continued)

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 the asset that has previously been re-valued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

The Trust is not liable for capital gains tax on the disposal of assets.

The Trust is not subject to a heritage restriction.

The Trust is restricted by an Act of Parliament in relation to the sale of land.

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

As a not-for-profit entity with no cash generating units, the Trust is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

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

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life.

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

Land is not a depreciable asset.

Useful lives of the agency's assets have been determined as follows:

	Depreciation Rate
Buildings, Ground and Infrastructure	1.0% to 19%
Plant, Furniture and Equipment	1.33% to 44%
Motor Vehicles	20%
Sculptures	1.67%

#### (m) Maintenance

The 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.

#### (n) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets 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, less an allowance for any impairment of receivables. Any changes are accounted for in the surplus/(deficit) when impaired, derecognised or through the amortisation process.

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

## (o) Liabilities

### (i) Payables

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

### (ii) Personnel Services and Provisions

During the period the Trust received personnel services from the Office of Communities. The Office is not a special purpose entity and does not control the Trust under this arrangement.

A current liability (personnel services provisions) exists which include provisions of all employee related entitlements.

Liabilities recognised in respect of employee benefits that fall due wholly within 12 months of the reporting date are recognised and measured at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 11/06) to employees with five or more years of service, using current rate of pay. Market yields on Government Bonds at 3.970% are used to discount such employee benefits.

The superannuation expense included in personnel services is determined by using the formulae specified in the Treasurers Directions. The expense for certain superannuation schemes (i.e. First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Authorities Superannuation Scheme) the expense is calculated as a multiple of the employees' superannuation contributions.

## (p) Income taxes

The Trust falls under the Tax Equivalent Regime for government businesses (TER). As a result the Trust is required to remit tax equivalents to NSW Office of State Revenue based on accounting profit. Under the TER Framework the Trust is not required to apply AASB 112 *Income Taxes*.

## (q) Comparative information

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

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

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

Notwithstanding this is the final reporting period of the Trust, it is considered that the implementation of these Standards would not have had any material impact on the Trust's financial Statements.

## Notes to the financial statements

For the period ended 1 March 2012

### 2 Catering Revenue

#### (a) Food and beverage trading

	1/1/12 to 1/3/12 \$	2011 \$
Share of gross sales in accordance with the catering agreement in operation at Parramatta Stadium	1,688	256,192
Catering Sponsorship	12,170	69,167
	<b>13,858</b>	<b>325,359</b>

#### (b) Liquor trading

Share of gross sales in accordance with the catering agreement in operation at Parramatta Stadium	–	153,183
Liquor Volume Rebate and Sponsorship Fee	10,167	60,833
	<b>10,167</b>	<b>214,016</b>

The Trust operates through a managing agent under a Concessionaire's licence and an on premises licence.

### 3 Other Revenue

#### (a) Event related

Merchandising Commission	–	2,092
Ticket Rebate	–	70,110
	–	<b>72,202</b>

#### (b) General

Training Fee	3,904	23,407
Cost recoveries	7,787	36,518
Sundry	–	1,895
	<b>11,691</b>	<b>61,820</b>



### 4 Event Related Operating Costs

	1/1/12 to 1/3/12 \$	2011 \$
Ambulance services	100	4,300
Cleaning	645	88,277
Event and security staff	1,000	207,408
Portable light hire and sundry	134	59,548
Tradesmen	–	11,591
Scoreboard operation	–	3,960
Police	–	54,420
Car parking fee	–	13,083
Cumberland county fair–loss	–	6,879
	<b>1,879</b>	<b>449,466</b>

### 5 Trustees' Emoluments

Parramatta Stadium Trust is classified as a Category C Advisory Board thereby enabling the payment of fees to Trust members.

The following emoluments were paid in accordance with rates determined by the Department of Premier and Cabinet.

Monetary emoluments paid to Trustees	6,056	35,332
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The Trustees are supplied the Trust Box during match days.

### 6 Personnel Services

Salaries and wages	118,776	641,342
Annual leave	(2,595)	10,071
Long service leave	634	30,451
Payroll tax	1,777	3,480
Workers compensation insurance	2,756	14,704
Other	1,016	5,991
Superannuation expense	9,053	48,512
	<b>131,417</b>	<b>754,551</b>
Casual wages	–	255
	<b>131,417</b>	<b>754,806</b>

During the reporting period, Parramatta Stadium Trust provided personnel services amounting to \$4,373 (2011: \$14,871) to Hunter Region Sporting Venues Authority free of charge.

## Notes to the financial statements

For the period ended 1 March 2012

### 7 Auditor's Remuneration

	1/1/12 to /3/12 \$	2011 \$
Audit Office of NSW – External Audit	15,000	25,000
Deloitte – Internal Audit	–	16,188
	<b>15,000</b>	<b>41,188</b>

The auditors received no other benefits.

### 8 Consulting Fees

Administrative	–	379
Operational	–	5,430
Stadium Master Plan	3,038	74,200
Stadium naming rights valuation	–	18,820
	<b>3,038</b>	<b>98,829</b>

### 9 Other Expenses

Bank fees	1,938	9,561
Car park related expenses	1,052	12,602
Computer expenses	5,818	19,636
Motor vehicle expenses	1,349	7,968
Staff training, uniforms and amenities	948	14,294
Subscriptions	1,039	3,592
Sundry	1,115	9,322
	<b>13,259</b>	<b>76,975</b>

### 10 Gain/(Loss) on Disposal of Assets

Gain on sale of assets	–	1,535
Plant, furniture and equipment written off	–	(237,933)
Development expenditure write off – Scoreboard	(9,500)	(40,171)
	<b>(9,500)</b>	<b>(276,569)</b>

### 11 Cash and Cash Equivalents

	2012 \$	31 Dec 2011 \$
Cash on Hand	500	500
Cash at Bank	815,129	978,503
Cash on Deposit – Treasury Corporation	7,464,490	7,405,287
	<b>8,280,119</b>	<b>8,384,290</b>

Cash includes cash on hand and at bank. Cash equivalents include short term deposits.

### 12 Trade and Other Receivables

<b>Receivables</b>		
Catering	489	91
Cost recoveries	14,829	15,176
Car parking revenue	175	405
Sponsorship	143,747	–
Other	6,274	26,435
Australian Taxation Office (GST)	16,476	52,994
	<b>181,990</b>	<b>95,101</b>
<b>Prepayments</b>		
Insurance	20,439	30,658
Other	7,477	17,589
	<b>27,916</b>	<b>48,247</b>
	<b>209,906</b>	<b>143,348</b>

## Notes to the financial statements

For the period ended 1 March 2012

### 13 Property, Plant and Equipment

	Note	2012 \$	31 Dec 2011 \$
Freehold land at fair value	1 (j)	15,145,000	15,145,000
Buildings Ground & Infrastructure at fair value		31,883,413	31,883,413
Less: Accumulated Depreciation		(7,705,087)	(7,588,289)
Building, Ground & Infrastructure at cost		560,752	554,752
Less: Accumulated Depreciation		(7,907)	(3,721)
		<b>24,731,171</b>	<b>24,846,155</b>
Sculptures at cost		90,194	90,194
Less: Accumulated Depreciation		(4,555)	(4,308)
		<b>85,639</b>	<b>85,886</b>
Plant, Furniture & Equipment at fair value	1(j)	13,814,144	13,814,144
Less: Accumulated Depreciation		(4,046,176)	(3,915,579)
Plant, Furniture & Equipment at cost		1,687,568	1,687,568
Less: Accumulated Depreciation		(388,480)	(366,040)
		<b>11,067,056</b>	<b>11,220,093</b>
Capital work in progress		58,832	7,100
<b>Total Property, Plant &amp; Equipment</b>		<b>51,087,698</b>	<b>51,304,234</b>

The Trust's current Industrial Special Risks insurance policy as at 1 March 2012 provides a cover on buildings, plant and equipment to the value of \$64.5 million.

### 13 Property, Plant and Equipment (continued)

#### Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period.

	Land \$	Plant, Furniture and Equipment \$	Buildings, Ground and Infrastructure \$	Sculptures \$	Capital Work in Progress \$	Total \$
<b>2012</b>						
Carrying amounts at 1 January 2012	15,145,000	11,220,092	24,846,155	85,887	7,100	51,304,234
Additions			6,000	–	61,232	67,232
Disposals		–	–	–	(9,500)	(9,500)
Depreciation Expense		(153,036)	(120,984)	(248)	–	(274,268)
<b>Carrying amounts at end of period</b>	<b>15,145,000</b>	<b>11,067,056</b>	<b>24,731,171</b>	<b>85,639</b>	<b>58,832</b>	<b>51,087,698</b>

	Land \$	Plant, Furniture and Equipment \$	Buildings, Ground and Infrastructure \$	Sculptures \$	Capital Work in Progress \$	Total \$
<b>2011</b>						
Carrying amounts at 1 January 2011	15,145,000	11,643,556	25,147,482	87,393	44,735	52,068,166
Additions	–	87,992	97,311	–	980,911	1,166,214
Transfers	–	549,718	428,657	–	(978,375)	–
Disposals		(142,967)	(108,430)	–	(40,171)	(291,568)
Depreciation Expense	–	(918,207)	(718,865)	(1,506)	–	(1,638,578)
<b>Carrying amounts at end of year</b>	<b>15,145,000</b>	<b>11,220,092</b>	<b>24,846,155</b>	<b>85,887</b>	<b>7,100</b>	<b>51,304,234</b>

### 14 Trade and Other Payables

	2012 \$	31 Dec 2011 \$
Trade creditors	61,499	78,763
Accrued expenses	93,570	65,554
	<b>155,069</b>	<b>144,317</b>

The Trustees consider the carrying amounts of trade and other accounts payable approximate their net fair values.

## Notes to the financial statements

For the period ended 1 March 2012

### 15 Other

	2012 \$	31 Dec 2011 \$
Income received in advance	75,162	105,305
Sponsorship Fee	17,500	12,170
	<b>92,662</b>	<b>117,475</b>

### 16 Personnel Services Provision

Provision for annual leave	47,529	50,124
Provision for long service leave	88,339	87,705
	<b>135,868</b>	<b>137,829</b>

### 17 Cash Flow Information

#### (a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and cash on deposit at call. The Trust has no credit standby arrangements. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on Hand	500	500
Cash at Bank	815,129	978,503
Cash on Deposit	7,464,490	7,405,287
<b>Total</b>	<b>8,280,119</b>	<b>8,384,290</b>

#### (b) Reconciliation of cash flows from operating activities with surplus/(deficit) after income tax

	1/1/12 to 1/3/12 \$	2011 \$
(Deficit) after income tax	(238,127)	(796,835)
Non-cash flows in surplus/(deficit)		
Depreciation	274,268	1,638,578
(Profit)/Loss on disposal of property, plant and equipment	9,500	276,569
Changes in Assets and Liabilities		
(Increase)/Decrease in receivables	(66,557)	(75,796)
(Decrease)/Increase in other current liabilities	(24,813)	44,043
Increase/(Decrease) in trade and other payables	10,750	(15,309)
(Decrease)/Increase in provisions	(1,960)	40,521
<b>Net cash provided by operating activities</b>	<b>(36,939)</b>	<b>1,111,771</b>

## 18 Contingent Liabilities

The Trustees are not aware of any significant or material contingent liability in existence at reporting date or which has emerged subsequent to reporting date which would materially impact on the financial position of the Trust as shown in the financial statements.

## 19 Financial Risk Management

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. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Trust on advice from its Finance Committee 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 the policies is reviewed by the Finance Committee and Internal Auditors on a continuous basis.

### (a) Financial instrument categories

	Note	Category	Carrying Amount 2012 \$	Carrying Amount 31 Dec 2012 \$
<b>Financial Assets</b>				
Cash and cash equivalents	11	N/A	8,280,119	8,384,290
Receivables (excluding prepayments and statutory receivables)	12	Receivables (measured at amortised cost)	165,514	42,107
<b>Financial Liabilities</b>				
Payables (excluding unearned revenue and statutory payables)	14	Financial liabilities (measured at amortised cost)	(61,499)	(72,250)

### (b) Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting 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 allowances for impairment).

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

### Cash

Cash comprises cash on hand and cash balances within the Westpac and NSW Treasury Corporations. Interest is earned on daily bank balances at the monthly averages adjusted by Westpac and NSW Treasury Corporations.

## Notes to the financial statements

For the period ended 1 March 2012

### 19 Financial Risk Management

(continued)

#### Receivables – trade debtors

All trade debtors are recognised as amounts receivable at reporting date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Trust is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently past due or impaired whose terms have been renegotiated.

#### Authority deposits

The Trust has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest payable on at call deposits can vary. The deposits at reporting date were earning an average interest rate of 4.88% (2011 5.11%), while over the period weighted average interest rate was 4.78% (2011 5.10%) on a weighted average balance of \$7,434,889 (2011 \$7,205,893) during the reporting period. None of these assets are impaired.

#### (c) Liquidity risk

Liquidity risk is the risk that 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 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 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 a statement is received. Treasury Circular TC 11/12 requires payment of interest for late payment of invoices from small business suppliers. No interest was paid for late payment during the period.

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's exposures to market risk are primarily through price risks associated with the movement in interest rates and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The Trust has no exposure to foreign currency risk and does not enter into commodity contracts.

#### (e) Interest rate risk

As the Trust has no long term debt obligations, interest rate risk is considered minimal. Cash is transferred to an overnight facility with minimal change in interest rate. The Trust's exposure to interest rate risk is set out below:

	Carrying Amount	\$ -1%		\$ 1%	
		Profit	Equity	Profit	Equity
<b>1 March 2012</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	8,280,119	(82,801)	(82,801)	82,801	82,801
<b>31 December 2011</b>					
Cash and cash equivalents	8,384,290	(83,843)	(83,843)	83,843	83,843

#### (f) Fair value

The cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of the financial instruments.



## 20 Commitments for Expenditure

	2012 \$	31 Dec 2011 \$
Capital expenditure	238,965	106,307
Operating expenditure	6,568	2,354

The above commitment is payable within 12 months and includes a GST component of \$22,321 (2011: \$9,878)

## 21 Economic Dependency

The Trust derives majority of its event related, advertising and other rental revenue from Parramatta National Rugby League Club Ltd.

## 22 Segment Reporting

The Trust operates predominantly in one business and geographical segment being the management of Parramatta Stadium.

## 23 Events After the Reporting Period

In November 2011, the NSW Government enacted the *Sporting Venues Authorities Amendment (Venues NSW) Act 2011*. The Act allows for the repeal of the *Parramatta Stadium Trust Act 1988*, abolition of the Trust, and the transfer of its assets, rights and liabilities to the newly created sporting venues authority (Venues NSW) on the proclamation date. Proclamation occurred on 2 March 2012.

**End of audited financial statements**

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## Independent Auditor's Report



### INDEPENDENT AUDITOR'S REPORT

#### Illawarra Venues Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Illawarra Venues Authority (the Authority), which comprises the statement of financial position as at 1 March 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 1 March 2012, and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

#### The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

## Independent Auditor's Report

My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- 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.

### Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Heather Watson  
Director, Financial Audit Services

28 May 2012  
SYDNEY

## Statement of Members of the Board of Management

For the Period Ended 1 March 2012

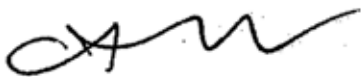
### Illawarra Venues Authority Financial Statements

For the Period Ended 1 March 2012

#### Statement by Members of the Board

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

- a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* (as applicable) and the Treasurer's Directions;
- b) the statements exhibit a true and fair view of the financial position and transactions of the Illawarra Venues Authority for the period ended 1 March 2012
- c) further we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Mr Chris Christodoulou  
Chairman



Ms Vicki Tiegs  
Board Member

21 May 2012

## Statement of Comprehensive Income

For the Period Ended 1 March 2012

	Notes	1/7/11 to 1/3/12 \$	2011 \$'000
<b>Revenue</b>			
Venue hire fees		729,440	699,956
Cost recoveries		1,292,640	1,028,842
Advertising and sponsorships		444,128	542,278
Grants and contributions		6,338,000	25,253,635
Other revenue		1,056,476	921,101
<b>Total Revenue</b>	<b>2</b>	<b>9,860,684</b>	<b>28,445,812</b>
<b>Expenses</b>			
Personnel services		1,230,224	1,660,755
Finance costs		622	782
Other operating		1,450,155	1,993,181
Depreciation and amortisation		919,539	1,299,973
Loss/(gain) on disposal of assets		–	(11,461)
<b>Total Expenses</b>	<b>3</b>	<b>3,600,540</b>	<b>4,943,230</b>
<b>Other gains/losses</b>	<b>3(f)</b>	<b>–</b>	<b>–</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD BEFORE INCOME TAX</b>		<b>6,260,144</b>	<b>23,502,582</b>
Income Tax Equivalent Expense		–	–
<b>SURPLUS/(DEFICIT) FOR THE PERIOD AFTER INCOME TAX</b>		<b>6,260,144</b>	<b>23,502,582</b>
<b>Other Comprehensive Income</b>			
Net increase in Property, Plant and Equipment Valuation	6	–	2,144,173
<b>Total Other Comprehensive Income for the Period</b>		<b>–</b>	<b>2,144,173</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>6,260,144</b>	<b>25,646,755</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As at 1 March 2012

	Note	2012 \$'000	30 June 2011 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	12,076,993	13,364,247
Trade and other receivables	5	266,466	359,698
<b>Total Current Assets</b>		<b>12,343,459</b>	<b>13,723,945</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment			
Land and buildings		85,471,795	77,500,077
Plant and equipment		959,674	893,906
Total Property, Plant and Equipment	6	86,431,469	78,393,983
<b>Total Non-Current Assets</b>		<b>86,431,469</b>	<b>78,393,983</b>
<b>Total Assets</b>		<b>98,774,928</b>	<b>92,117,928</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	7	2,708,815	1,931,177
Provisions – personnel services	8	221,877	162,064
Income in advance	9	521,193	752,753
<b>Total Current Liabilities</b>		<b>3,451,885</b>	<b>2,845,994</b>
<b>Non-Current Liabilities</b>			
Provisions – personnel services	8	–	71,459
Income in advance	9	3,834,924	3,972,500
<b>Total Non-Current Liabilities</b>		<b>3,834,924</b>	<b>4,043,959</b>
<b>Total Liabilities</b>		<b>7,286,809</b>	<b>6,889,953</b>
<b>NET ASSETS</b>		<b>91,488,119</b>	<b>85,227,975</b>
<b>Equity</b>			
Asset Revaluation Reserve		4,134,120	4,134,120
Accumulated funds		87,353,999	81,093,855
<b>TOTAL EQUITY</b>		<b>91,488,119</b>	<b>85,227,975</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the Period Ended 1 March 2012

	Accumulated Funds		Asset Revaluation Reserve		Total	
	1/7/11 to 1/3/12	2011	1/7/11 to 1/3/12	Total	1/7/11 to 1/3/12	2011
	\$	\$	\$	\$'000	\$	\$
Balance at the beginning of the Year/Period	81,093,855	57,591,273	4,134,120	1,989,947	85,227,975	59,581,220
Surplus/(Deficit) for the Period after Income Tax	6,260,144	23,502,582	–	–	6,260,144	23,502,582
<b>Other Comprehensive Income</b>						
Increase in Property, Plant and Equipment Valuation	–	–	–	2,144,173	–	2,144,173
<b>Total Other Comprehensive Income for the Period</b>	–	–	–	2,144,173	–	2,144,173
<b>Transactions with owners in their capacity as owners</b>						
Increase in net assets from equity transfers	–	–	–	–	–	–
	–	–	–	–	–	–
<b>Balance at the end of the Year/Period</b>	<b>87,353,999</b>	<b>81,093,855</b>	<b>4,134,120</b>	<b>4,134,120</b>	<b>91,488,119</b>	<b>85,227,975</b>

The accompanying notes form part of these financial statements.



## Statement of Cash Flows

For the Period Ended 1 March 2012

		1/7/11 to 1/3/12 \$	2011 \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Payments</b>			
Suppliers and personnel services		(4,607,696)	(3,472,218)
<b>Total Payments</b>		<b>(4,607,696)</b>	<b>(3,472,218)</b>
<b>Receipts</b>			
Receipts from operations		4,070,662	3,034,240
Interest received		367,074	157,854
Government grants		6,338,000	25,253,635
Other		–	–
<b>Total Receipts</b>		<b>10,775,736</b>	<b>28,445,729</b>
<b>Net Cash Flows from Operating Activities</b>	12	<b>6,168,040</b>	<b>24,973,511</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of property, plant and equipment		–	40,182
Purchase of property, plant and equipment		(7,455,294)	(13,934,471)
<b>Net Cash Flows Used in Investing Activities</b>		<b>(7,455,294)</b>	<b>(13,894,289)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Net Cash Flows from Financing Activities</b>		<b>–</b>	<b>–</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>(1,287,254)</b>	<b>11,079,222</b>
Opening cash and cash equivalents		13,364,247	2,285,025
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	4	<b>12,076,993</b>	<b>13,364,247</b>

The accompanying notes form part of these financial statements.

## Notes to the financial statements

For the Period Ended 1 March 2012

### 1 Summary of Significant Accounting Policies

#### (a) Reporting entity

The Illawarra Venues Authority (the Authority) is a reporting entity. There are no other entities under its control which are required to be consolidated in these financial statements.

The mission of the Authority is to operate and develop sustainable, integrated sports, entertainment and conference facilities for the community. The Authority's venues comprise the WIN Entertainment Centre and WIN Stadium, Wollongong. These venues are available to event promoters, sporting teams and community groups to stage a wide variety of sports, entertainment and other community events.

The Authority is domiciled in Australia and its principal place of business is Harbour Street, Wollongong.

The Authority is a not-for-profit entity (as profit is not its principal objective) and is consolidated as part of the NSW Total State Sector Accounts.

As a result of the *Public Sector Employment and Management (Department Amalgamations) Order 2009*, employees of the Authority are reported as employees of the Department of Education and Communities. The Authority reports employee related information as "personnel services" in its financial statements.

In November 2011, the NSW Government enacted the *Sporting Venues Authorities Amendment (Venues NSW) Act 2011*. The Act allowed for the abolition of the Authority and the transfer of its assets, rights and liabilities to a newly created sporting venues authority (Venues NSW) on the proclamation date. Proclamation occurred on 2 March 2012. As a result the Authority has prepared the financial statements on the basis that the Authority is not a going concern. The Authority's assets and liabilities have been measured at amounts expected to be realised on transfer to Venues NSW on the proclamation date.

These financial statements for the period ended 1 March 2012 have been authorised for issue by the Board on 21 May 2012.

#### (b) Basis of preparation

The financial statements have been prepared as general purpose financial statements on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and Regulations; and
- Treasurer's directions.

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

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

All amounts are expressed in Australian currency.

The Authority was abolished on the 2nd March 2012. As a result the current reporting period is only eight months. The comparative period presented is for the full year ended 30 June 2011. As a result, the amounts presented in the financial statements are not entirely comparable.

#### (c) Statement of compliance

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

#### (d) Income recognition

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

##### (i) Grants

Contributions from the NSW Government and other bodies are recognised as income when the Authority obtains control over the assets comprising the contributions. Control is normally obtained upon the receipt of cash.

##### (ii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion of the transaction at balance date.

##### (iii) Rental income

Rental revenue is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income.

##### (iv) Cost recoveries

Where venue hire agreements specify that the hirer should contribute to the variable costs of staging an event, the costs recovered from the hirer are disclosed as a separate revenue item in the Statement of Comprehensive Income. Costs incurred are disclosed in the relevant expenditure categories in the Statement of Comprehensive Income.

### (v) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

### (vi) Income in advance – WIN naming rights and prepaid catering rights

The total contract values have been recognised as income in advance and are being amortised in equal instalments over the life of the contract, being 25 years and 10 years respectively.

### (vii) Advertising and sponsorship

Advertising and sponsorship includes payments under contract with various companies for naming rights, exclusive product rights, sponsorship and advertisements that are displayed around the Entertainment Centre and the Stadium. Revenue is recognised over the period of the contract.

### (e) Personnel services and provisions

Personnel services to the Authority are provided by the Office of Communities, Department of Education and Communities.

The superannuation expense included in personnel services is calculated as a percentage of the employees' gross salaries.

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that are expected to be paid as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as cars, are expensed based on the net marginal cost as the benefits are taken by the employees.

The net obligation in respect of long-term service benefits, that are not expected to be settled within 12 months, are the amount of future benefits that employees have earned in return for their service in the current and prior periods. Long service leave entitlements have been valued using the short-hand method to approximate the present value. It is unlikely that the difference between the present value and the nominal value will be material.

### (f) Insurance

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

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

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

- the amount of GST incurred by the Authority as a purchaser is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components from cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows,

### (h) Income tax

Under the NSW Treasury Commercial Policy Framework the Authority is included in the Tax Equivalent Regime for Government Business. Under Treasury Policy Paper TPP 03-4, the Authority pays a tax equivalent to the Office of State Revenue calculated at 30% of accounting profit, adjusted for certain transactions. Under the framework, the Authority is not required to apply AASB 112 *Income Taxes*.

### (i) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. 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 at their fair value at the date of acquisition.

## Notes to the financial statements

For the Period Ended 1 March 2012

### 1 Summary of Significant Accounting Policies (continued)

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent (i.e. the deferred payment amount is effectively discounted at an asset-specific rate).

#### (j) 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.

#### (k) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper TPP 07-01. This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Authority re-values each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last formal revaluation was completed on 30 June 2008 by the former Wollongong Sportsground Trust and was based on an independent assessment. Annual indexation adjustments are recognised for the Authority's Building/Infrastructure between formal revaluations.

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 re-valued (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 existing at the revaluation date in respect of those assets are credited to the asset account to which they relate. The net asset accounts are 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 an expense 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 re-valued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

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

As a not-for-profit entity the Authority is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

#### (m) Subsequent costs

The Authority recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Authority and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

### (n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. Land is not a depreciable asset.

All material separately identifiable components of assets are recognised and depreciated over their useful lives. Useful lives of the Authority's assets have been determined as follow:

	Average useful life years	
	2012	2011
Buildings/Infrastructure	40	40
Plant and Equipment	4-10	4-10
Computer Hardware	3	3
Motor Vehicles	3-10	3-10

The residual value, useful life and depreciation method applied to an asset are reassessed at least annually.

### (o) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred. However, where they relate to the replacement of a component of an asset, which restores the service potential and extends the life of the asset beyond that which it had originally, the costs are capitalised and depreciated.

### (p) Leased 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.

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

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

### (q) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets 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, less an allowance for any impairment of receivables. Any changes are accounted for in the Statement of Comprehensive Income when impaired, derecognised or through the amortisation process.

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

### (r) Cash and cash equivalents

Cash and cash equivalents, comprises cash on hand and bank balances.

### (s) Other assets

Other assets are recognised on a cost basis.

### (t) Trade and other payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value when the Authority become obliged to make future payments as a result of purchases of assets or services. 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.

## Notes to the financial statements

For the Period Ended 1 March 2012

### 1 Summary of Significant Accounting Policies (continued)

#### (u) Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

#### (v) Provisions – other

A provision is recognised in the statement of financial position when the Authority has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### (w) Equity

##### (i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Authority policy on the revaluation of property, plant and equipment as discussed in Note 1 (k).

##### (ii) Accumulated funds

The category accumulated funds includes all current and prior period retained funds.

#### (x) Accounting estimates and judgements

Preparation of the financial statements in conformity with Australian Accounting Standards requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### (y) 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.

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

At reporting date a number of Australian Accounting Standards have been issued by the AASB but are not yet operative. These have not been early adopted by the Authority.

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

### 2 Revenue

#### (a) Venue hire fees

	1/7/11 to 1/3/12 \$	2011 \$
Hire of facilities	729,440	699,956

#### (b) Cost recoveries

Event related expenditure recovered from hirers	1,292,640	1,028,842
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#### (c) Advertising and sponsorship revenue

Advertising and sponsorship revenue is recognised over the period of the contract	444,128	542,278
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#### (d) Grants

NSW Government through the Office of Communities/Communities NSW Western Grandstand construction funding – NSW Govt grant of \$4.9m in 2012 IVA TAM projects – NSW Govt grant of \$1.438m in 2012	6,338,000	25,253,635
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#### (e) Other revenue

Investment income	367,074	157,854
Catering commissions	296,829	265,469
Merchandising commissions	29,470	33,538
Rental income	88,232	128,191
Ticketing commissions	190,482	215,431
Other	84,389	120,618
<b>Total</b>	<b>1,056,476</b>	<b>921,101</b>

### 3 Expenses

#### (a) Personnel services

Salaries and wages (including recreation leave)	1,078,926	1,417,401
Superannuation	93,533	118,409
Provision for leave entitlements	(11,647)	17,811
Workers' compensation insurance	19,880	30,910
Payroll tax and fringe benefits tax	49,532	76,224
<b>Total</b>	<b>1,230,224</b>	<b>1,660,755</b>

## Notes to the financial statements

For the Period Ended 1 March 2012

### 3 Expenses (continued)

#### (b) Finance costs

	1/7/11 to 1/3/12 \$	2011 \$
Bank charges	622	782
<b>Total</b>	<b>622</b>	<b>782</b>

#### (c) Other operating

Advertising, marketing & promotion	45,544	22,788
Audit fees	38,960	25,020
Catering services – clients	93,310	50,992
Cleaning materials	17,464	24,958
Contractors – event staff	242,710	194,136
Entertainment	14,033	8,208
Electricity and gas	196,703	203,759
Equipment hire	184,783	106,324
General expenses	133,185	245,390
Insurance	56,542	70,298
Legal fees	2,940	4,088
Repairs and maintenance	300,355	866,390
Security – building	7,957	6,058
Stationery, printing and postage	13,184	12,029
Telephone	15,543	29,489
Ticketing staff	18,833	15,035
Travelling expense	4,916	4,135
Waste removal	29,106	43,602
Water rates	34,087	60,482
<b>Total</b>	<b>1,450,155</b>	<b>1,993,181</b>

#### (d) Depreciation and amortisation

<b>Depreciation</b>		
Buildings	841,798	1,195,180
Plant and equipment	77,741	104,793
<b>Total</b>	<b>919,539</b>	<b>1,299,973</b>



### 3 Expenses (continued)

#### (e) Gain/(loss) on disposal of assets

	1/7/11 to 1/3/12 \$	2011 \$
<b>Gain/(Loss) on disposal of plant and equipment</b>		
Proceeds from disposal	–	40,182
Less Written down value of assets disposed	–	(28,721)
<b>Total</b>	<b>–</b>	<b>11,461</b>

#### (f) Other gains/losses

Derecognition of damaged work in progress	(2,073,135)	–
Compensation receivable from third party	2,073,135	–
	–	–

On the 20 September 2011, the roof of the new Western Grandstand under construction at WIN Stadium was damaged by a significant wind event. In the following months, the roof was taken down to undergo major repairs and the replacement of some components.

Between September 2011 and 1 March 2012, the contractor continued with the new works, as well as rectification of the damaged roof. Claims were submitted by Public Works for the new works, but with the reduced "works completed to date" (caused by rolling back the status for the roof component), no payments were made. In effect, the payments made for work now considered "incomplete" were applied against the new works.

As at 1 March 2012, the roof rectification works were not complete.

In accordance with AASB 116 *Property Plant and Equipment*, the Authority has derecognised the cost of the roof. The loss arising from derecognition of the roof has been included in the surplus/deficit for the period. The Authority has also recognised that it will be compensated for the damaged roof from the contractor through the supply of a rectified roof at no cost to the Authority. Compensation from third parties (the contractor) for the roof that was lost has been included in the surplus/deficit for the period. The compensation receivable has been offset against amounts accrued for unpaid works in trade and other payables.

### 4 Current Assets – Cash and Cash Equivalents

	2012 \$	30 Jun 2011 \$
Cash on hand	350	350
Cash at bank	12,076,643	13,363,897
<b>Total</b>	<b>12,076,993</b>	<b>13,364,247</b>

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand and short term deposits.

## Notes to the financial statements

For the Period Ended 1 March 2012

### 4 Current Assets - Cash and Cash Equivalents (continued)

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

	2012 \$	30 Jun 2011 \$
Cash and cash equivalents (per Statement of Financial Position)	12,076,993	13,364,247
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	12,076,993	13,364,247

Refer Note 13 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

### 5 Current Assets - Trade and Other Receivables

RECEIVABLES		
Venue hire and cost recoveries	20,228	115,793
Advertising and sponsorships	11,764	116,225
Rent receivable	41,329	76,861
GST recoverable from Australian Taxation Office	154,559	21,523
Other debtors	10,831	29,296
	238,711	359,698
Less Allowance for impairment*	-	-
<b>Total</b>	<b>238,711</b>	<b>359,698</b>
* Movement in the allowance for impairment:		
Balance at the beginning of the financial year	-	(39,787)
Amounts written off during the year	-	39,787
Amounts recovered during the year	-	-
Increase in allowance recognised in surplus/deficit	-	-
Balance at the end of the financial year	-	-
PREPAYMENTS		
Insurance	27,755	-
<b>Total</b>	<b>27,755</b>	<b>-</b>
<b>Total trade and other receivables</b>	<b>266,466</b>	<b>359,698</b>

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

### (a) Freehold land

	2012 \$	30 Jun 2011 \$
At Fair Value	17,500,000	17,500,000

### (b) Buildings/infrastructure

At Fair Value	94,665,422	85,851,906
Less Accumulated Depreciation	(26,693,627)	(25,851,829)
<b>Net carrying amount</b>	<b>67,971,795</b>	<b>60,000,077</b>

### (c) Plant and equipment

At Fair Value	1,180,403	1,036,894
Less Accumulated Depreciation	(220,729)	(142,988)
<b>Net carrying amount</b>	<b>959,674</b>	<b>893,906</b>
<b>Total Property, Plant and Equipment</b>		
<b>At Net Carrying Amount</b>	<b>86,431,469</b>	<b>78,393,983</b>

### Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current and previous reporting period is set out below:

	Land \$	Buildings/ Infrastructure \$	Plant and Equipment \$	Total \$
Period ended 1 March 2012				
Carrying amount at start of financial period	17,500,000	60,000,077	893,906	78,393,983
Additions	-	23,247	143,508	166,755
Disposals	-	-	-	-
Net revaluation increment	-	-	-	-
Work in progress	-	10,863,405	-	10,863,405
Derecognition of works in progress	-	(2,073,135)	-	(2,073,135)
Depreciation expense	-	(841,798)	(77,741)	(919,539)
<b>Net Carrying amount at end of financial period</b>	<b>17,500,000</b>	<b>67,971,796</b>	<b>959,673</b>	<b>86,431,469</b>

## Notes to the financial statements

For the Period Ended 1 March 2012

### 6 Non-Current Assets – Property, Plant and Equipment (continued)

Year ended 30 June 2011	Land \$	Buildings/ Infrastructure \$	Plant and Equipment \$	Total \$
Carrying amount at start of financial period	17,500,000	45,327,252	816,780	63,644,032
Additions		308,451	210,639	519,090
Disposals	–	–	(28,720)	(28,720)
Net revaluation increment	–	2,144,173	–	2,144,173
Work in progress	–	13,415,381	–	13,415,381
Depreciation expense	–	(1,195,180)	(104,793)	(1,299,973)
<b>Net Carrying amount at end of financial period</b>	<b>17,500,000</b>	<b>60,000,077</b>	<b>893,906</b>	<b>78,393,983</b>

#### (d) Revaluations

##### Land and buildings

The Authority's valuation of freehold land of \$17,500,000 and buildings of \$62,500,000 is based on an independent valuation performed as at 30 June 2008 by the former Department of Lands.

The building's replacement cost has been revalued annually since 2008 using an indexation factor of 5% per annum as advised by the independent valuer.

#### (e) Work in progress

Work in progress relates to expenditure to date on the construction of the Western Grandstand which will not commence to be depreciated until construction is completed.

	2012 \$	30 Jun 2011 \$
Works in progress – Buildings/Infrastructure	23,762,700	14,972,430

### 7 Current Liabilities – Trade and Other Payables

Trade payables	1,902,814	215,325
Deposits held	806,001	1,715,852
<b>Total</b>	<b>2,708,815</b>	<b>1,931,177</b>

## 8 Current/Non-Current Liabilities - Personnel Services

	2012 \$	30 Jun 2011 \$
<b>Current</b>		
Liability for annual leave	62,366	90,604
Liability for long service leave	159,511	71,460
<b>Total</b>	<b>221,877</b>	<b>162,064</b>
<b>Non-Current</b>		
Liability for long service leave	-	71,459

## 9 Current/Non-Current Liabilities - Income In Advance

<b>Current</b>		
Income received in advance	521,193	752,753
<b>Non-Current</b>		
Income received in advance	3,834,924	3,972,500

## 10 Commitments for Expenditure

### a) Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	-	-
Later than one year and not later than five years	-	-
<b>Total (including GST)</b>	<b>-</b>	<b>-</b>

### b) Capital expenditure commitments

Future capital expenditure not provided for and payable:		
Not later than one year	5,395,795	15,597,115
Later than one year and not later than five years	-	-
<b>Total (excluding GST)</b>	<b>5,395,795</b>	<b>15,597,115</b>

## Notes to the financial statements

For the Period Ended 1 March 2012

### 11 Remuneration of Auditors

	1/7/11 to 1/3/12 \$	2011 \$
Audit Office of NSW – audit of financial statements*	38,960	25,020

\* No other amounts were paid to the Audit Office of NSW

### 12 Reconciliation of Cash Flows from Operating Activities to Surplus/(Deficit) for the Period After Income Tax

	2012 \$	30 Jun 2011 \$
Surplus/(deficit) for the Period after Income Tax	6,260,144	23,502,582
Depreciation and amortisation	919,539	1,299,973
Net (profit)/loss on disposal of plant and equipment	–	(11,461)
Increase/(decrease) in personnel services provisions	(11,646)	17,809
(Increase)/decrease in receivables	93,232	(67,696)
(Decrease)/increase in creditors (excluding capital accruals)	(724,093)	551,032
(Decrease) in income received in advance	(369,136)	(318,728)
<b>Net Cash Flows from Operating Activities</b>	<b>6,168,040</b>	<b>24,973,511</b>

### 13 Financial Instruments

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

The Authority's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Authority's Board, with advice from the IVA Finance & Audit committee, 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 Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the IVA Finance & Audit Committee and Internal auditors on a regular basis.

### 13 Financial Instruments (continued)

#### (a) Financial instrument categories

Class:	Note	Category	Carrying Amount 2012 \$	Carrying Amount 30 Jun 2011 \$
<b>Financial Assets</b>				
Cash and cash equivalents	4	N/A	12,076,993	13,364,247
Receivables (excluding prepayments and GST)	5	Receivables (at amortised cost)	73,321	308,880
			<b>12,150,314</b>	<b>13,673,127</b>
<b>Financial Liabilities</b>				
Payables (excluding unearned revenue)	7	Financial liabilities (at amortised cost)	2,708,815	1,931,177
Borrowings		Financial liabilities (at amortised cost)	–	–
			<b>2,708,815</b>	<b>1,931,177</b>

#### (b) Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. 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 Authority, which comprises cash, receivables and deposits. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

#### (i) Cash on hand and cash equivalents

Cash comprises predominantly cash on hand and bank balances with the Westpac Banking Corporation (WBC). Interest is earned on daily bank balances at the WBC daily cash rate.

#### (ii) Receivables – trade debtors

All trade debtors are recognised as amounts receivable at reporting date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Authority will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Invoices are made on 30 day terms.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are less than 3 months past due (1/3/2012: \$48k, 2011: \$62k) and between 3 months and 6 months past due (2012: nil, 2011: \$112k) are not considered impaired and together these represent (2012:100%, 2011: 100%) of the total trade 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 sales of goods and services in the 'receivables' category of the statement of financial position.

## Notes to the financial statements

For the Period Ended 1 March 2012

### 13 Financial Instruments (continued)

	\$		
	Total	Past due but not impaired	Considered impaired
As at 1 March 2012			
Less than 3 months overdue	48,159	48,159	–
3 months to 6 months overdue	–	–	–
Greater than 6 months overdue	–	–	–
<b>Total</b>	<b>48,159</b>	<b>48,159</b>	<b>0</b>
As at 30 June 2011			
Less than 3 months overdue	62,469	62,469	–
3 months to 6 months overdue	112,420	112,420	–
Greater than 6 months overdue	–	–	–
<b>Total</b>	<b>174,889</b>	<b>174,889</b>	<b>0</b>

#### (c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring cash flows to ensure adequate holding of cash reserves. The objective is to maintain continuity of cash balances to maximise earnings and to meet payment commitments as they fall due.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with 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 a statement is received. Treasury Circular TC 11/12 requires payment of interest for late payment of invoices from small business suppliers. No interest was paid for late payment during the period.



### 13 Financial Instruments (continued)

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

	Maturity Analysis on Interest Rate Exposure of Financial Liabilities							
	Average Effective Int. Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non – Interest bearing	< 1 year	1-5 years	> 5 years
<b>As at 1 March 2012</b>								
Trade and Other Payables	–	–	–	–	–	–	–	–
Borrowings:								
Accruals	–	–	–	–	–	–	–	–
Trade payables	–	1,902,814	–	–	–	1,902,814	–	–
<b>Total</b>	–	1,902,814	–	–	–	1,902,814	–	–
<b>As at 30 June 2011</b>								
Trade and Other Payables	–	–	–	–	–	–	–	–
Borrowings:								
Accruals	–	–	–	–	–	–	–	–
Trade payables	–	215,325	–	–	–	215,325	–	–
<b>Total</b>	–	215,325	–	–	–	215,325	–	–

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2012. The analysis assumes that all other variables remain constant.

#### (i) Interest rate risk

Exposure to interest rate risk arises primarily through the Authority's cash assets. This risk is minimised by placing the majority of cash funds with WBC. The Authority 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 surplus/(deficit) equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

## Notes to the financial statements

For the Period Ended 1 March 2012

### 13 Financial Instruments (continued)

	Carrying amount	\$			
		-1% Profit	Equity	1% Profit	Equity
<b>As at 1 March 2012</b>					
<b>Financial assets</b>					
Cash and cash equivalents	12,076,993	(120,770)	(120,770)	120,770	120,770
Trade & other receivables	238,711	-	-	-	-
<b>Financial liabilities</b>					
Trade & other payables	2,708,815	-	-	-	-
<b>As at 30 June 2011</b>					
<b>Financial assets</b>					
Cash and cash equivalents	13,364,247	(133,642)	(133,642)	133,642	133,642
Trade & other receivables	359,698	-	-	-	-
<b>Financial liabilities</b>					
Trade & other payables	1,931,177	-	-	-	-

### 14 Related Parties

#### Key management personnel compensation

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Authority. Key management personnel includes the most highly remunerated management employees for the Authority.

The key management personnel compensation is as follows:

	1/7/11 to 1/3/12 \$	2011 \$
Short term employee benefits	321,320	466,612
Other long term benefits	102,192	94,139
Post employment benefits	28,206	41,388
	<b>451,718</b>	<b>602,139</b>

## 14 Related Parties (continued)

### Board members

The names of each person currently holding the position of Board members of the Illawarra Venues Authority are C Christodoulou, I Hunt, D Farmer, N Hartgerink, J Henderson, V Tiegs and L Kofod.

No remuneration, superannuation or retirement payments were received by any Board member of the Authority during the financial period.

No loans, advances or other payments have been provided to any Board member of the Authority.

No Board member has entered into a contract with the Authority since the end of the previous financial year and there were no contracts involving members' interests subsisting at period end.

## 15 Economic Dependency

The Authority derives the majority of its WIN Stadium rental income from the St George-Illawarra Rugby League Football Club Pty Ltd. The level of Stadium income to the Authority is dependant on the continued tenancy arrangements with the Club.

## 16 Contingent Liabilities

The Board Members are not aware of any significant or material contingent liability in existence at reporting date or which has emerged subsequent to reporting date which would materially impact on the financial position of the Authority as shown in the financial statements.

## 17 Events Subsequent to Balance Date

### Abolition of the Illawarra Venues Authority

*The Sporting Venues Authorities Amendment (Venues NSW) Act 2011* transferred the assets, rights and liabilities of Illawarra Venues Authority to Venues NSW effective 2 March 2012. The Authority was abolished on the same day.

Since this date, a Venues NSW Board has been appointed to govern the management of the organisation and will set the strategic and operational direction of the business. A Local Venues Council has also been appointed to provide advice to the Venues NSW Board and ensure that the venues meet the needs of the community. A Venues NSW Executive Director and a management team will soon be appointed with responsibilities for asset management, development and operational oversight, business development, marketing and corporate services for the venues.

At this point, it appears the establishment of Venues NSW will not directly affect the future operations of the venues previously managed by the Illawarra Venues Authority.

### The new Western Grandstand

On the 20 September 2011, the roof of the new Western Grandstand under construction at WIN Stadium was damaged by a significant wind event. As construction of the Western Grandstand was not completed when the incident occurred, the cost of the rectification has been borne by the parties directly associated with the building project, not the Authority.

The roof rectification will not materially affect the future operations of the Authority, as insurance policies are held that are expected to cover the Authority for any lost revenue or additional costs incurred as a result of the incident.

At this time, the damaged roof of the new Western Grandstand is being fully rectified by the construction contractors. When the rectification works are completed the replacement cost of the grandstand will increase.

There has not arisen in the interval between the end of the financial year and the date of this report being authorised for issue, any other item, transaction or event, of a material and unusual nature likely, in the opinion, of the members of the Authority, to affect significantly the operations of the Authority or the state of affairs of the Authority in future financial years.

**End of audited financial statements**

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Business Hours are in line with the nature of events.

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