

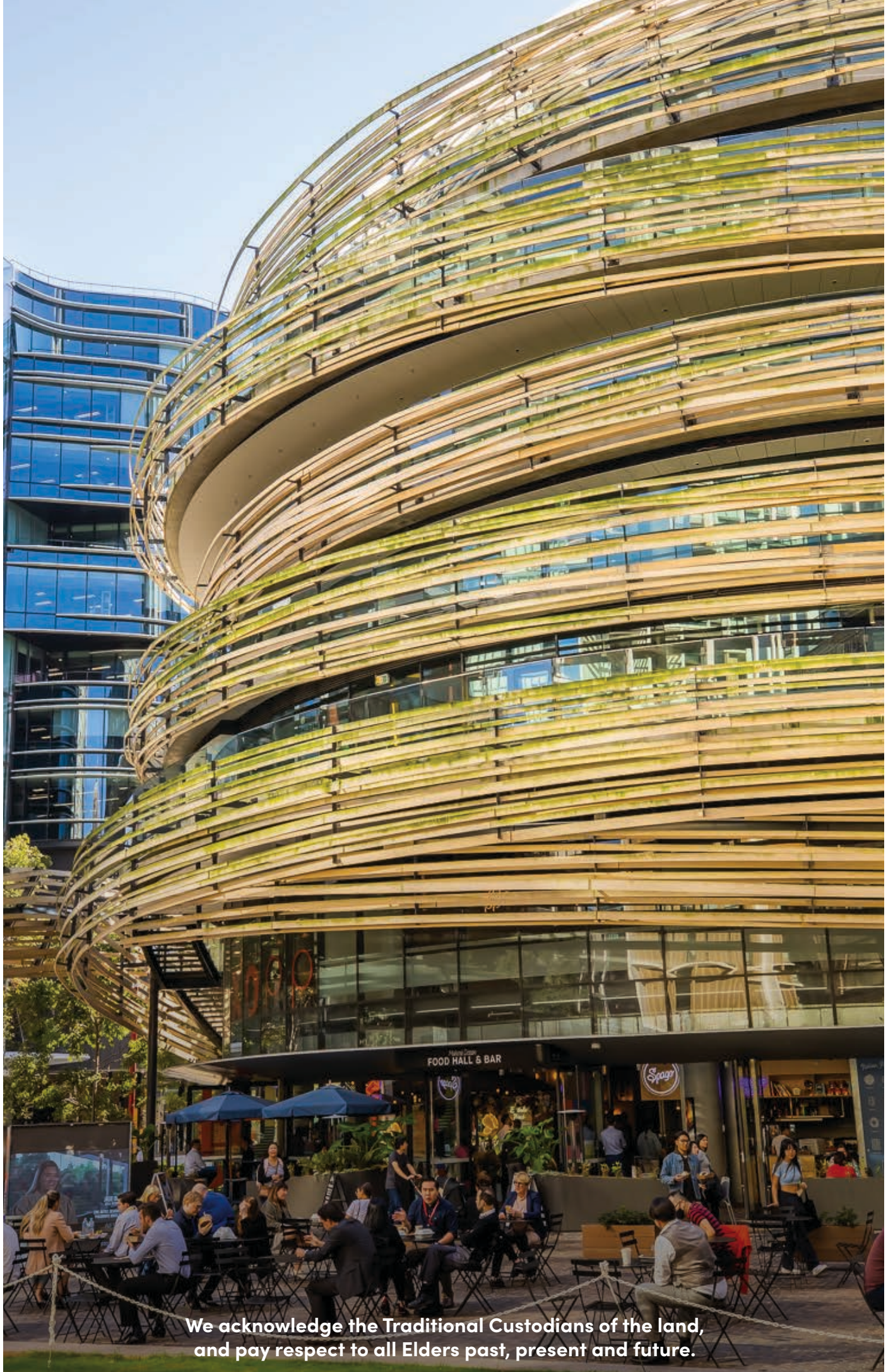
# Place Management NSW

2020–21 | Annual Report



Planning,  
Industry &  
Environment





**We acknowledge the Traditional Custodians of the land,  
and pay respect to all Elders past, present and future.**

# LETTER OF SUBMISSION

31 October 2021

The Hon Rob Stokes MP  
Minister for Planning and Public Spaces  
52 Martin Place  
Sydney NSW 2000

Dear Minister

I have the pleasure of submitting for your information and presentation to Parliament, the Place Management annual report, for the year ended 30 June 2021.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* (NSW) and the *Annual Reports (Statutory Bodies) Regulation 2015* (NSW). The report details the work, achievements and relevant statutory and financial information of Place Management NSW.

Yours sincerely



Anita Mitchell

**Chief Executive  
Placemaking NSW &  
Place Management NSW**



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## CHAIR REPORT

The Placemaking NSW Advisory Committee was formed in July 2020, to support the creation of great places for the people of NSW.

To create great places, we will focus on enhancing liveability, economic development, great experiences and spaces for people to enjoy. Our achievements will be underpinned by strengthening social and cultural networks.

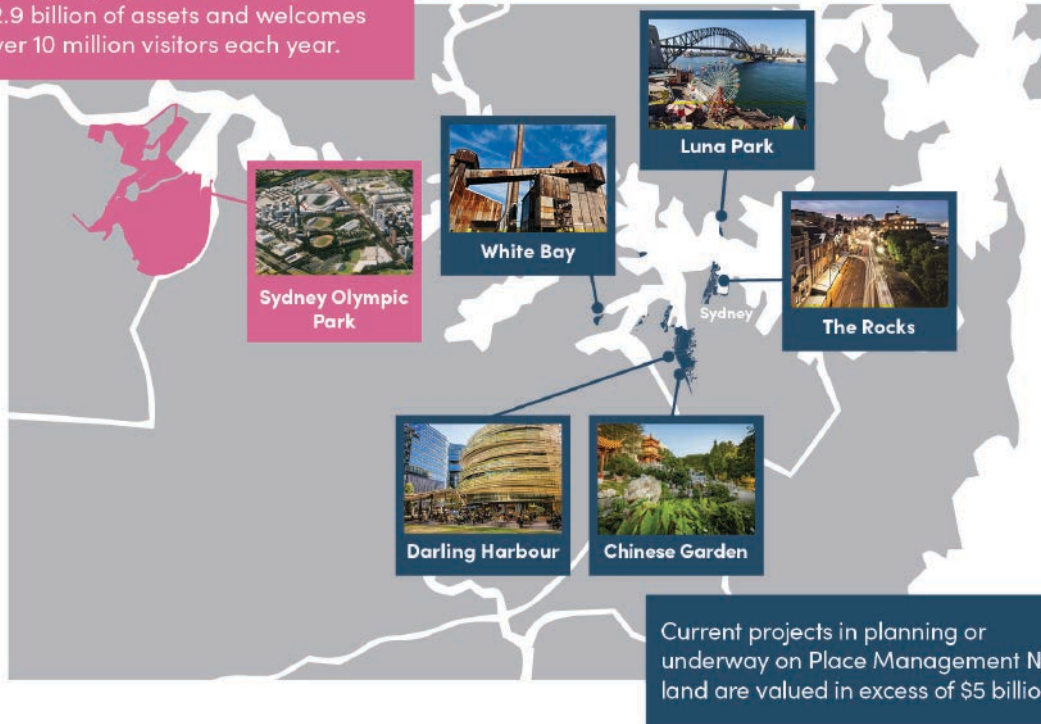
The time since our formation has been both exciting and challenging. The committee, along with inaugural Chief Executive, Anita Mitchell, have been dealing with the impact of COVID-19 on our precincts, businesses and communities, but also on playing our part in the government's response to the pandemic.

With the committee and its governance firmly established we will now focus on a renewed vision for the organisation and for our precincts. This vision will be led by the committee with the involvement of all staff and stakeholders.

I'm proud of the work we have achieved so far and look forward to the next financial year where we can update you on our progress.

**Ken Kanofski**  
Chair

Sydney Olympic Park manages \$2.9 billion of assets and welcomes over 10 million visitors each year.



## PLACEMAKING NSW

Placemaking NSW has the role of enhancing the state's most treasured places and spaces while supporting and enabling their transformation.

In the Eastern Harbour of Sydney, The Rocks and Darling Harbour contribute \$3.1 billion per year to the New South Wales economy and current projects in planning or underway on Place Management NSW (PMNSW) land are valued in excess of \$5 billion.

Closer to the Central River city of Sydney, Sydney Olympic Park Authority (The Authority) manages \$2.9 billion of assets.

Placemaking NSW's work in the Hunter and Central Coast, through Hunter and Central Coast Development Corporation (HCCDC), is responsible for delivering a program of works, of more than \$45 million.



## CHIEF EXECUTIVE REPORT

In June 2020, Placemaking NSW was formed to oversee the operations of Hunter and Central Coast Development Corporation, the Sydney Olympic Park Authority and Place Management NSW. Our mandate is to manage and develop high profile and significant precincts in Greater Sydney, the Hunter and Central Coast.

Placemaking NSW is an entity within the Department of Planning, Industry and Environment (DPIE), and sits within the Place, Design and Public Spaces (PDPS) group. Through its PDPS group, the Department is:

- creating connected and thriving towns and communities through place strategies and infrastructure planning to facilitate jobs, housing, infrastructure, services and good growth
- putting place and design at the forefront of development to sustain healthy, thriving towns and communities into the future
- enabling Sydney as a city within a park and designing a sustainable future

- enabling greener places and public spaces that are shared
- delivering vibrant urban places in key Sydney precincts and regional areas.

The remit of the PDPS group is to influence, enable and deliver great places for the people of NSW, now and for the future.

PMNSW is responsible for the care and control of two of the most important harbourside precincts in Sydney: The Rocks and Darling Harbour as well as Luna Park, Ballast Point Park and parks and waterfront boardwalks in Pyrmont. These special places include more than 100 heritage buildings as well as unique venues such as the Chinese Garden of Friendship and major event facilities at the International Convention Centre Sydney.

Prior to COVID-19, these precincts drew more than 40 million visitors a year, including international and domestic tourists as well as local Sydneysiders. Since COVID-19 with international and domestic border restrictions in place, our team's focus has been on drawing local Sydneysiders to the precincts.

Despite the challenges of lockdowns and health regulations, Sydneysiders have responded positively to the opportunity to re-discover these places, with both

precincts building momentum for a post-COVID-19 recovery.

In The Rocks, we are excited by new bars and restaurants opening in coming months. In Darling Harbour, a series of major re-developments are in train. These will completely re-shape the precinct for decades to come. Our strong focus is on making these places attractive and accessible for future generations.

In 2021–22 PMNSW will link with neighbouring precinct owners to bring further uplift to our precincts. This includes the delivery in 2021–22 of the Yananurala Walk with the City of Sydney, as well as the installation of improved wayfinding and the hosting of cross-precinct events such as Biennale of Sydney, the Sydney Festival and Vivid.

Ken, Susan and I look forward to welcoming all of Sydney back to our precincts and celebrating these unique places. The team at PMNSW have made an outstanding contribution to this treasured part of the City during very challenging times and I would like to thank them and the departing CEO Sam Romaniuk for all their extensive efforts over the past 12 months.

**Anita Mitchell**  
Chief Executive





## CHIEF OPERATING OFFICER REPORT

Resilience and recovery were the two key themes for both The Rocks and Darling Harbour during the last financial year. Following the closure of international borders to travellers in March 2020, and the move for CBD workers to work from home, both precincts suffered significant declines in foot traffic. This had a knock-on effect for leasing, turnover and events. PMNSW worked closely with its tenants and with other Government agencies to provide both rental support and to drive the recovery in both precincts through events, activations and marketing.

A key initiative in these efforts has been the ongoing implementation of The Rocks Revitalisation Strategy, which was endorsed by the Placemaking NSW Advisory Committee in February 2021. This strategy is built on four pillars covering leasing, capex projects, an improved retail and Rocks Market offering and an ongoing program of unique experiences.

Despite the challenging conditions, PMNSW has delivered some major achievements under the strategy. Key locations within The Rocks have been leased to new operators

to improve the food and beverage offering, with openings expected in late 2021. In commercial leasing, PMNSW has secured two strategic tenants for key vacancies. The Australian Institute of Music will be moving to Harrington Street and will introduce new facilities into the precinct including adding recording studios and an auditorium into Foreshore House. Cox Architecture has also committed to lease a heritage building at 70 George Street and will commence fit-out works in late 2021.

PMNSW continued to deliver on the Premier's Priority of creating well connected communities with quality local environments. The program of activations in our public spaces included everything from Yoga, to live music, to cinema, to food and beverage events and contributed to making our precincts welcoming and inclusive public spaces. These activations were also part of PMNSW's efforts to support community and economic recovery through great streets by leading the roll-out of the NSW Government's successful Alfresco dining initiative, with a pilot program introduced from October 2020 initially in The Rocks and then in Darling Harbour. Alfresco dining was introduced to allow for a COVID-19 safe re-opening of the hospitality industry and saw roads and footpaths re-purposed to become public dining and recreation spaces.

In Darling Harbour, major development projects are under way that will re-shape the precinct for the future. The Ribbon development is due for completion in 2022, with new mixed use developments at Harbourside and Cockle Bay both moving through the planning and approval processes. In addition to Alfresco Dining, PMNSW also introduced new annual passes for the Chinese Garden of Friendship and a range of revitalisation activations such as the Sydney Square Dance, which brought people back to enjoy the precinct.

Luna Park has also invested in a major upgrade of its rides and promises to continue to enthrall and entertain visitors of all ages, once it is able to re-open after the lockdown currently in place.

In November 2020, PMNSW launched the first Reconciliation Action Plan connected to Country covering Tallawoladah and Tumbalong (The Rocks and Darling Harbour). Attachment to Country will ensure the longevity of the plan and its deliverables, and PMNSW looks forward to delivering the commitments made under the plan.

In closing, I would also like to thank Sam Romaniuk for his stewardship of PMNSW since 2016 and his contribution to the organisation and the precincts.

**Susan Lee**  
Chief Operating Officer



Photo: Cassandra Hannagan

## CHARTER

PMNSW is a statutory corporation and its functions under the *Place Management NSW Act 1998* are to:

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

While the Act identifies PMNSW's core lands at The Rocks and Darling Harbour, PMNSW is not limited to exercising its functions in relation to land within the CBD foreshore area. PMNSW also manages the Luna Park Reserve Trust (LPRT), and the White Bay Power Station site, as well as parkland at Pymont and Ballast Point.

## AIMS & OBJECTIVES

PMNSW, part of Placemaking NSW, owns, manages, and transforms Sydney's most historically and culturally significant waterfront locations — The Rocks and Darling Harbour — into vibrant, welcoming places that support, sustain, and inspire locals and visitors. Prior to COVID-19, these precincts attracted more than 40 million visitors annually.

Importantly, these responsibilities also include the care, protection, and management of the public domain and over 100 important heritage buildings. PMNSW also operates the Rocks Discovery Museum and the Chinese Garden of Friendship at Darling Harbour.

PMNSW brings Sydney's foreshore to life in The Rocks and Darling Harbour with a colourful mix of events and activations from small scale community events to some of the city's biggest and most popular events such as New Year's Eve and Vivid. It also cares for the natural and built environments that make the precincts the popular destinations they are today.

Within the precincts, PMNSW manages major ground leases as well as commercial and retail leases and provides facilities and asset management services such as security, cleaning and building maintenance. It also manages parks, wharves, and boardwalks at Pyrmont and is responsible for leases and licences and market stall holders in The Rocks.

PMNSW manages other major waterfront assets around Sydney Harbour on behalf of other agencies, such as King Street Wharf.

## Luna Park Reserve Trust (LPRT)

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

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

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

The Minister for Planning and Public Spaces has administrative responsibility for the Luna Park Reserve and oversees LPRT, any land dealings at Luna Park and its general administration.

Luna Park Sydney Pty Ltd, an independent commercial operator that leases Luna Park, has complete operational responsibility for the day-to-day running of the park. LPRT works closely with Luna Park Sydney to ensure that the site remains a viable amusement park and entertainment precinct.

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

## Access

Place Management NSW

Level 2, 66 Harrington Street,  
The Rocks, NSW

PO Box N408, Grosvenor Place  
Sydney, NSW 1220

T: 02 9240 8500

[pag.contactustherocks@property.nsw.gov.au](mailto:pag.contactustherocks@property.nsw.gov.au)

[pag.contactusdarlingharbour@property.nsw.gov.au](mailto:pag.contactusdarlingharbour@property.nsw.gov.au)

[dpie.nsw.gov.au/housing-and-property/place-management-nsw](http://dpie.nsw.gov.au/housing-and-property/place-management-nsw)

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

# MANAGEMENT AND STRUCTURE

## Role of the Board

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

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

The Placemaking NSW Advisory Committee was established in July 2020 with common membership with the Place Management NSW Board and the Sydney Olympic Park Authority Board.

## Board meetings and attendance

Member	Meetings Attended	Meetings Held*
Helen Coonan <sup>#</sup>	1	1
Ken Kanofski <sup>##</sup>	0	0
David Borger	4	4
Romilly Madew	4	4
Tony McCormick	4	4
Bridget Smyth	4	4
Alex O'Mara	4	4
Sam Romaniuk	3	4
Anita Mitchell	3	3

\*Number of meetings held during the time the Member held office.

<sup>#</sup>Helen Coonan stepped down from the Advisory Committee and Boards in February 2021 with David Borger serving as Acting Chair until 21 June 2021.

<sup>##</sup>Ken Kanofski was appointed as Chair of the Advisory Committee and Boards on 22 June 2021.

## The Hon Helen Coonan BA LLB

Chair, Placemaking NSW Advisory Committee  
 Chair, Sydney Olympic Park Authority Board  
 Chair, Place Management NSW Board

**Appointed July 2020 — resigned February 2021**

Helen Coonan has had an extensive professional career in leadership positions that spans service to the Australian Parliament as Senator for New South Wales from 1996 to 2011, practise of the law and experience as a company director and adviser in a number of corporate roles.

Helen holds Bachelor of Arts and Bachelor of Laws degrees from the University of Sydney. Prior to entering Parliament, she worked as a lawyer including as principal of her own legal firm, as a partner in law firm Gadens, as a commercial Barrister in Australia and as an Attorney in New York.

In Parliament, Helen served as the Deputy Leader of the Government in the Senate. She was appointed to Cabinet as the Minister for Communications, Information Technology and the Arts and was shareholder Minister for Telstra Corporation and Australia Post. She also served as the Minister for Revenue and Assistant Treasurer and had portfolio oversight of the Australian Taxation Office and the Australian Prudential Regulation Authority. She is the recipient of a Centenary Medal for service to the Australian Parliament.

During the reporting period Helen was Chair of Crown Resorts Limited, Crown Resorts Foundation, the Australian Financial Complaints Authority (AFCA), Minerals Council of Australia (MCA), Supervised Investments Australia Limited and GRACosway (a subsidiary of the Clemenger Group). She is also a member of the J.P Morgan Advisory Council.

## **Ken Kanofski**

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**Chair, Placemaking NSW Advisory Committee**  
**Chair, Sydney Olympic Park Authority Board**  
**Chair, Place Management NSW Board**

### ***Appointed June 2021***

Ken Kanofski is an experienced and successful Chief Executive, Board Director, Chair and Advisor. In addition to his role at Placemaking NSW, he is a director at Tellus Holdings and Jerrara Power and Chair of Infrastructure Partnerships Australia Transport Taskforce. Ken brings a wealth of experience in infrastructure, transport, utilities, property, venue management and environmental services.

Previously, Ken has served as Chief Executive Officer of NSW Roads and Maritime Services (RMS), the NSW Land and Housing Corporation, Government Property NSW and WSN Environmental Solutions. He has served as a board member and chair on national policy bodies, statutory authorities, industry bodies and community organisations and he has contributed significantly to policy at a state, national and international level in transport, infrastructure, waste and energy. Ken also served as Australia's first delegate to the World Road Association.

## **David Borger**

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**Advisory Committee and Board Member**  
**Placemaking NSW Advisory Committee**  
**Sydney Olympic Park Authority Board**  
**Place Management NSW Board**

### ***Appointed July 2020***

### ***Appointed Acting Chair February 2021 – June 2021***

David Borger is the Executive Director of Business Western Sydney. A passionate advocate for the growth of Western Sydney, David has been at the forefront of many high-profile advocacy efforts dedicated to bringing jobs to the region, keeping Western Sydney a competitive market for business, and championing the cultural, amenity and infrastructure investments required to provide residents with a world-class place to work, live and entertain.

Prior to this, David served as the Minister for Western Sydney, Minister for Housing, Minister for Roads, and Minister assisting the Minister for Transport and Roads in NSW Labor Governments.

In the 2019 Queens Birthday Awards, David was awarded the Medal of the Order of Australia (OAM) for his services to local government and the NSW parliament.

He currently serves on several boards including NRMA, Evolve Housing, and the Museum of Applied Arts and Sciences.

## **Romilly Madew AO FTSE**

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**Advisory Committee and Board Member  
Placemaking NSW Advisory Committee  
Sydney Olympic Park Authority Board  
Place Management NSW Board**

### ***Appointed July 2020***

Romilly Madew was appointed Chief Executive Officer, Infrastructure Australia, in early 2019 and is responsible for overseeing Infrastructure Australia's critical role in helping governments prioritise projects and reforms that best serve our communities.

Before joining Infrastructure Australia, Romilly was CEO of Green Building Council of Australia for 13 years. In acknowledgment of her contribution to Australia's sustainable building movement, Romilly was awarded an Order of Australia in 2019.

She is currently Independent Chair of the Currawong State Park Advisory Board (NSW). Romilly was recently on the Expert Advisory Panel for the CSIRO Report on Climate and Disaster Resilience and a Commissioner for the Northern Territory Economic Reconstruction Commission. She has held Board positions with the Australian Sustainable Built Environment Council and Sydney Olympic Park Authority. She has sat on numerous Federal Government panels including the Cities Reference Group, National Sustainability Council, Climate Futures Independent Expert Group and the National Urban Policy Forum.

Romilly is a Fellow of the Australian Academy of Science and Technology, Honorary Fellow, Planning Institute of Australia and Life Fellow GBCA. She is an active member of Bilgola Surf Life Saving Club as well as being involved in programs at both a State and National level for surf lifesaving. She is a Founder and Board member of Minerva Network, supporting our elite female athletes, which includes Romilly mentoring a member of Australia's Olympic Team.

## **Tony McCormick**

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**Advisory Committee and Board Member  
Placemaking NSW Advisory Committee  
Sydney Olympic Park Authority Board  
Place Management NSW Board**

### ***Appointed July 2020***

Tony McCormick is a landscape architect with over 40 years' experience. Formerly an owner of one of Australia's foremost international multidisciplinary design practices, where he led the landscape and urban design team for many years. He was responsible for tourism, hospitality, mixed use, commercial, transport, waterfront, metropolitan park and city making projects throughout Australia and Asia.

Tony has particular expertise in the management of multidisciplinary planning and design teams on large, complex development projects on sensitive sites. These have included major parks in Sydney, river rehabilitation for the Swan, Parramatta and Torrens rivers. He has been responsible for the preparation of strategies, manuals and design guidelines for parks, waterways, residential development, highways and the urban public realm. His projects have won numerous industry and profession awards including the Australian Urban Design Award.

## **Bridget Smyth**

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**Advisory Committee and Board Member  
Placemaking NSW Advisory Committee  
Sydney Olympic Park Authority Board  
Place Management NSW Board**

### ***Appointed July 2020***

For the past 30 years Bridget Smyth has pursued a career in urban design/architecture on major public domain and infrastructure projects in Australia, and the USA.

Currently, Bridget is City Architect/Design Director for the City of Sydney and manages a range of urban design, strategic and special projects, including the Sustainable Sydney 2030 (SS2030) vision and its implementation. She directs the City's Public Art Program and manages the City's Design Advisory Panel and Public Art Advisory Committee.

From 1996–2001, she was Director Design for the Sydney 2000 Olympic Games (OCA) and led the public domain, architecture, landscape architecture, and public art. From 1990–1996 she was Senior Urban Designer on the Central Artery Tunnel Project (the 'Big Dig') in Boston, Massachusetts, USA. Prior to this, Bridget worked in private practice in Melbourne (Wood Marsh Architecture and Hassell).

Bridget holds a Masters Degree in Design Studies (Urban Design) from the Graduate School of Design, Harvard University and a Bachelor of Architecture (Hons) and a Bachelor of Planning and Design from the University of Melbourne.

Bridget is the recipient of numerous awards including the 2016 AIA NSW President's Award, the 2014 Marion Mahoney Griffin Award by the AIA. She is member of UTS Deans Industry Advisory Board, Faculty of Design, Architecture and Building and holds an Adjunct Professorship at UTS.

## **Alex O'Mara**

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**Group Deputy Secretary, Place,  
Design and Public Spaces  
Department of Planning,  
Industry and Environment**

### **Advisory Committee and Board Member (ex-officio)**

**Placemaking NSW Advisory Committee  
Sydney Olympic Park Authority Board  
Place Management NSW Board**

### ***Appointed July 2020***

Alex is the Group Deputy Secretary of the Place Design and Public Spaces Group in the Department of Planning, Industry and Environment. In this role she has responsibility for precincts, place strategies and strategic planning within Greater Sydney, State infrastructure contributions and the delivery of growth infrastructure and community investment programs. She also has responsibility for the Premier's priorities of Greening Our City and Greener Public Spaces, the NSW Government Architect's office, Greater Sydney Parklands, Royal Botanic Gardens and Domain Trust and Placemaking NSW. Prior to this role, she was the Deputy Secretary for Create NSW.

Alex has committed her career to solving problems that face our community and the creation of shared value. From leveraging the planning system to make great places core business, to leading regulatory reform, to delivering growth infrastructure and managing vibrant public spaces across NSW, Alex's work has led to positive outcomes, social licence, improved productivity and sustainability.

Alex is an experienced senior executive who has worked across a range of sectors, including planning, industry, infrastructure, water, environment, building and culture. Alex is a member of the Central Sydney Planning Committee of the City of Sydney and was previously a member of the Australian Building Codes Board and the State Records and Archives Authority. She holds a Bachelor of Arts and a Bachelor of Laws from the University of Sydney with First-Class Honours. She also holds a Masters of Administrative Law and Policy. Alex was admitted as a legal practitioner in 1999 and holds a current legal practising certificate. Alex is a graduate of the Australian Institute of Company Directors.

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## Sam Romaniuk

Chief Executive Officer,  
Sydney Olympic Park Authority  
Chief Executive Officer, Place Management NSW

Advisory Committee and Board Member  
(ex-officio)  
Placemaking NSW Advisory Committee  
Sydney Olympic Park Authority Board  
Place Management NSW Board

### *Appointed July 2020 — resigned May 2021*

Sam has more than 20 years' experience in strategy, portfolio management, corporate development and direct property investment.

Sam was the CEO of Sydney Olympic Park Authority from February 2020 to May 2021 in addition to being the CEO of Place Management NSW for the period December 2015 to May 2021. Sam was previously the Executive Director for Strategy in the then Government Property NSW and prior to joining government Sam held several senior executive positions at Stockland.

Sam holds a Bachelor of Commerce, Bachelor of Laws and is a Chartered Accountant.

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## Anita Mitchell

Chief Executive, Placemaking NSW

Advisory Committee and Board Member  
(ex-officio)  
Placemaking NSW Advisory Committee  
Sydney Olympic Park Authority Board  
Place Management NSW Board

### *Appointed January 2021*

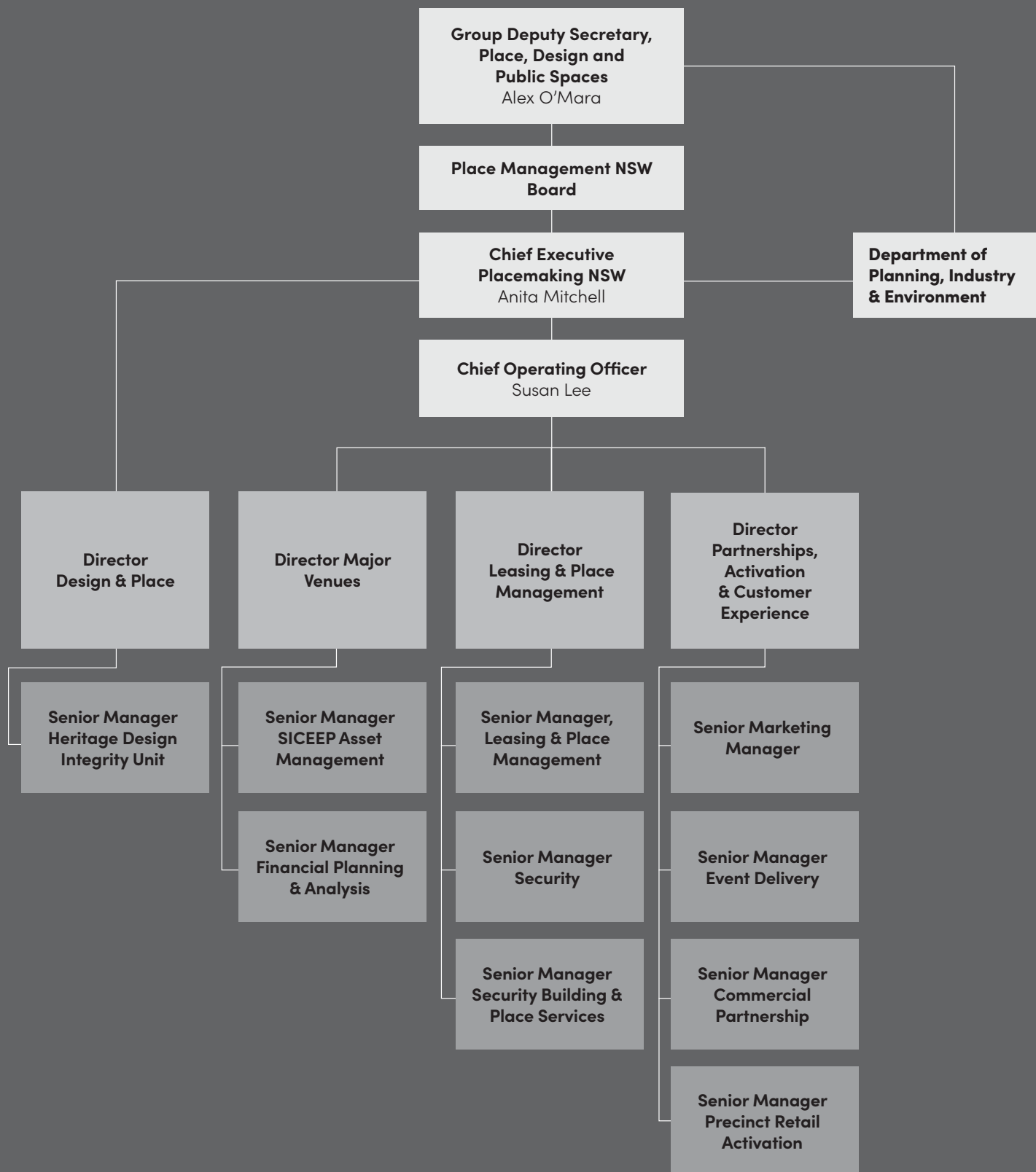
Anita Mitchell has over 25 years' experience in executive management, sustainability, social impact and corporate assurance spanning energy, water, waste, property and construction in both the public and private sectors. In January 2021, Anita joined the NSW Department of Planning, Industry and Environment as the inaugural Chief Executive of Placemaking NSW and now leads the teams responsible for managing and transforming some of Sydney's most treasured places, including The Rocks, Darling Harbour and Sydney Olympic Park, as well as key locations in the Hunter and Central Coast regions of New South Wales.

From 2010 to 2016, Anita led the environmental and social sustainability strategy for Lendlease's \$6 billion Barangaroo South development in Sydney, delivering world's best practice sustainable design and health and wellness initiatives for Australia's first certified carbon neutral precinct. In July 2016, Anita was appointed Lendlease's Head of Sustainability — Europe. From London, she steered the development of sustainability strategies for over A\$50 billion of development, investment and construction activity in the United Kingdom and Italy. In 2019, Anita returned to Australia to join the corporate assurance team developing Lendlease's Risk Appetite Framework.

Anita previously managed sustainability and environmental programs for one of Australia's largest energy distributors, as well as the country's largest water authority and waste management network operator. She holds a Bachelor of Environmental Science, a Master of Environmental Management and an MBA – completed under full scholarship as "Australia's top emerging leader and MBA scholar" selected by The University of Sydney and AFR BOSS magazine in 2012.



# ORGANISATIONAL CHART





## SUMMARY REVIEW OF OPERATIONS

During the 2021 financial year, PMNSW's precincts were significantly impacted by COVID-19, and the health regulations put in place to manage the pandemic. These impacts were felt in both visitation and in the operational requirements within the precinct.

Both international and domestic tourism was disrupted through the closure of international borders as well as intermittent state border closures. Tourism in the precincts was further impacted by the repurposing of local hotels for quarantine use.

Sydneysider visitation was also impacted through both corporate and Government recommendations for CBD office-workers to work from home, which reduced the weekday daytime and after-work attendance in the precincts. This was further impacted by the push to reduce numbers on public transport as

most visitors reach The Rocks and Darling Harbour by public transport.

Whilst in the first COVID-19 lockdown, PMNSW sought to support The Rocks dining retailers through a 'Plate It Forward' campaign assisting both the ongoing trade of restaurants and a local charity. This initiative saw a 71% increase in food orders for operating retailers and over 4,500 meals donated to Street Level Mission during the four weeks.

Once the NSW Health regulations were relaxed to allow for the re-opening of tenancies, the capacity limits introduced for retail and food and beverage businesses seriously impacted the commercial viability of some businesses. In The Rocks, where many of the buildings have a very constrained footprint due to the historic nature of the precinct, this made the re-opening of many businesses extremely difficult.



Photo: Anna Kucera

To address this, PMNSW piloted Alfresco Dining allowing for an expanded footprint for COVID-19 safe dining for many local food and beverage businesses.

Following re-opening, The Rocks and Darling Harbour were quick to develop a regular program of activations designed to attract Sydneysiders and bring public life back to urban centres. This involved more than 250 programmed events and temporary transformations of streets and public spaces, and included the delivery of experiences like the pedestrianisation of George Street, Friday night food markets, Sydney's first water-based COVID-19-safe cinema, heritage laneway activations, free outdoor activities, programmed live music, art exhibitions and more. These events were underpinned by a focus on placemaking that would deliver positive flow-through benefits to local retailers and the community alike.

PMNSW also provided financial support to impacted tenants under both its own abatement policies and through the Retail and Other Commercial Leases (COVID-19) Regulation 2021 to enable businesses to survive the lockdown and recover faster, for the wider benefit of the precinct.

Of great importance, PMNSW also launched a Reconciliation Action Plan (RAP) covering both The Rocks and Darling Harbour. After consultation with Reconciliation Australia, the PMNSW RAP was connected to each place rather than the PMNSW organisation itself, although PMNSW will lead the delivery of identified actions under the RAP. This commitment means that irrespective of what happens at an organisational level, responsibilities under the RAP will transfer to the agencies managing the precincts.

The RAP covers the Tallawoladah and Tumbalong Precincts – The Rocks and Darling Harbour – both sites steeped in the history of first contact more than 230 years ago. It includes actions to strengthen relationships, foster respect, increase opportunities and establish a firm governance model to ensure the Plan is carried out.

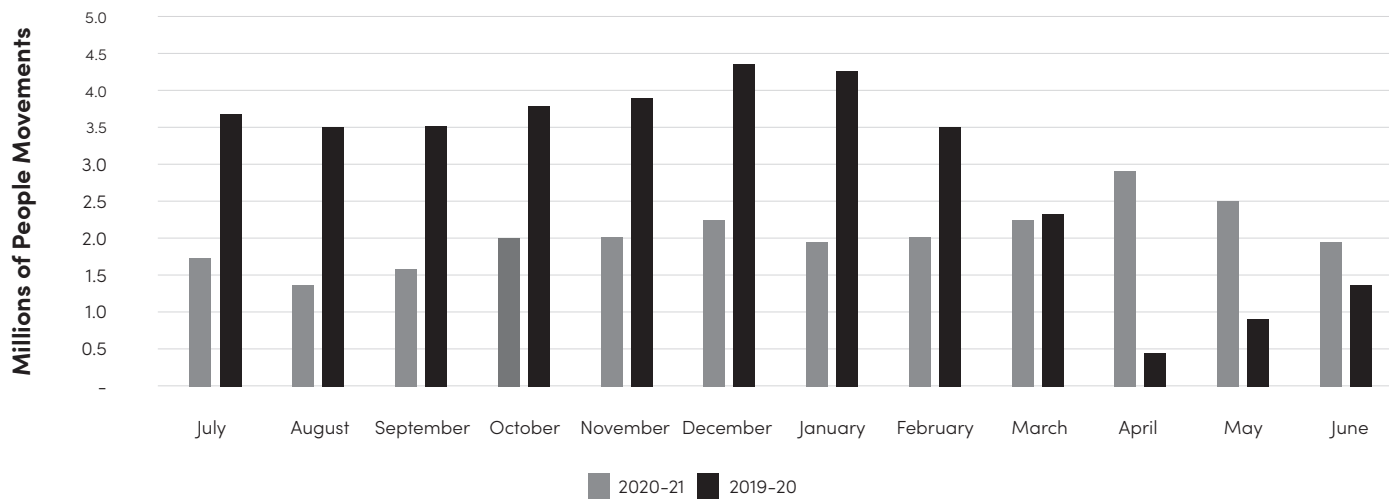
The RAP was launched in November 2020 to coincide with NAIDOC week. The launch event was held in Tallawoladah / The Rocks precinct where the RAP artwork, commissioned in partnership with Boomalli Aboriginal Artists Co-op, was unveiled. PMNSW commissioned Wiradjuri, Yuin, and Gadigal artist, Nadeena Dixon, to create the RAP artwork and her piece is now permanently on display in The Rocks Discovery Museum.

Key commitments under the RAP include the development and implementation of a Cultural Learning Framework, a First Nations Toolkit for staff and tenants, and Cultural Awareness and Competency Training for staff and tenants, increased support for First Nations suppliers through partnership with Supply Nation, strengthening of relationships with key stakeholders through continued participation in NAIDOC, Reconciliation Week, and many other First Nations events and activations, and increased employment opportunities for Aboriginal and Torres Strait Islander people.

About 6.7 million people movements were recorded in The Rocks in 2020-21. This was a 42.5% decrease on the previous year.

About 18 million people movements were recorded in Darling Harbour in 2020-21, This was a 24.4% decrease on the previous year.

## Total Visitations Darling Harbour & The Rocks (millions of people movements)



## Leasing and Asset Management

### THE ROCKS

Despite the ongoing COVID-19 related disruption to business in the CBD, there were several new major lease deals signed for commercial office space in The Rocks. Most notably, the Australian Institute of Music agreed to lease 4,000 m<sup>2</sup> at 66 Harrington Street for a period of over 10 years, with multiple options. Cox Architects have committed to a new lease for 70 George Street, and Think Global Logistics signed a new 5 year deal for 88 George Street. In addition to the new tenancies, 17 commercial tenants renewed their leases.

Retail continues to feel the impacts of COVID-19 with significantly reduced visitation to The Rocks compared to previous years. Despite this, there were two new retail deals approved for Polo Ralph Lauren moving into 117-119 George Street, and Bausele taking 75 George Street, with expected store openings in late

2021. Furthermore, a new 20 year lease for Hickson House has been finalised, bringing a new distillery and bar concept to The Rocks. Two new shops, Black and White Espresso and Wendy Murray, were opened, with a further 7 leases renewed. Additionally, several new retailers commenced design and fit-out in preparation for opening later in 2021-22.

### DARLING HARBOUR

In 2020-21 The Children's playground kiosk was let to a new tenant who brings to the precinct a superior offering and a renewed customer focus. The kiosk has improved its presentation to the playground as well as the adjacent Boulevard as part of re-establishing the business with additional outdoor seating options.

Additionally, the Alfresco project was rolled out to Darling Harbour in late 2020 to attract visitation to the Darling Harbour precinct and assist food and beverage operators continue to trade whilst observing COVID-19 restrictions. Despite an overall decline in

2020-21 footfall attributed to pandemic impacts (closed borders impacting tourism, lockdowns, reduced CBD workforce, cancelled State significant events), those who did visit the precinct had higher levels of visitor satisfaction when compared to pre-pandemic levels (EY Sweeney customer research).

As a result of its success in attracting visitors, supporting trading retailers with additional space for patrons and creating a more activated precinct, PMNSW has initiated investigations into the feasibility of formalising longer-term arrangements for extended outdoor dining areas.

Darling Harbour is also the site of a series of precinct-changing developments. The Ribbon / IMAX redevelopment has entered its final delivery phase with a change in building contractor to complete the development including new public domain areas, event space and extended children's playground. This is expected to be delivered in late 2022.

Planning continues for the Cockle Bay Wharf and Harbourside redevelopment projects while Darling Quarter commenced a two-stage upgrade to the north and south buildings. This will see an improved public domain and upgraded presentation of the retail component.

## **RESTORATION PROJECTS AND PYRMONT BRIDGE**

This year PMNSW made significant progress on the restoration of several key heritage assets at The Rocks and Darling Harbour. A major project to restore the heritage listed Argyle Stores at The Rocks was initiated whilst at Darling Harbour, the second phase of the Pyrmont Bridge Restoration commenced in March.

Two other key focus areas during the reporting period were to improve focus on statutory compliance including closing out legacy fire compliance issues and to undertake detailed condition assessments on all built and public domain assets. Findings were analysed leading to the delivery of numerous refurbishment projects.

PMNSW also began scoping works to replace the precinct CCTV system. The new system will replace aging infrastructure and deliver an expansion of the current system to allow better monitoring of the precinct.

## **COVID-19 SUPPORT**

Early in the year PMNSW took a pro-active approach to likely COVID-19 related trading disruption and put in place a retail tenant COVID-19 support program for the whole of 2021 based on the Code of Conduct principles for rent assistance in 2020. Working

with CBRE, agreements were signed with eligible tenants, and the program had been running for several months prior to the stay-at-home Public Health Orders imposed on Greater Sydney on 26 June 2021.

## **Partnerships, Activation and Customer Experience (PACE)**

### **KPI RESULTS**

Throughout the last financial year, and in the wake of COVID-19 restrictions, The Rocks and Darling Harbour were able to sustain a broad range of consumer engagement activities.

In a challenging 12 months, PMNSW's focus on creating and curating experiences that encouraged locals and visitors to come and discover, connect, play, stay and spend resulted in higher levels of customer satisfaction than pre-pandemic levels (EY Sweeney customer report) and delivered valuable support for trading retailers. Streets became places of activity and public spaces were transformed through ongoing placemaking activation. An 'always on' program of activity supported the hum of local life (eg free weekly yoga in First Fleet Park), and a range of bespoke experiences that captured people's imagination brought many back to explore and socialise in Sydney's CBD.

An important reimaging of public space in response to the pandemic was the repurposing of streets as alfresco dining areas and utilisation of public spaces/parks for live music performances, art exhibitions and a range of free activations. The alfresco dining

pilot delivered in The Rocks quickly became the prototype for outdoor dining in other NSW areas. Positively, as a result, both The Rocks and Darling Harbour saw increases in Sydneysider visitation through the 2020–21 year and a growth (+3 points) in those saying it is one of their favourite place to socialise with friends and families versus pre-pandemic levels (EY Sweeney). Given the disruption to international and domestic tourism, these experiences were designed to create compelling reasons for Sydneysiders to visit such as socialising, cultural moments and festive days.

Highlights follow, noting that while COVID-19 did affect visitation, PMNSW's ability to respond to the challenge has shown some rewarding results.



## HIGHLIGHTS: THE ROCKS

- Launch of free **'Always on'** program including weekly Yoga, Pilates and Live Music that continued all year. More than 250 programmed activities.
- Leveraging the precious public green space and harbour views of Circular Quay with the launch of **The Rocks Weekend Picnic** with fresh food offering and live music
- Delivery of The Rocks long weekend **Puppy Playground**, a COVID-19-inspired experience for Sydneysiders to enjoy precinct and for the precinct to connect with new audiences
- **The Rocks Market** return, first Market in Sydney to return post initial lockdown
- New partner event **Whisk(e)y in The Rocks**, a sold out ticketed immersive brand and retailer activation celebrating drinks, cocktails, and food pairings over 4 days.
- COVID-19 safe delivery of **New Year's Eve**
- Two week program of **Lunar New Year** celebrations, including the annual **The Rocks Lunar New Year Markets**
- Official Sydney **St Patricks Day** celebrations in The Rocks, one of only 4 similar celebrations to happen in the world
- The long weekend **Wintertime @The Rocks** activation, achieving visitation +195% on 2020 long weekend and showcasing the precinct's heritage laneways.
- May **Dining Campaign** with exciting food fusions from retailers, an Amex pop-up food truck and the opening of the underground pop-up bar, the Speakeasy 151
- Launch of **The Rocks Friday Night Market** with bar, music, entertainment, activities, food trucks and stalls
- New **Laneway Cinema** on Playfair Street, achieving 100% capacity
- **Songwriters @ The Rocks**, featuring an online competition culminating into a showcase of performances and a grand finale concert
- **Sculpture Rocks**, a free outdoor exhibition of 18 Japanese sculpture along the foreshore of The Rocks, presented by Sculpture by the Sea.



## HIGHLIGHTS: DARLING HARBOUR

- One of the first significant COVID-19-safe mass experiences and an Australian-first, Darling Harbour **Mov'n Boats water cinema** saw 20,000 attendees over 68 movie nights.
- Seasonal school holidays experiences including the very popular **Frozone Ice Skating Rink**
- **Winter Festival**, featuring ice rink, ice slide, pop-up food market, bar, and free live music program, as part of Destinations NSW's Sydney Solstice Program.
- **The Darling Harbour Amazing Graze**, encouraging CBD workers to enjoy an outdoor lunchtime picnic experience in Tumbalong Park combined with live free music

- Two-week program of **Lunar New Year** celebrations across Darling Harbour and The Chinese Gardens Of Friendship including free installations and performances.
- **Sydney Square Dance** program, delivering broad and diverse community-based engagement through free dance classes and activations.
- **Christmas in Darling Harbour** with an array of experiences designed for visitor engagement including precinct wide decorations, markets, free yoga, free entertainment and workshops.

## Major Venues ICC SYDNEY

Over the past 12 months, ICC Sydney proved that even in the face of a pandemic, it is in the business of providing an essential service to the community. ICC Sydney played a leadership role in remaining open even during the lockdown to ensure important information could continue to be shared with communities despite the impacts of COVID-19. It was quick to implement new services that allowed information to be broadcast to online audiences, allowing professional, seamless communication from government agencies to national association bodies.

During 2020-21, the ICC Sydney demonstrated excellent management and agility by running 350 successful, COVID-19-safe events and welcoming over 200,000



people through its doors with contact tracing, sanitiser stations and social distancing measures in place. The online audiences often surpassed the usual in-person attendance by the hundreds and sometimes thousands, performing an important community service in allowing people to connect and share ideas whether in person or remotely.

Another pleasing note was recognition of ICC Sydney's world class operation of the venue with extraordinary satisfaction survey scores from clients with an overall client satisfaction rating of 100% overall from the 101 surveys returned. Results such as these, together with ICC Sydney's many quality systems and certifications, will ensure the confidence of clients to book and return to the venue as the city and State return to a post pandemic environment.

## THE CHINESE GARDEN OF FRIENDSHIP

As a key cultural destination situated on one hectare of Darling Harbour's central precinct, The Chinese Garden of Friendship welcomed just over 110 000 visitors across general admission, education tours, self-guided school visits, group visits, weddings, filming and photography bookings, public programs, and activations. Like other cultural institutions in Australia and across the world, the Chinese Garden of Friendship's visitation was impacted by the COVID-19 pandemic, with a significant decline in international and domestic tourist visitors. Despite this, Sydneysiders rediscovered the Garden with increased visitation along with the Garden recording the best ever growth numbers in annual memberships and public program admissions, achieving 10.9% growth in visitations (year on-year

basis). The Garden also hosted a successful Lunar New Year festival that consisted of COVID-19 safe activations, exhibitions, installations, and workshops along with facilitating 16 weddings and 41 filming and photography shoots.

## THE ROCKS DISCOVERY MUSEUM

The Rocks Discovery Museum tells the story of The Rocks from pre-European days to the present, through Place Management NSW's unique collection of archaeological artefacts that have been discovered in the area. The Museum is a free, publicly accessible space, that has contributed to The Rocks' identity and character over the past 15 years. The museum generates and supports creative processes that in turn contribute to the economic, social and health related well-being of the community.

For the 2020-21 period, despite the extended period that Museum remained closed as a result of the relevant health orders in place, the Museum was still able to welcome 15,454 visitors (76% decline), along with conducting 3,264 self-guided tours (32% decline) and 104 guided tours (91% decline).

## ROCKS DISCOVERY MUSEUM VISITATION 2019 – 2021

	Total Visitors	Self-guided tour pax	Guided Tour Pax
2020 – 2021	15,434	3,267	104
2019 – 2020	64,514	4,829	1,128



## EDUCATION

The Education team pivoted to an online virtual program because of the COVID-19 lockdown during the year. This program was a unique and challenging opportunity for Sydney Learning Adventures (SLA) as the team successfully trialed and delivered 9 (5 Archaeology and 4 Aboriginal) online virtual programs in 5 months. This new format was delivered to more than 700 students, from over 35 schools who joined the virtual programs both around Sydney and interstate.

Pre COVID-19, SLA offered 12 programs as excursions in the precincts, however following the new online virtual programs that developed, we now have 21 programs in total available that have gained national and international interest.

The use of the ICC Sydney state of the art facilities has added value to our programs by offering a new format that can reach many students who would otherwise not be able to visit our precincts.

## FEEDBACK

“Thank you so much for presenting the online Groundwork program. You were able to offer our students an experience that they would not have been able to have otherwise.”

“Thank you for the Ngarra online program. Not only did it build upon the learning and understanding students gained last year (during Year 3), but it also deepened their understanding of the Aboriginal Australian experience from 1788. So valuable and I’ll be interested to discuss with my class – especially David Unaipon’s contribution.”

“Wow! That was incredibly valuable. I’m going to discuss on Zoom with small groups of students.”

“Thank you I also really enjoyed it and will also discuss with my students on zoom. The lesson was pitched perfectly to our students with wonderful language and storytelling. Students would have found the discussion over artefacts so interesting”.

## Strategic Planning and Heritage team

### ACCESSIBILITY UPGRADE STRATEGY FOR THE ROCKS, THE CHINESE GARDEN OF FRIENDSHIP AND DARLING HARBOUR

The Rocks Heritage Access Strategy has been prepared to guide improvements for the visitor experience. The strategy recommends public domain upgrades along key destination routes through The Rocks and heritage buildings with innovative, best practice solutions for dignified and inclusive physical access. Key accessibility upgrade projects also saw an audit completed and works undertaken resulting in a 30% accessibility uplift for the Chinese Garden of Friendship, Darling Harbour and accessibility upgrade designs completed for the Bethel Steps — a pedestrian walkway, in The Rocks.

### CONSERVATION MANAGEMENT PLANS

With over 140 significant heritage places listed on the Heritage Act s170 Register that includes 100+ State Heritage Register in The Rocks and Darling Harbour, the Strategic Planning and Heritage

team has implemented at 10-year rolling Conservation Management Plan update program to review and update its management plans. In 2020-21 ten Conservation Management Plans were prepared including: the Heritage Stone Seawalls; The Union Bond Stores at 147 George Street; and the ASN & Co. Building at 1-5 Hickson Road, in The Rocks.

### CONSERVATION OF STATE SIGNIFICANT BUILDINGS INCLUDING THE FORTUNE OF WAR HOTEL AND MERCHANTS HOUSE

Strategic Planning and Heritage provide strategic oversight and technical input for major conservation and building maintenance upgrades in The Rocks. Projects completed in 2020–21 include:

- conservation works and services upgrade for the 1850s Merchants House at 43-45 George Street including a bespoke Sustainable Thermal Performance upgrade that protects its heritage values
- structural and conservation works for the 1920s Fortune of War Hotel Façade; and the commencement of major life-cycle conservation and maintenance programs for the Argyle Stores, which dates from the 1820s
- 1850s Susannah Place House Museum in Gloucester Street.

## HIGHLIGHTS

### ALFRESCO DINING IN THE ROCKS & DARLING HARBOUR

FROM 22 OCTOBER

- 40+ Retailers provided increased space
- Capacity provided for additional 1000+ customers
- Over 1000 hours of live music programmed
- Revenue growth for participating retailers each quarter since introduction

### RETAILERS

40+

**SQM  
PROVIDED**

2000+

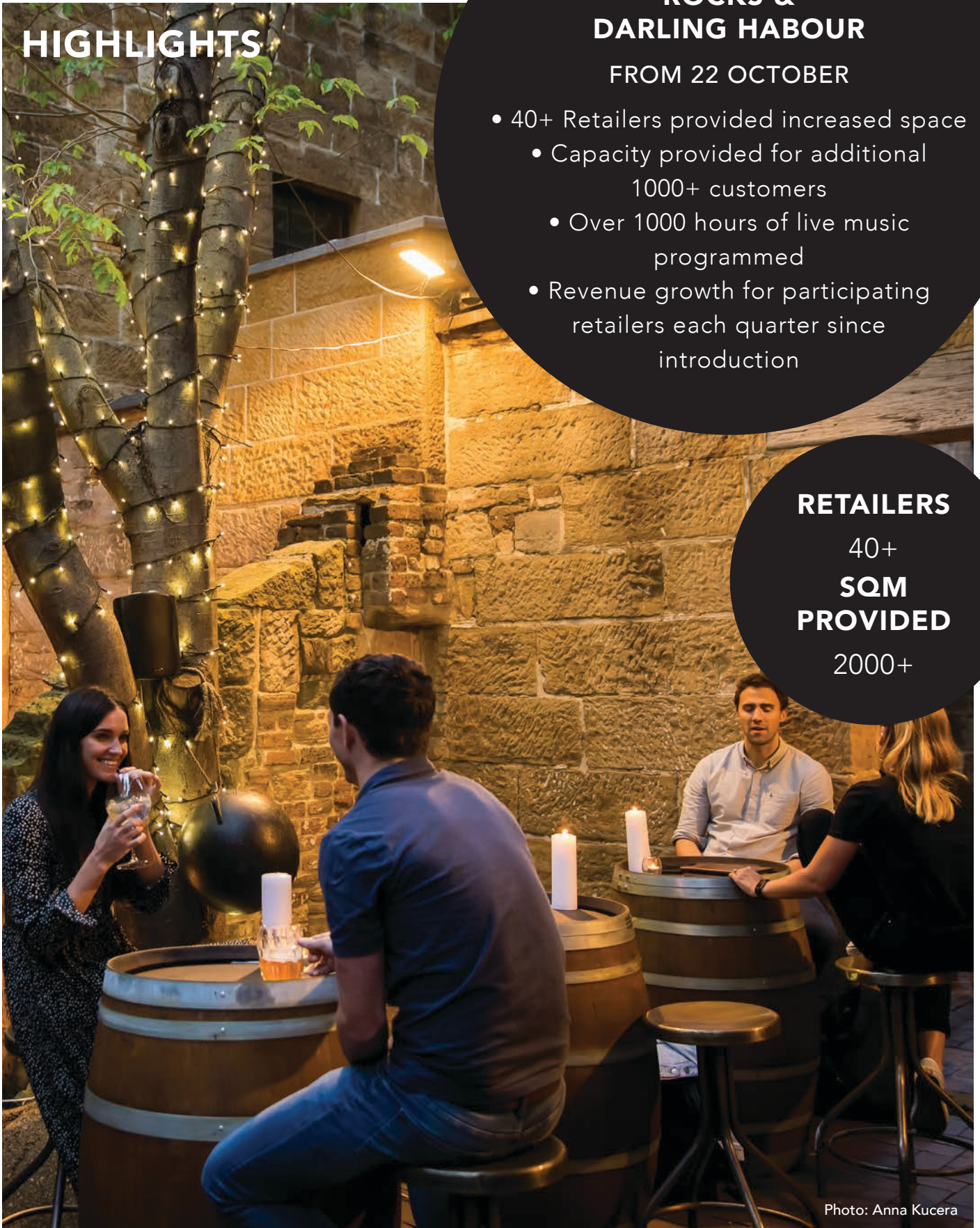


Photo: Anna Kucera



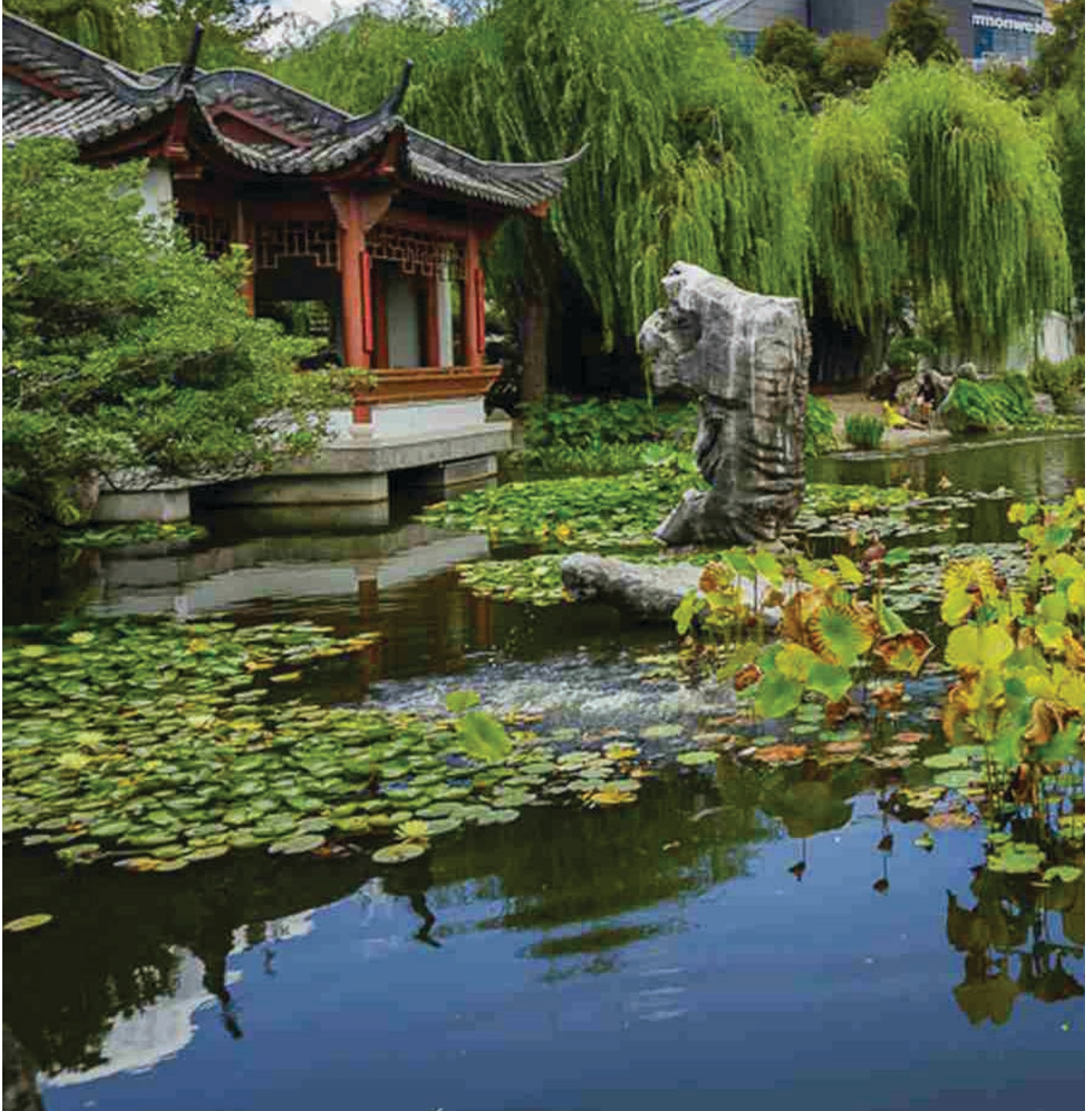
**WINTER FESTIVAL IN DARLING HARBOUR**  
8–20 JUNE 2021  
Visitation +18%  
(same period 2019)  
Highest visitation across long weekend since start of pandemic

**MARKET STALLHOLDERS**  
28  
**PERFORMERS**  
22



**ALWAYS ON IN THE ROCKS**  
Yoga, Pilates, Social distancing circles, The Rocks Markets, Gin and Tonic, Capoeira, Pooches Playground, The Rocks Picnic, Laneway Cinema

**NUMBER OF ACTIVATIONS**  
120+



## FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

PMNSW did not award funding grants to any non-government community organisations in 2020-21.

## MANAGEMENT AND ACTIVITIES

PMNSW is responsible for the ownership and management of NSW's State Significant Precincts, The Rocks and Darling Harbour. This includes the management of the Rocks Markets, the Chinese Garden of Friendship and The Rocks Discovery Museum.

PMNSW aims to uphold community, social, heritage and commercial interests by providing world-class places and experiences.

This multidisciplinary experience extends to asset management, retail and commercial leasing, strategic planning and heritage, as well as events and marketing.

PMNSW aims to deliver on the Premier's Priority of creating well connected communities with quality local environments by creating welcoming and inclusive public spaces in the precincts we manage. Our precincts cater to a diverse demographic and are activated for the mutual benefit of tenants, visitors, and the taxpayers of NSW.

# HUMAN RESOURCES

## Number of officers and employees by category with previous year comparison

	2019-2020	2020-2021
Ongoing	35	37
Temporary	9	4
Casual	31	17
Executive	3	4
Total	78	62

NB: Headcount data reported at end of reporting period

## Numbers and Remuneration of Senior Executives

2020-21			
Band	Female	Male	Total
Band 4 Secretary	-	-	-
Band 3 Group/Deputy Secretary	-	-	-
Band 2 Executive Director	-	-	-
Band 1 Director	2	1	3
Total	2	1	3

NB: These are Senior Executive statistics as of 30 June 2021. This data is based solely on senior executives in their substantive role and band level.

## Average Remuneration of Senior Executives

	Current Remuneration range	Average Remuneration (\$)
Band 4 Secretary	-	-
Band 3 Group/Deputy Secretary	-	-
Band 2 Executive Director	-	-
Band 1 Director	\$212,457 - \$253,372	\$232,775

11.3% of Place Management NSW employee-related expenditure in 2020-21 was related to Senior Executives

## EXCEPTIONAL MOVEMENTS IN REMUNERATION

- Exceptional movements in wages, salaries or allowances
- Nil in 2020-21

## CONSULTANTS

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

In 2020-21, PMNSW engaged a range of consultants paying a total of \$55,600 excl. GST in fees.

# WORKFORCE DIVERSITY

All Workforce Diversity strategies and achievements for Place Management fall under the Department of Planning, Industry and Environment and will be reported in the DPIE Annual Report 2020-21.

## Trends in the Representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2019	2020	2021
Women	50%	51.2%	55.6%	55.3%
Aboriginal and/or Torres Strait Islander People	3.3%	2.7%	3.5%	2.1%
People whose First Language Spoken as a Child was not English	23.2%	10.6%	8.6%	6.4%
People with Disability	5.6%	2.7%	0.0%	0.0%
People with Disability Requiring Work-Related Adjustment	N/A	0.0%	0.0%	0.0%

Note 1: The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

Note 2: The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 3: A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 4: In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from

## Trends in the Distribution Index for Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2019	2020	2021
Women	100	95	96	96
Aboriginal and/or Torres Strait Islander People	100	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	100	N/A	N/A	N/A
People with a Disability	100	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 2: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.





## CONSUMER RESPONSE

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

In 2020–21, PMNSW captured 129,787 posts on the Darling Harbour Facebook page and 16,081 comments on The Rocks Facebook page. It also actioned 393 enquiries via the Darling Harbour website and 1107 enquiries via The Rocks website. Where COVID-19 restrictions allowed, PMNSW met face-to-face with tenants across The Rocks and Darling Harbour.

Prior to the closure of the Property NSW website in 2020, PMNSW received some feedback from the public via an email address published on the website, [property.nsw.gov.au](mailto:property.nsw.gov.au). Through this channel 40 compliments, complaints and enquiries were received in 2020-21.

PMNSW received positive feedback from tenants and customers in

relation to a number of activations. See a selection of responses below:

**Alfresco Dining Pilot at The Rocks:**  
*"We have noticed a shift since October. More and more customers are coming specifically to visit us, as they like the outdoor spaces, the outdoor music and the shift in The Rocks overall. Weekends are basically at or above pre COVID levels for us right now."*

*"The Alfresco Areas have given us a different dimension to our business that we never thought we would have."*

**Laneway Cinema at The Rocks:**  
*"Tonight was absolutely awesome. We need more events like this. I love seeing the precinct activated like this again. It warms my heart! And we all need it."*

**Darling Harbour Sydney Square Dance:**  
*"This is amazing. Thank you for the unique experience. It was safe and I felt so happy to be outside. Bollywood dance experience"*





Photo: Anna Kucera

*was amazing. Would appreciate something like this in the next holidays."*

**Yoga at The Rocks:**

*"Thank you for putting on the yoga class on Sunday mornings. It has been a great way to spend a Sunday Morning -yoga & breaky at the markets!"*

**Whiskey on The Rocks:**

*"It was a huge weekend and a big success from our end. It's great to see most people out and about with big smiles enjoying our wonderful precinct again."*

Additionally, there were four matters that attracted more than one negative letter or correspondent in 2020-21:

**Planting at Waterfront Park:**

Complaints were received about the state of the landscaping around Bowman Street. Residents reported a proliferation of dead trees and shrubs due to drought conditions. PMNSW met with concerned residents and responded promptly

by arranging for a refresh of the planting in the areas where deterioration had occurred.

**Noise complaints – The Rydges Hotel:**

PMNSW received several noise complaints from residents of The Rocks who were concerned about the level of noise coming from the rooftop marquee and pool area of The Rydges Hotel. PMNSW contacted hotel management who agreed to make modifications to curb the output of noise from the rooftop. Further to this, PMNSW requested the approval status of the marquee with orders given to dismantle the marquee if a valid DA was not in place.

**Alfresco Dining Pilot including partial closure of George Street in The Rocks:**

PMNSW received correspondence from residents and community organisations providing feedback on the partial closure of George Street and the Alfresco Dining Pilot. Numerous residents offered

feedback on impacted traffic accessibility due to the road closure. PMNSW responded to all feedback promptly, providing advice on the process of consultation for the pilot. PMNSW shared feedback with the relevant stakeholders to work collaboratively towards an agreeable outcome.

The Milton Terrace Association (MTA) and the Millers Point Community Resident Action Group (MPCRAG) expressed concern about a perceived lack of consultation in the delivery of the Alfresco Dining Pilot and the partial closure of a section of George Street. PMNSW responded by advising the MTA and the MPCRAG of the process of consultation that was undertaken, including a list of consent authorities that were involved. Further to this, PMNSW presented and responded to feedback at the MPCRAG meeting held on 14 July 2020. A consultation firm has since been retained to lead a community consultation piece with the aim of capturing feedback and addressing concerns raised by community representative bodies such as the MTA and MPCRAG.

**Cyclists in Darling Harbour:**

Complaints were received expressing concern over cyclists travelling at dangerous speeds in and around Darling Harbour. PMNSW responded by installing signage enforcing a speed limit of 10 km/h for cyclists, and an increase in Ranger presence during peak times. The community's concerns were also communicated to operators and tenants in the precinct. PMNSW continues to monitor cyclist activity in the area and is developing a Cycle Strategy to mitigate the hazards posed to pedestrians by speeding cyclists.



**FINANCIAL  
STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

### Place Management NSW

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of Place Management NSW, which comprise the Statement by the Chief Executive Officer, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

#### Basis for Opinion

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

I am independent of the Place Management NSW in accordance with the requirements of the:

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

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

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

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

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

## Chief Executive's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Chief Executive is responsible for assessing the Place Management NSW's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Place Management NSW carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Min Lee  
Director, Financial Services

Delegate of the Auditor-General for New South Wales

12 October 2021  
SYDNEY

## Place Management NSW

### Financial Statements

For the Year Ended 30 June 2021

#### Statement by Chief Executive Officer

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state on behalf of Place Management NSW, that in my opinion:

- (a) The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which includes Australian Accounting interpretations) and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions;
- (b) The statements and notes present fairly the financial position as at 30 June 2021, financial performance and cash flows of Place Management NSW for the year then ended.



Anita Mitchell  
**Chief Executive Officer**  
**Place Management NSW**

Date: 11 October 2021

**PLACE MANAGEMENT NSW**  
**Start of Audited Financial Statements**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2021**

	Note	Actual 2021 \$'000	Restated Actual 2020 \$'000
<b>Continuing Operations</b>			
<b>Expenses</b>			
Operating Expenses:			
Property related	2(a)	87,057	121,293
Personnel services	2(b)	8,779	8,897
Other operating expenses	2(c)	37,458	36,712
Depreciation and amortisation	2(d)	85,438	82,741
Finance costs	2(e)	48,328	48,868
<b>Total Expenses</b>		<b>267,060</b>	<b>298,511</b>
<b>Revenue</b>			
Sale of goods and services	3(a)	69,079	144,669
Investment revenue	3(b)	12,642	15,626
Grants and contributions	3(c)	168,655	68,925
Other revenue	3(d)	18,400	27,282
<b>Total Revenue</b>		<b>268,776</b>	<b>256,502</b>
<b>Operating Result</b>		<b>1,716</b>	<b>(42,009)</b>
Gain/(loss) on disposal of non-current assets	4(a)	(2,307)	5,062
Other gains/(losses)	4(b)	14,438	32,967
<b>Net result before income tax equivalent</b>		<b>13,847</b>	<b>(3,980)</b>
Income tax equivalent	5(a)	-	-
<b>Net Result After Income Tax Equivalent</b>		<b>13,847</b>	<b>(3,980)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to net result:			
Net increase in property, plant and equipment revaluation surplus	18(a)	68,609	26,383
<b>Total other comprehensive income</b>		<b>68,609</b>	<b>26,383</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>82,456</b>	<b>22,403</b>

The accompanying notes form part of these financial statements.

PLACE MANAGEMENT NSW

Statement of Financial Position

As at 30 June 2021

	Note	Actual 2021 \$'000	Restated Actual 2020 \$'000	Restated Actual 1 July 2019 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6(a)	210,461	142,464	143,697
Receivables	7(a)	54,014	46,177	117,090
Inventories	8(a)	519	634	703
<b>Total Current Assets</b>		<b>264,994</b>	<b>189,275</b>	<b>261,490</b>
<b>Non-Current Assets</b>				
Receivables	7(a)	148,885	142,832	135,913
Investment properties	9(a)	610,085	632,407	634,927
Property, plant and equipment				
Land and buildings		498,793	480,093	489,661
Service Concession Assets		1,118,949	1,150,783	1,171,373
Infrastructure		179,133	174,919	104,542
Plant and equipment		28,604	37,141	38,090
Art and artefacts		14,591	11,980	11,917
Work in progress		9,862	6,984	53,148
Total property, plant and equipment	10(a)	1,849,932	1,861,900	1,868,731
Right-of-use assets	11(a)	2,876	-	-
Intangible assets	13(a)	-	-	5
<b>Total Non-Current Assets</b>		<b>2,611,778</b>	<b>2,637,139</b>	<b>2,639,576</b>
<b>TOTAL ASSETS</b>		<b>2,876,772</b>	<b>2,826,414</b>	<b>2,901,066</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	14(a)	69,950	74,769	104,190
Borrowings	15(a)	25,421	25,243	24,234
Provisions	16(a)	3,783	3,470	8,322
Other liabilities	17	1,265	1,637	4,064
<b>Total Current Liabilities</b>		<b>100,419</b>	<b>105,119</b>	<b>140,810</b>
<b>Non-Current Liabilities</b>				
Borrowings	15(a)	1,719,960	1,748,389	1,776,902
Other liabilities	17	32,745	31,714	34,030
<b>Total Non-Current Liabilities</b>		<b>1,752,705</b>	<b>1,780,103</b>	<b>1,810,932</b>
<b>TOTAL LIABILITIES</b>		<b>1,853,124</b>	<b>1,885,222</b>	<b>1,951,742</b>
<b>NET ASSETS</b>		<b>1,023,648</b>	<b>941,192</b>	<b>949,324</b>
<b>EQUITY</b>				
Asset revaluation reserve	18(a)	329,010	260,401	234,284
Accumulated funds	18(b)	694,638	680,791	715,040
<b>TOTAL EQUITY</b>		<b>1,023,648</b>	<b>941,192</b>	<b>949,324</b>

The accompanying notes form part of these financial statements.

**PLACE MANAGEMENT NSW**  
**Statement of Changes in Equity**  
For the Year Ended 30 June 2021

Note	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2020</b>	<b>1,121,990</b>	<b>185,285</b>	<b>1,307,275</b>
Changes in accounting policy- initial application of AASB 1059	1(g)(i) (440,944)	-	(440,944)
Correction of prior period errors	23 (255)	75,116	74,861
<b>Restated Balance at 1 July 2020</b>	<b>680,791</b>	<b>260,401</b>	<b>941,192</b>
<b>Net Result for the Year</b>	13,847	-	13,847
<b>Other comprehensive income</b>			
Net increase/(decrease) in property, plant and equipment revaluation surplus	18(a) -	68,609	68,609
<b>Total other comprehensive income</b>	-	68,609	68,609
<b>Total comprehensive income for the Year</b>	13,847	68,609	82,456
<b>Transactions with Owners as Owners</b>			
Financial Distributions	18(b) -	-	-
<b>Total Transactions with Owners as Owners</b>	-	-	-
<b>Balance at 30 June 2021</b>	<b>694,638</b>	<b>329,010</b>	<b>1,023,648</b>

Note	Restated Accumulated Funds \$'000	Restated Asset Revaluation Reserve \$'000	Restated Total Equity \$'000
<b>Balance at 1 July 2019</b>	<b>1,178,217</b>	<b>173,943</b>	<b>1,352,160</b>
Changes in accounting policy- initial application of AASB 1059	1(g)(i) (463,787)	-	(463,787)
Correction of prior period errors	23 610	60,341	60,951
<b>Restated Balance at 1 July 2019</b>	<b>715,040</b>	<b>234,284</b>	<b>949,324</b>
<b>Net Result for the Year</b>	(25,692)	-	(25,692)
Changes in accounting policy- initial application of AASB 1059	1(g)(i) 22,842	-	22,842
Correction of prior period errors	23 (1,130)	-	(1,130)
<b>Restated Net Result for the Year</b>	<b>(3,980)</b>	<b>-</b>	<b>(3,980)</b>
<b>Other comprehensive income</b>			
Transfer of asset revaluation reserve on derecognition of assets	18(a) 266	(266)	-
Net increase/(decrease) in property, plant and equipment revaluation surplus	18(a) -	11,342	11,342
Correction of prior period errors	23 -	15,041	15,041
Restated Net increase/(decrease) in property, plant and equipment revaluation surplus	18(a) -	26,383	26,383
<b>Total other comprehensive income</b>	<b>266</b>	<b>26,117</b>	<b>26,383</b>
<b>Total comprehensive income for the Year</b>	<b>(3,714)</b>	<b>26,117</b>	<b>22,403</b>
<b>Transactions with owners as owners</b>			
Financial Distributions	18(b) (30,535)	-	(30,535)
<b>Total transactions with owners as owners</b>	<b>(30,535)</b>	<b>-</b>	<b>(30,535)</b>
<b>Restated Balance at 30 June 2020</b>	<b>680,791</b>	<b>260,401</b>	<b>941,192</b>

The accompanying notes form part of these financial statements.



**PLACE MANAGEMENT NSW**

**Statement of Cash Flows**

For the Year Ended 30 June 2021

	<b>Note</b>	<b>Actual 2021 \$'000</b>	<b>Actual 2020 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Payments to suppliers (inclusive of GST)		(113,113)	(219,879)
Personnel Services Expenses		(7,901)	(8,897)
Finance costs		(48,328)	(39,707)
Other		(10,684)	(9,221)
<b>Total Payments</b>		<b>(180,026)</b>	<b>(277,704)</b>
<b>Receipts</b>			
Receipts from customers (inclusive of GST)		80,896	231,933
Interest received		63	324
Grants and contributions		168,655	68,925
<b>Total Receipts</b>		<b>249,614</b>	<b>301,182</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	6(c)	<b>69,588</b>	<b>23,478</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(8,130)	(13,678)
Proceeds from sale of property, plant and equipment		34,792	24,536
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>26,662</b>	<b>10,858</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of Service concession financial liabilities		(25,244)	(1,341)
Payment of Tcorp borrowings		(3,009)	(3,693)
Financial Distributions		-	(30,535)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(28,253)</b>	<b>(35,569)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>67,997</b>	<b>(1,233)</b>
Opening cash and cash equivalents		142,464	143,697
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6(a)	<b>210,461</b>	<b>142,464</b>

The accompanying notes form part of these financial statements.

# PLACE MANAGEMENT NSW

## Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting Entity

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

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

Under the Act, PMNSW is unable to employ staff. However, to enable it to exercise its functions, PMNSW can obtain personnel services from Government agencies who are able to engage staff under Part 4 of the *Government Sector Employment Act 2013*. During 2020-21, personnel services were provided by the Department of Planning, Industry and Environment (DPIE). The DPIE, a principal department, is a separate reporting entity and does not control PMNSW for financial reporting purposes.

These financial statements for the year ended 30 June 2021 have been authorised for issue by PMNSW's Chief Executive Officer on 11 October 2021.

#### (b) Basis of Preparation

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

- (i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- (ii) the requirements of the Government Sector Finance Act 2018 (GSF Act); and
- (iii) Treasurer's Directions issued under the GSF Act.

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

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

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

PMNSW's financial statements are prepared on a going concern basis as the assumption that PMNSW is a going concern is justified.

PMNSW has assessed its profit status for the year ended 30 June 2021 and determined its status as not-for-profit for financial reporting purposes, as profit is not its principle objective. All amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

#### (c) Statement of Compliance

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

## PLACE MANAGEMENT NSW

### Section A: Entity Information and Basis of Preparation

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

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

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

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

##### (e) Comparative information

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

##### (f) Fair Value Measurement and Hierarchy

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

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

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

PMNSW recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Refer to Notes 9, 10, 12, 13 and 20 for further disclosures regarding fair value measurements of financial and non-financial assets.

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

- (i) Effective for the First Time in 2020-21

PMNSW applied AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2020-21, but do not have an impact on the financial statements of PMNSW.

- **AASB 1059 Service Concession Arrangements: Grantors**

AASB 1059 is effective for the entity from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

## PLACE MANAGEMENT NSW

### Section A: Entity Information and Basis of Preparation

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

PMNSW has adopted the modified retrospective approach permitted under AASB 1059 by recognising and measuring service concession assets and related liabilities at the date of initial application of 1 July 2019, with any net adjustments to the amounts of assets and liabilities recognised in accumulated funds at that date.

The effect of adopting AASB 1059 is as follows:

Impact on the Statement of Comprehensive Income (increase/(decrease)) for the year ended 30 June 2020:

	30 June 2020 \$'000	30 June 2020 \$'000 Without adoption of	30 June 2020 \$'000 Impact of
	AASB 1059	AASB 1059	AASB 1059
<b>Continuing Operations</b>			
<b>Expenses</b>			
Operating Expenses:			
Property related	121,293	121,293	-
Personnel services	8,897	8,897	-
Other operating expenses	36,712	36,712	-
Depreciation and amortisation	82,741	82,741	-
Finance costs	48,868	71,710	(22,842)
<b>Total Expenses</b>	<b>298,511</b>	<b>321,353</b>	<b>(22,842)</b>
<b>Revenue</b>			
Sale of goods and services	144,669	144,669	-
Investment revenue	15,626	15,626	-
Grants and contributions	68,925	68,925	-
Other revenue	27,282	27,282	-
<b>Total Revenue</b>	<b>256,502</b>	<b>256,502</b>	<b>-</b>
Gain/(loss) on disposal of non-current assets	5,062	5,062	-
Other gains/(losses)	32,967	32,967	-
<b>Net result before income tax equivalent</b>	<b>(3,980)</b>	<b>(26,822)</b>	<b>22,842</b>
Income tax equivalent	-	-	-
<b>Net Result After Income Tax Equivalent</b>	<b>(3,980)</b>	<b>(26,822)</b>	<b>22,842</b>

PLACE MANAGEMENT NSW

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

Impact on Statement of Financial Position (increase/(decrease)) as at 1 July 2019:

	1 July 2019 \$'000 AASB 1059	1 July 2019 \$'000 Without adoption of AASB 1059	1 July 2019 \$'000 Impact of AASB 1059
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	143,697	143,697	-
Receivables	117,090	117,090	-
Inventories	703	703	-
<b>Total Current Assets</b>	<b>261,490</b>	<b>261,490</b>	-
<b>Non-Current Assets</b>			
Receivables	135,913	135,913	-
Investment properties	634,927	634,927	-
<i>Property, plant and equipment</i>			
Land and buildings	489,661	489,661	-
Finance lease assets	-	1,171,373	(1,171,373)
Service concession assets	1,171,373	-	1,171,373
Infrastructure	104,542	104,542	-
Plant and equipment	38,090	38,090	-
Art and artefacts	11,917	11,917	-
Work in progress	53,148	53,148	-
<i>Total property, plant and equipment</i>	<i>1,868,731</i>	<i>1,868,731</i>	-
Intangible assets	5	5	-
<b>Total Non-Current Asset</b>	<b>2,639,576</b>	<b>2,639,576</b>	-
<b>TOTAL ASSETS</b>	<b>2,901,066</b>	<b>2,901,066</b>	-
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	104,190	104,190	-
Borrowings	24,234	1,341	22,893
Provisions	8,322	8,322	-
Other liabilities	4,064	4,064	-
<b>Total Current Liabilities</b>	<b>140,810</b>	<b>117,917</b>	<b>22,893</b>
<b>Non-Current Liabilities</b>			
Borrowings	1,776,902	1,336,008	440,894
Other liabilities	34,030	34,030	-
<b>Total Non-Current Liabilities</b>	<b>1,810,932</b>	<b>1,370,038</b>	<b>440,894</b>
<b>TOTAL LIABILITIES</b>	<b>1,951,742</b>	<b>1,487,955</b>	<b>463,787</b>
<b>NET ASSETS</b>	<b>949,324</b>	<b>1,413,111</b>	<b>(463,787)</b>
<b>EQUITY</b>			
Asset revaluation reserve	234,284	234,284	-
Accumulated funds	715,040	1,178,827	(463,787)
<b>TOTAL EQUITY</b>	<b>949,324</b>	<b>1,413,111</b>	<b>(463,787)</b>

PLACE MANAGEMENT NSW

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

Impact on Statement of Financial Position (increase/(decrease)) as at 30 June 2020:

	30 June 2020 \$'000	Restated 30 June 2020 <sup>1</sup> \$'000 Without adoption of AASB 1059	30 June 2020 \$'000 Impact of AASB 1059
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	142,464	142,464	-
Receivables	46,177	46,177	-
Inventories	634	634	-
<b>Total Current Assets</b>	<b>189,275</b>	<b>189,275</b>	<b>-</b>
<b>Non-Current Assets</b>			
Receivables	142,832	142,832	-
Investment properties	632,407	632,407	-
<i>Property, plant and equipment</i>			-
Land and buildings	480,093	480,093	-
Finance lease assets	-	1,150,783	(1,150,783)
Service concession Assets	1,150,783	-	1,150,783
Infrastructure	174,919	174,919	-
Plant and equipment	37,141	37,141	-
Art and artefacts	11,980	11,980	-
Work in progress	6,984	6,984	-
<i>Total property, plant and equipment</i>	1,861,900	1,861,900	-
<b>Total Non-Current Asset</b>	<b>2,637,139</b>	<b>2,637,139</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>2,826,414</b>	<b>2,826,414</b>	<b>-</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	74,769	74,769	-
Borrowings	25,243	2,042	23,201
Provisions	3,470	3,470	-
Other liabilities	1,637	1,637	-
<b>Total Current Liabilities</b>	<b>105,119</b>	<b>81,918</b>	<b>23,201</b>
<b>Non-Current Liabilities</b>			
Borrowings	1,748,389	1,330,646	417,743
Other liabilities	31,714	31,714	-
<b>Total Non-Current Liabilities</b>	<b>1,780,103</b>	<b>1,362,360</b>	<b>417,743</b>
<b>TOTAL LIABILITIES</b>	<b>1,885,222</b>	<b>1,444,278</b>	<b>440,944</b>
<b>NET ASSETS</b>	<b>941,192</b>	<b>1,382,136</b>	<b>(440,944)</b>
<b>EQUITY</b>			
Asset revaluation reserve	260,401	260,401	-
Accumulated funds	680,791	1,121,735	(440,944)
<b>TOTAL EQUITY</b>	<b>941,192</b>	<b>1,382,136</b>	<b>(440,944)</b>

1) The amounts as at 30 June 2020 have been restated for the error set out in Note 23.

The adoption of AASB 1059 did not have an impact on Other Comprehensive Income and the Statement of Cash Flows.

## PLACE MANAGEMENT NSW

### Section A: Entity Information and Basis of Preparation

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

The nature of these adjustments is described below:

(i) Finance Leased Assets in relation to ICC Sydney which have been accounted for under TPP 6-08 are reclassified to Service concession Assets under AASB 1059. The fair value of the service concession assets remains the same as it was fair valued using the cost approach.

(ii) The adoption of AASB 1059 increased PMNSW's financial liability related to ICC Sydney by around \$463.8 million, from \$258.7 million to \$722.5 million at 1 July 2019 due to remeasurement using incremental borrowing rate at 1 July 2019.

(iii) In 2019-2020 Finance Lease Interest Charges decreased by \$22.8 million from \$39.7 million to \$16.9 million due to remeasurement of financial liability related to ICC Sydney using incremental borrowing rate at 1 July 2019.

#### (ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standard, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods.

The following new standards have not been applied and are not yet effective. The impact of the following standards in the period of initial application is not expected to be significant:

- AASB 17 Insurance Contracts
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform - Phase 2
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments
- AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021
- AASB 2021-4 Amendments to Australian Accounting Standards – Modified Retrospective Transition Approach for Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction of Accounting Estimates

#### (h) Impact of COVID-19 on Financial Reporting for 2020-21

COVID-19 caused a decrease of \$59.6 million in PMNSW's Venue Hire, \$0.8 million in Parking and \$15.2 million in Rental revenue in 2020-21. However the decrease in revenue was compensated by the additional grant income of \$99.5 million from the NSW State Government through DPIE. COVID-19 caused a \$0.09 million increase in the allowance for expected credit losses of Receivables as some tenants have difficulty in making payments for rents that have been deferred to future period.

## PLACE MANAGEMENT NSW

### Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 2. EXPENSES

##### (a) Property Related Expenses

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
Major Assets Expenses:		
Contractor Expenses	19,119	46,645
Operating Expenses	13,400	23,138
Management Fees	22,248	20,171
Place Management Expenses (i)	28,532	26,697
Other Expenses	3,758	4,642
	<b>87,057</b>	<b>121,293</b>

1) The 2019-20 amounts have been restated for the error set out in Note 23.

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

##### (b) Personnel Services

	2021	2020
	\$'000	\$'000
Salaries and Wages (including Recreation Leave)	7,775	7,985
Payroll Tax and Fringe Benefits Tax	413	391
Superannuation	591	521
<b>Total Personnel Services</b>	<b>8,779</b>	<b>8,897</b>

##### (c) Other Operating Expenses

	2021	2020
	\$'000	\$'000
Administration	2,309	1,195
Information & Technology Expenses	309	265
Contractors	673	2,555
Consultants	2,052	588
Legal Fees	376	759
Auditor's Remuneration - Audit of Financial Statements	279	270
Allowance for Impairment of Receivables, Net of Recovery	91	211
Marketing and Advertising	6,444	6,089
Shared Service Fees (i)	5,314	5,046
Repairs and Maintenance (ii)	17,987	18,718
Insurance (iii)	1,624	1,016
	<b>37,458</b>	<b>36,712</b>

(i) Shared Service Fees include fees charged by GovConnectNSW for shared transactional services such as payroll, information technology and central accounting transaction services and by Property NSW for all administrative and operational services to enable the PMNSW to exercise its functions.



## PLACE MANAGEMENT NSW

### Section B: Financial Performance

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

(ii) Reconciliation of Total Maintenance Expense:

	2021 \$'000	2020 \$'000
Maintenance expense - contracted labour and other (Note 2(b))	17,987	18,718
<b>Total Maintenance Expense</b>	<b>17,987</b>	<b>18,718</b>

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

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

(d) Depreciation and Amortisation Expense:

	2021 \$'000	2020 \$'000
Depreciation of Property, Plant and Equipment (Note 10(a))	85,414	82,736
Depreciation of Right-of-Use Assets (Note 11(a))	24	-
Amortisation of Intangible Assets (Note 13(b))	-	5
	<b>85,438</b>	<b>82,741</b>

#### Recognition and Measurement - Depreciation and Amortisation

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life by PMNSW. Estimates of remaining useful lives are made on an annual basis. All material separately identifiable components of assets are depreciated over their shorter useful lives.

The following asset useful lives have been applied:

Asset Class	2021 Years	2020 Years
Buildings and Improvements	40	40
Infrastructure	10-200	10-200
Leasehold Improvements	3	3
Plant and Equipment	3-33	3-33
Intangible Assets	3-5	3-5

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

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

(e) Finance Costs

	2021 \$'000	Restated 2020 <sup>1</sup> \$'000
TCorp Interest on Borrowings (i)	32,049	32,003
Interest Charges on Service Concession Financial Liabilities (Note 15(b))	16,279	16,865
	<b>48,328</b>	<b>48,868</b>

1) The 2019-20 amounts have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

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

## PLACE MANAGEMENT NSW

### Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 3. REVENUE

##### Recognition and Measurement

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

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

##### (a) Sale of Goods and Services

	2021 \$'000	2020 \$'000
Property Rental Income (i)	39,861	55,101
Major Assets Income (ii):		
Venue Hire Revenue	21,065	80,665
Parking Revenue	8,153	8,903
	<b>69,079</b>	<b>144,669</b>
(i) Property Rental Income		
	2021 \$'000	2020 \$'000
Operating Lease Revenue	39,771	55,065
Long Term Operating Lease Revenue (Note 17)	90	36
	<b>39,861</b>	<b>55,101</b>
Future Minimum Lease Receipts under Non-Cancellable Operating Leases as Lessor		
Receivable within one year	37,150	35,722
Receivable later than 1 year but not later than 5 years	94,127	107,007
Receivable later than 5 years	817,182	798,589
Total Including GST	<b>948,459</b>	<b>941,318</b>

The above represents future minimum lease receipts on PMNSW's owned properties. Future minimum lease receipts as at 30 June 2021 include GST payable of \$86 million (\$86 million at 30 June 2020).

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

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

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

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

## PLACE MANAGEMENT NSW

### Section B: Financial Performance

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

**(b) Investment Revenue**

	2021 \$'000	2020 \$'000
Property Finance Lease Income ((i) and Note 7(c))	12,579	15,302
Interest Earned (ii)	63	324
	<b>12,642</b>	<b>15,626</b>

- (i) Income from finance leases as lessor includes contingent rent of \$4.8 million in 2020-21 (\$6.4 million in 2019-20). Contingent rent is calculated as the difference between the current lease payments and the minimum lease payments which were determined at the initial recognition of the finance lease arrangement.

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

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

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

**(c) Grants and Contributions**

	2021 \$'000	2020 \$'000
State Government Contribution (i)	168,655	68,925
	<b>168,655</b>	<b>68,925</b>

- (i) Grant revenue comprises funding from the NSW Government mainly for the Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) costs and White Bay restoration project. The grant provides funding for any shortfall experienced by PMNSW in relation to SICEEP expenditures not covered by SICEEP revenues without further conditions. The increase in 2020-21 mainly due to additional grant income to cover the loss of revenue due to COVID-19 crisis and White Bay restoration project.

**(d) Other Revenue**

	2021 \$'000	2020 \$'000
Refinancing Gain - Finance Lease	778	793
Development Contributions	6	3
Marketing Revenue (i)	500	3,856
Major Asset Revenue	12,137	16,627
Other	4,979	6,003
	<b>18,400</b>	<b>27,282</b>

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

## PLACE MANAGEMENT NSW

### Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 4. GAINS AND LOSSES

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

	2021 \$'000	2020 \$'000
Net Proceeds from Disposal of Non-Current Assets	34,975	24,536
Written Down Value (Notes 9(b) and 10(a))	(37,282)	(19,474)
<b>Net Gain/(Loss) on Disposal</b>	<b>(2,307)</b>	<b>5,062</b>

##### (b) Other Gains/(Losses)

	2021 \$'000	Restated 2020 <sup>1</sup> \$'000
Fair Value Increment on Investment Property and Service Concession Assets Revaluation (Notes 9(b) and 10(a))	14,438	31,625
Gain on Recognition of Plant and Equipment	-	1,342
<b>Other Gains/(Losses)</b>	<b>14,438</b>	<b>32,967</b>

1) The 2019-20 amounts have been restated for the error set out in Note 23.

#### 5. INCOME TAX EQUIVALENT

##### (a) Income Tax Equivalent Calculation

	2021 \$'000	Restated 2020 <sup>1</sup> \$'000
<b>Net result before income tax equivalent</b>	<b>13,847</b>	<b>(3,980)</b>
Prepaid Rental Revenue - Long Term Leases (Note 3(a)(i))	(90)	(36)
Fair Value Increment on Investment Property Revaluation (Note 4(b))	(14,438)	(31,625)
Grant Revenue (Note 3(c))	(168,655)	(68,925)
Finance Revenue - Long Term Leases (Note 3(b))	(12,579)	(15,302)
Rental Received- Finance Leases	12,579	15,302
Notional Taxable Surplus/(Deficit)	<b>(169,336)</b>	<b>(104,566)</b>
Income Tax Equivalent Calculated at 30% of Notional Taxable Surplus	-	-
<b>Total Income Tax Equivalent</b>	<b>-</b>	<b>-</b>

1) The 2019-20 amounts have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

##### Recognition and Measurement - Income Tax Equivalent

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

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

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

## PLACE MANAGEMENT NSW

### Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

##### (a) Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
Cash at Bank and On Hand		
Operating Funds	207,159	139,969
Restricted Cash (b)	3,302	2,495
	<b>210,461</b>	<b>142,464</b>

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

##### Interest Rate Risk

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

Exposure to interest rate risk arises primarily through PMNSW's cash and cash equivalents. PMNSW does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. PMNSW's exposure to interest rate risk is set out below.

	Carrying Amount \$'000	-1%		+1%	
Financial Assets	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	
Interest Rate Risk - 2021					
Cash and Cash Equivalents	210,461	(2,105)	(2,105)	2,105	
Interest Rate Risk - 2020					
Cash and Cash Equivalents	142,464	(1,425)	(1,425)	1,425	

##### (b) Restricted Cash

	2021 \$'000	2020 \$'000
Opening Restricted Cash at Start of Year	2,495	1,964
Funds Received	869	846
Interest Received	-	2
Maintenance Expenses Paid	(62)	(317)
<b>Restricted Cash at the End of the Year</b>	<b>3,302</b>	<b>2,495</b>

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

**PLACE MANAGEMENT NSW**

**Section C: Assets**

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
<b>Net Cash Flows from Operating Activities</b>	<b>69,588</b>	<b>23,478</b>
<b>Non-Cash Revenues/(Expenses):</b>		
Depreciation and Amortisation	(85,438)	(82,741)
Gain/(Loss) on Disposal of Non-Current Assets	(2,307)	5,062
Other Gains/(Losses)	14,438	32,968
<b>Changes in Operating Assets and Liabilities:</b>		
(Decrease)/Increase in Inventories	(115)	(69)
(Decrease)/Increase in Receivables	15,965	(44,784)
Decrease/(Increase) in Creditors	1,803	30,081
Decrease/(Increase) in Provisions	573	4,851
Decrease/(Increase) in Lease Receipts in Advance	(97)	175
Decrease/(Increase) in Revenue in Advance	(563)	4,530
<b>Net Result After Income Tax Equivalent</b>	<b>13,847</b>	<b>(26,449)</b>

1) The 2019-20 amounts have been restated for the errors set out in Note 23.

**(d) Non-Cash Investing and Financing Activities**

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

<b>Non-Cash Investing and Financing Activities</b>	2021	2020
	\$'000	\$'000
Reclassification of infrastructure assets from Finance Lease Receivable to Property, Plant and Equipment (Note 7(c) and 10(a))	-	19,830
<b>Non-Cash Investing and Financing Activities</b>	<b>-</b>	<b>19,830</b>

**7. CURRENT / NON-CURRENT ASSETS - RECEIVABLES**

**(a) Receivables - Current and Non-Current**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Trade Receivables:		
Rental Debtors	26,134	12,297
Less: Allowance for expected credit losses (b)	(273)	(182)
Sundry Debtors	6,098	3,394
Subtotal - Trade Receivables	31,959	15,509
Other Receivables:		
Finance Lease Receivables (c)	21,374	19,215
Lessee Lease Incentives (d)	389	365
Goods and Services Tax Recoverable	-	7,237
Prepayments and Accrued Revenue	292	3,851
<b>Total Current Receivables</b>	<b>54,014</b>	<b>46,177</b>
<b>Non-Current</b>		
Other Receivables:		
Finance Lease Receivables (c)	147,319	141,037
Non-Current Lease Incentive (d)	1,566	1,795
<b>Total Non-Current Receivables</b>	<b>148,885</b>	<b>142,832</b>

**PLACE MANAGEMENT NSW**

**Section C: Assets**

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

**(b) Allowance for expected credit losses**

(i) Movement in the allowance for expected credit losses

	2021 \$'000	2020 \$'000
Balance at 1 July	(182)	-
(Increase)/Decrease in allowance recognised in net results	(91)	(182)
<b>Carrying Amount at 30 June</b>	<b>(273)</b>	<b>(182)</b>

**(c) Finance Lease Receivables**

	2021 \$'000	2020 \$'000
Movement:		
Carrying Amount at 1 July	160,252	230,553
Lease Payments Received	(4,138)	(65,773)
Reclassification to Infrastructure Asset (Note 10(a))	-	(19,830)
Property Finance Lease Income (Note 3(b))	12,579	15,302
<b>Carrying Amount at 30 June</b>	<b>168,693</b>	<b>160,252</b>

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

Gross Investment in Finance Leases as Lessor	8,725,058	8,729,197
Less: Unearned Finance Income	(8,556,365)	(8,568,945)
<b>Present Value of the Minimum Lease Payments Receivable</b>	<b>168,693</b>	<b>160,252</b>

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

Not later than one year	21,748	19,580
Later than one year and not later than five years	26,944	26,249
Later than five years	8,676,366	8,683,368
<b>Gross Investment in Finance Leases as Lessor</b>	<b>8,725,058</b>	<b>8,729,197</b>

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

Not later than one year	21,374	19,215
Later than one year and not later than five years	20,357	19,832
Later than five years	126,962	121,205
<b>Present Value of the Minimum Lease Payments Receivable</b>	<b>168,693</b>	<b>160,252</b>

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

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

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

The unguaranteed residual value of all finance leases as lessor accruing to the benefit of PMNSW as at 30 June 2021 is \$21.1 million (\$19.7 million at 30 June 2020).

## PLACE MANAGEMENT NSW

### Section C: Assets

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

##### (d) Lessee Lease Incentives

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

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

##### (e) Recognition and Measurement - Receivables

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

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

##### (i) Subsequent measurement

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

##### (ii) Impairment

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

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

##### (f) Credit Risk - Trade Debtors

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

PMNSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors which are not past due totalling \$8.5 million (\$4.9 million as at 30 June 2020) and debtors that are past due but not considered impaired totalling \$23.4 million (\$15.3 million as at 30 June 2020) together represent 99.2% (2019: 98.8%) of the total debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

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



## PLACE MANAGEMENT NSW

### Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 8. CURRENT ASSETS - INVENTORIES

##### (a) Inventories

	2021 \$'000	2020 \$'000
<b>Current</b>		
Trading Stock (b)	519	634
<b>Total Current Inventories</b>	<b>519</b>	<b>634</b>

##### (b) Recognition and Measurement - Inventories

Trading stock are stated at the lower of cost and net realisable value. Cost of stock are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make sales. PMNSW's trading stock is the inventories (food, beverage and consumables) held by the International Convention Centre Sydney.

#### 9. NON-CURRENT ASSETS - INVESTMENT PROPERTIES

##### (a) Investment Property

	2021 \$'000	Restated 2020 <sup>1</sup> \$'000
<b>Non-Current Investment Properties</b>		
At Fair Value	610,085	632,407
<b>Carrying Amount at 30 June</b>	<b>610,085</b>	<b>632,407</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated for the error set out in Note 23.

##### (b) Reconciliation of Opening and Closing Carrying Amounts

	2021 \$'000	Restated 2020 <sup>1</sup> \$'000
<b>Investment Properties</b>		
Carrying Amount at 1 July	632,407	634,927
Transfer from Land and Buildings (Note 10(a))	300	-
Net Gain from Fair Value Adjustments (Note 4(b))	14,438	14,030
Disposals (Note 4(a))	(37,060)	(15,792)
Correction of prior period error (Note 23)	-	(758)
<b>Carrying Amount at 30 June</b>	<b>610,085</b>	<b>632,407</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated for the error set out in Note 23.

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

	2021 \$'000	2020 \$'000
Rental Income	48,939	61,210
Direct Operating Expenses arising from:		
Investment Properties that Generated Rental Income	(4,482)	(4,679)
Investment Properties that did not Generate Rental Income	(584)	(762)
<b>Total Recognised in Profit and Loss for Investment Properties</b>	<b>43,873</b>	<b>55,769</b>

##### (d) Recognition and Measurement - Investment Properties

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

Investment properties are comprehensively revalued every three years with interim revaluations performed in the years between comprehensive revaluations. The last comprehensive revaluation was undertaken by independent valuers, AON Risk Services Australia on 31 March 2021 and updated at 30 June 2021. The valuation, which conforms to Australian Valuation Standards and Australian Accounting Standards, was arrived at by reference to market evidence of transaction prices for similar properties and by the capitalisation of income approach.

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

(a) Total Property, Plant and Equipment

	2021 \$'000	Restated 2020 <sup>1</sup> \$'000
<b>Non-Current</b>		
<b>Land and Buildings</b>		
At Fair Value	565,097	544,901
Less Accumulated Depreciation	(66,304)	(64,808)
<b>Carrying Amount at 30 June</b>	<b>498,793</b>	<b>480,093</b>
<b>Service Concession Assets</b>		
At Fair Value	1,416,265	1,377,689
Less Accumulated Depreciation	(297,316)	(226,906)
<b>Carrying Amount at 30 June</b>	<b>1,118,949</b>	<b>1,150,783</b>
<b>Infrastructure</b>		
At Fair Value	299,760	292,132
Less Accumulated Depreciation	(120,627)	(117,213)
<b>Carrying Amount at 30 June</b>	<b>179,133</b>	<b>174,919</b>
<b>Plant and Equipment</b>		
At Fair Value	91,490	89,730
Less Accumulated Depreciation	(62,886)	(52,589)
<b>Carrying Amount at 30 June</b>	<b>28,604</b>	<b>37,141</b>
<b>Art and Artefacts</b>		
At Fair Value	14,591	11,980
<b>Carrying Amount at 30 June</b>	<b>14,591</b>	<b>11,980</b>
<b>Work in Progress</b>	<b>9,862</b>	<b>6,984</b>
<b>Total Property, Plant and Equipment at 30 June</b>	<b>1,849,932</b>	<b>1,861,900</b>
At Fair Value	2,397,065	2,323,416
Less Accumulated Depreciation	(547,133)	(461,516)
<b>Total Property, Plant and Equipment at 30 June</b>	<b>1,849,932</b>	<b>1,861,900</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)) and for the error set out in Note 23.

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

Reconciliation of Opening and Closing Carrying Amounts

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
<b>Land and Buildings (Includes Open Spaces and Roads)</b>		
Carrying Amount at 1 July	480,093	489,661
Net Revaluation Increment/(Decrement) (Note 18(a))	23,655	(9,141)
Correction of prior period error (Note 23)	-	9,505
Restated Net Revaluation Increment/(Decrement) (Note 18(a))	<u>23,655</u>	<u>364</u>
Transfer from Infrastructure (Note 10(a))	1,402	-
Transfer to Investment Properties (Note 9(b))	(300)	-
Disposal	-	(3,682)
Depreciation Expense (Note 2(d))	<u>(6,057)</u>	<u>(6,250)</u>
<b>Carrying Amount at 30 June</b>	<b><u>498,793</u></b>	<b><u>480,093</u></b>
<b>Service Concession Assets</b>		
Carrying Amount at 1 July	1,150,783	1,171,373
Net Revaluation Increment/(Decrement) Recognised in the Net Result	-	18,354
Net Revaluation Increment/(Decrement) (Note 18(a))	31,679	18,153
Correction of prior period error (Note 23)	-	5,536
Restated Net Revaluation Increment/(Decrement) (Note 18(a))	<u>31,679</u>	<u>23,689</u>
Depreciation expense (Note 2(d))	<u>(63,513)</u>	<u>(62,633)</u>
<b>Carrying Amount at 30 June</b>	<b><u>1,118,949</u></b>	<b><u>1,150,783</u></b>
<b>Infrastructure</b>		
Carrying Amount at 1 July	174,919	104,542
Additions	-	53,765
Transfer from Finance Lease Receivable (Note 7(c))	-	19,830
Transfer from Work in Progress (Note 10(a))	2,352	-
Transfer from Plant and Equipment (Note 10(a))	-	601
Transfer to Land and Buildings (Note 10(a))	(1,402)	-
Net Revaluation Increment/(Decrement) (Note 18(a))	10,630	2,330
Depreciation Expense (Note 2(d))	<u>(7,366)</u>	<u>(6,149)</u>
<b>Carrying Amount at 30 June</b>	<b><u>179,133</u></b>	<b><u>174,919</u></b>
<b>Plant and Equipment</b>		
Carrying Amount at 1 July	37,141	38,090
Additions	129	7,356
Transfer to Infrastructure (Note 10(a))	-	(601)
Disposal	(188)	-
Depreciation Expense (Note 2(d))	<u>(8,478)</u>	<u>(7,704)</u>
<b>Carrying Amount at 30 June</b>	<b><u>28,604</u></b>	<b><u>37,141</u></b>
<b>Art and Artefacts</b>		
Carrying Amount at 1 July	11,980	11,917
Additions	-	63
Disposal	(34)	-
Net Revaluation Increment/(Decrement) (Note 18(a))	<u>2,645</u>	<u>-</u>
<b>Carrying Amount at 30 June</b>	<b><u>14,591</u></b>	<b><u>11,980</u></b>
<b>Work in Progress</b>		
Carrying Amount at 1 July	6,984	53,148
Additions	5,230	8,205
Transfer to Fixed Assets	<u>(2,352)</u>	<u>(54,369)</u>
<b>Carrying Amount at 30 June</b>	<b><u>9,862</u></b>	<b><u>6,984</u></b>
<b>Total Property, Plant and Equipment at 30 June</b>	<b><u>1,849,932</u></b>	<b><u>1,861,900</u></b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)) and for the error set out in Note 23.

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
<b>Non-Current</b>		
<b>Land and Buildings</b>		
At Fair Value	318,810	304,471
Less Accumulated Depreciation	(62,412)	(58,643)
<b>Carrying Amount at 30 June</b>	<b>256,398</b>	<b>245,828</b>
<b>Service Concession Assets</b>		
At Fair Value	1,416,265	1,377,689
Less Accumulated Depreciation	(297,316)	(226,906)
<b>Carrying Amount at 30 June</b>	<b>1,118,949</b>	<b>1,150,783</b>
<b>Infrastructure</b>		
At Fair Value	299,760	292,132
Less Accumulated Depreciation	(120,627)	(117,213)
<b>Carrying Amount at 30 June</b>	<b>179,133</b>	<b>174,919</b>
<b>Plant and Equipment</b>		
At Fair Value	91,490	83,155
Less Accumulated Depreciation	(62,886)	(52,589)
<b>Carrying Amount at 30 June</b>	<b>28,604</b>	<b>30,566</b>
<b>Art and Artefacts</b>		
At Fair Value	14,591	11,980
<b>Carrying Amount at 30 June</b>	<b>14,591</b>	<b>11,980</b>
<b>Work in Progress</b>	<b>9,862</b>	<b>6,944</b>
<b>Total Property, Plant and Equipment at 30 June</b>	<b>1,607,537</b>	<b>1,621,020</b>
At Fair Value	2,150,778	2,076,371
Less Accumulated Depreciation	(543,241)	(455,351)
<b>Total Property, Plant and Equipment at 30 June</b>	<b>1,607,537</b>	<b>1,621,020</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(ii)) and for the error set out in Note 23.

Reconciliation of Opening and Closing Carrying Amounts

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
<b>Land and Buildings (Includes Open Spaces and Roads)</b>		
Carrying Amount at 1 July	245,828	239,781
Transfer from Infrastructure (Note 10(a))	1,402	-
Net Revaluation Increment/(Decrement)	12,787	109
Correction of prior period error (Note 23)	-	9,505
Restated Net Revaluation Increment/(Decrement)	12,787	9,614
Depreciation Expense	(3,619)	(3,567)
<b>Carrying Amount at 30 June</b>	<b>256,398</b>	<b>245,828</b>
<b>Service Concession Assets</b>		
Carrying Amount at 1 July	1,150,783	1,171,373
Net Revaluation Increment/(Decrement) Recognised in the Net Result	-	18,354
Net Revaluation Increment/(Decrement)	31,679	18,153
Correction of prior period error (Note 23)	-	5,536
Restated Net Revaluation Increment/(Decrement)	31,679	23,689
Depreciation expense (Note 2(d))	(63,513)	(62,633)
<b>Carrying Amount at 30 June</b>	<b>1,118,949</b>	<b>1,150,783</b>

**PLACE MANAGEMENT NSW**

**Section C: Assets**

**Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021**

**Infrastructure**

Carrying Amount at 1 July	174,919	104,542
Additions	-	53,765
Transfer from Finance Lease Receivable (Note 7(c))	-	19,830
Transfer from Work in Progress (Note 10(a))	2,352	-
Transfer from Plant and Equipment (Note 10(a))	-	601
Transfer to Land and Buildings (Note 10(a))	(1,402)	-
Net Revaluation Increment/(Decrement)	10,630	2,330
Depreciation Expense (Note 2(d))	(7,366)	(6,149)
<b>Carrying Amount at 30 June</b>	<b><u>179,133</u></b>	<b><u>174,919</u></b>

**Plant and Equipment**

Carrying Amount at 1 July	37,141	33,001
Additions	129	7,356
Transfer to Infrastructure (Note 10(a))	-	(601)
Disposal	(188)	-
Depreciation Expense (Note 2(d))	(8,478)	(2,615)
<b>Carrying Amount at 30 June</b>	<b><u>28,604</u></b>	<b><u>37,141</u></b>

**Art and Artefacts**

Carrying Amount at 1 July	11,980	11,917
Additions	-	63
Disposal	(34)	-
Net Revaluation Increment/(Decrement)	2,645	-
<b>Carrying Amount at 30 June</b>	<b><u>14,591</u></b>	<b><u>11,980</u></b>

**Work in Progress**

Carrying Amount at 1 July	6,984	53,148
Additions	5,230	8,205
Transfer to Fixed Assets	(2,352)	(54,369)
<b>Carrying Amount at 30 June</b>	<b><u>9,862</u></b>	<b><u>6,984</u></b>

**Total Property, Plant and Equipment at 30 June**

<b><u>1,607,537</u></b>	<b><u>1,627,635</u></b>
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1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)) and for the error set out in Note 23.

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

	<u>2021</u>	<u>Restated</u>
	<u>\$'000</u>	<u>2020<sup>1</sup></u>
		<u>\$'000</u>
<b>Non-Current</b>		
<b>Land and Buildings</b>		
At Fair Value	246,287	240,431
Less Accumulated Depreciation	(3,892)	(6,166)
<b>Carrying Amount at 30 June</b>	<b><u>242,395</u></b>	<b><u>234,265</u></b>
<b>Total Property, Plant and Equipment at 30 June</b>	<b><u>242,395</u></b>	<b><u>234,265</u></b>

**Reconciliation of Opening and Closing Carrying Amounts**

	<u>2021</u>	<u>Restated</u>
	<u>\$'000</u>	<u>2020<sup>1</sup></u>
		<u>\$'000</u>
<b>Land and Buildings (Includes Open Spaces and Roads)</b>		
Carrying Amount at 1 July	234,265	249,880
Net Revaluation Increment/(Decrement)	10,868	(9,250)
Transfer to Investment Properties (Note 9(b))	(300)	-
Disposal	-	(3,682)
Depreciation Expense	(2,438)	(2,683)
<b>Carrying Amount at 30 June</b>	<b><u>242,395</u></b>	<b><u>234,265</u></b>
<b>Total Property, Plant and Equipment at 30 June</b>	<b><u>242,395</u></b>	<b><u>234,265</u></b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)) and for the error set out in Note 23.

## PLACE MANAGEMENT NSW

### Section C: Assets

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

###### (i) Acquisitions of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where settlement of any part of cash consideration is deferred, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

###### (ii) Capitalisation Thresholds

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

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

###### (iii) Revaluation of Property, Plant and Equipment

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

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any social-political restrictions imposed by government. In most cases after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of Property, Plant and Equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. PMNSW revalues each class of property, plant and equipment on an annual basis to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Land and Buildings, including open spaces and roads, are comprehensively revalued every three years with interim revaluations performed in the years between comprehensive revaluations. The last comprehensive revaluation was undertaken by independent valuers, AON Risk Services Australia (AON) on 31 March 2021 and updated at 30 June 2021.

Service Concession Assets as at 30 June 2021 comprise the International Convention Centre (ICC), Sydney. Service Concession Assets are comprehensively revalued every 3 years with interim revaluations performed in the years between comprehensive revaluations when it is necessary. The last comprehensive revaluation was performed at 31 March 2019 by Savills and AON. An interim formal revaluation was completed on 31 March 2021 and updated at 30 June 2021 by AON.

Infrastructure assets are revalued every five years. The last comprehensive revaluation was performed at 31 March 2019 by AON. Interim revaluations are conducted between comprehensive revaluations. An interim formal revaluation was completed on 31 March 2021 and updated at 30 June 2021 by AON.

AON also performed a comprehensive revaluation of Art and Artefacts at 31 March 2021 and updated at 30 June 2021. Art and Artefacts are revalued every 5 years.

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

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

## PLACE MANAGEMENT NSW

### Section C: Assets

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

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

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

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

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

#### (iv) Service Concession Assets

The entity has adopted AASB 1059 from 1 July 2020. However, comparatives for the year ended 30 June 2020 have been adjusted retrospectively to reflect AASB 1059. Note 1(g)(i) details changes in the entity's accounting policies and a summary of impacts on the first-time adoption. This note provides disclosures required under the new accounting standard and relates to the entity's service concession arrangements in place during the current year.

Service concession arrangements (SCAs) are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

Based on the entity's assessment, the following arrangements fall in the scope of AASB 1059:

Description	Service concession arrangement
Name & description of the SCA	International Convention Centre (ICC), Sydney Public Private Partnership agreement with Darling Harbour Live Partnership to design, construct and operate the ICC
Period of the arrangement	March 2013- December 2041
Terms of the arrangement	The provision of operation services is for 25 years starting from the construction completion date which was December 2016. The Private sector's interests in ICC will revert to PMNSW for no consideration at the end of the arrangement term
Rights and obligations	The operator obligations are to design, construct and operate the ICC. PMNSW makes quarterly payment to the operator as per the agreement
The carrying amount of SCA as at 30 June 2020 (\$'000)	1,150,783
The carrying amount of SCA as at 30 June 2021 (\$'000)	1,134,733

#### (a) Initial recognition

For arrangements within the scope of AASB 1059, the entity recognises a service concession asset when it controls the asset. Where the asset is provided by the operator, or is an upgrade to or a major component replacement of an existing asset of the entity, the asset is recognised at current replacement cost based on AASB 13 Fair Value Measurement principles.

Where the asset is an existing asset of the entity, the asset is reclassified as a service concession asset and remeasured at current replacement cost at the date of reclassification. Any difference between the previous carrying amount and current replacement cost is recognised as if it is a revaluation of the asset.

# PLACE MANAGEMENT NSW

## Section C: Assets

### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

(b) Subsequent to initial recognition

Subsequent to the initial recognition or reclassification, the service concession asset is measured at current replacement cost and accounted for in accordance with the depreciation and impairment requirements of AASB 116 Property, Plant and Equipment and AASB 136 Impairment of Assets.

(c) At the end of the arrangement

At the end of the service concession arrangement:

- the entity accounts for the asset in accordance with other AAS, with the entity reclassifying the asset based on its nature or function;
- reference to fair value reverts from the mandated current replacement cost under AASB 1059 to the appropriate approach under AASB 13; and
- the asset is only derecognised when the entity loses control of the asset in accordance with AASB 116.

(v) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 "Impairment of Assets" is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

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

(vi) Restoration Costs

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

(vii) Major Inspection Costs

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

(viii) Maintenance

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

## 11. LEASES

### (a) Right-of-Use Assets Under Leases

The following table presents right-of use assets.

<b>Infrastructure</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying Amount at 1 July	-	-
Net Additions	2,900	-
Depreciation Expense (Note 2(d))	(24)	-
<b>Balance at 30 June</b>	<b>2,876</b>	<b>-</b>



## PLACE MANAGEMENT NSW

### Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### (b) Recognition and measurement - Right-of-Use Assets Under Leases

PMNSW assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. PMNSW recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases (including holdover leases) and leases of low-value assets.

PMNSW recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date, lease incentives and any initial direct costs incurred.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment. The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. In any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

## 12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

### (a) Fair Value Hierarchy

2021	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
<b>Investment Properties (Note 9)</b>	-	610,085	-	<b>610,085</b>
<b>Property, Plant and Equipment (Note 10):</b>				
Land and Buildings	-	263,544	235,249	<b>498,793</b>
Service Concession Assets	-	-	1,118,949	<b>1,118,949</b>
Infrastructure	-	-	179,133	<b>179,133</b>
Art and Artefacts	-	14,591	-	<b>14,591</b>
	<b>-</b>	<b>888,220</b>	<b>1,533,331</b>	<b>2,421,551</b>
<b>2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Restated Total Fair Value<sup>1</sup></b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Investment Properties (Note 9)</b>	-	632,407	-	<b>632,407</b>
<b>Property, Plant and Equipment (Note 10):</b>				
Land and Buildings	-	255,621	224,472	<b>480,093</b>
Service Concession Assets	-	-	1,150,783	<b>1,150,783</b>
Infrastructure	-	-	174,919	<b>174,919</b>
Art and Artefacts	-	11,980	-	<b>11,980</b>
	<b>-</b>	<b>900,008</b>	<b>1,550,174</b>	<b>2,450,182</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)) and for the error set out in Note 23.

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

## PLACE MANAGEMENT NSW

### Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### (b) Valuation Techniques, Inputs and Processes

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation process refer to Note 12(c)(iii).

Class	Valuation Technique	Key Inputs
Investment Properties	Income approach (recurring) - assets are valued by converting income to a single current amount and includes present value techniques.	- Market rental income - Outgoings - Vacancy rate - Capitalisation rate
Land and Buildings	Market approach (recurring) - assets are valued based on comparable property sales transactions and where identical properties are not available, adjustments have been made to reflect the following characteristics of the asset, including condition, location or comparability of the asset.	- Comparable property sales values - Adjustments including condition, location, capital improvements or comparability of the asset
Specialised Buildings	Current replacement cost approach (recurring) - the assets' current replacement costs were calculated having regard to Rawlinson's Australian Construction Handbook 2015, with the costs then depreciated to reflect the assets lives already consumed.	- Capital improvements - Remaining useful lives - Current replacement cost estimates
Service Concession Assets	The assets were recognised 1 July 2020 under AASB 1059, they were valued by current replacement cost approach (recurring), same as the specialised buildings disclosed above.	- Capital improvements, remaining useful lives - Current replacement cost estimates
Infrastructure	Current replacement cost approach (recurring) - assets are valued based on the gross replacement cost of a modern equivalent asset which has been optimised for the particular purpose, which is then adjusted for depreciation to reflect the reduced lifespan of the original asset.	- Current unit replacement costs - Professional fees - Remaining useful lives
Art and Artefacts	Market approach (recurring) - assets are valued based on observable market selling prices involving identical or similar assets  Cost approach (recurring) - assets are valued by referring to cost of constructing another asset that is either a replica of the original or one that could furnish equal utility.	- Market selling prices  - Replication costs

#### (c) Reconciliation of Recurring Level 3 Fair Value Measurements

2021	Land and Buildings	Service Concession Assets	Infrastructure	Art and Artefacts	Total Recurring Level 3 Fair Value
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value as at 1 July	224,472	1,150,783	174,919	-	1,550,174
Additions	-	-	-	-	-
Transfer between PPE	688	-	950	-	1,638
Revaluation Increment/(Decrement)	12,264	31,679	10,630	-	54,573
Depreciation	(2,175)	(63,513)	(7,366)	-	(73,054)
<b>Fair Value as at 30 June</b>	<b>235,249</b>	<b>1,118,949</b>	<b>179,133</b>	<b>-</b>	<b>1,533,331</b>

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

2020	Land and Buildings	Service Concession Assets	Infrastructure	Art and Artefacts	Restated Total Recurring Level 3 Fair Value <sup>1</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value as at 1 July	229,436	1,171,373	104,542	-	1,505,351
Additions	-	-	53,765	-	53,765
Transfer from Finance Lease Liability	-	-	19,830	-	19,830
Transfer between PPE	-	-	601	-	601
Revaluation Increment/(Decrement)	859	36,507	2,330	-	39,696
Correction of prior period error (Note 23)	(3,727)	5,536	-	-	1,809
Restated Revaluation Increment/ (Decrement)	(2,868)	42,043	2,330	-	41,505
Depreciation	(2,096)	(62,633)	(6,149)	-	(70,878)
<b>Fair Value as at 30 June</b>	<b>224,472</b>	<b>1,150,783</b>	<b>174,919</b>	<b>-</b>	<b>1,550,174</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)) and for the error set out in Note 23.

13. INTANGIBLE ASSETS

(a) Intangible Assets

	2021 \$'000	2020 \$'000
<b>Non-Current</b>		
<b>Intangible Assets - Computer Software</b>		
Gross Carrying Amount	1,599	1,599
Less Accumulated Amortisation	(1,599)	(1,599)
<b>Total Intangible Assets - Computer Software at 30 June</b>	<b>-</b>	<b>-</b>

(b) Reconciliation of Opening and Closing Carrying Amounts

	2021 \$'000	2020 \$'000
<b>Intangible Assets - Computer Software</b>		
Carrying Amount at 1 July	-	5
Amortisation expense	-	(5)
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>-</b>

(c) Recognition and Measurement - Intangible Assets

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

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

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

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

## PLACE MANAGEMENT NSW

### Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 14. CURRENT LIABILITIES - PAYABLES

##### (a) Payables

	2021 \$'000	2020 \$'000
<b>Current</b>		
Trade Creditors	896	1,280
Sundry Creditors and Accruals	45,872	42,320
Service Concession liability Interest Accruals	4,014	14,149
Refundable Security Deposits and Bonds	385	350
Goods and Services Tax Payable	169	-
Forward Deposits	18,614	16,670
<b>Total Current Payables</b>	<b>69,950</b>	<b>74,769</b>

##### (b) Recognition and Measurement - Payables

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

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

##### (c) Liquidity Risk

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

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

##### (d) Maturity Profile

All of PMNSW's trade payables, sundry payables and accruals have a maturity of less than 12 months (2020: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, PMNSW may automatically pay the supplier simple interest. The rate of interest applied by PMNSW accords with the current rate applicable under section 22 of the *Taxation Administration Act 1996*.

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

Maturity Profile	Nominal	Ageing		
	Amount \$'000	< 1 yr \$'000	>1yr < 5 yrs \$'000	> 5 yrs \$'000
<b>2021</b>				
Payables:				
Security Deposits	284	56	12	216
Casual Bonds	101	101	-	-
Forward Deposits	18,614	16,361	2,253	-
	<b>18,999</b>	<b>16,518</b>	<b>2,265</b>	<b>216</b>
<b>2020</b>				
Payables:				
Security Deposits	284	75	-	209
Casual Bonds	66	66	-	-
Forward Deposits	16,670	16,670	-	-
	<b>17,020</b>	<b>16,811</b>	<b>-</b>	<b>209</b>

Interest Rate Exposure	Weighted	Nominal	Fixed	Variable	Non-interest
	Average				
	Effective	\$'000	\$'000	\$'000	\$'000
	Interest Rate				
	%				
<b>2021</b>					
Payables:					
Security Deposits	1.51%	284	-	284	-
Casual Bonds	-	101	-	-	101
Forward Deposits	-	18,614	-	-	18,614
		<b>18,999</b>	<b>-</b>	<b>284</b>	<b>18,715</b>
<b>2020</b>					
Payables:					
Security Deposits	1.51%	284	-	284	-
Casual Bonds	-	66	-	-	66
Forward Deposits	-	16,670	-	-	16,670
		<b>17,020</b>	<b>-</b>	<b>284</b>	<b>16,736</b>

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

A maturity profile analysis of PMNSW's Service concession financial liabilities and other Borrowings is presented at Note 15(d).

15. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS

(a) Borrowings - Current and Non-Current

	2021	Restated
	\$'000	2020 <sup>1</sup> \$'000
<b>Current</b>		
Service Concession Financial Liabilities (b)	25,421	25,243
Finance Lease Liabilities (c)	-	-
<b>Total Current Borrowings</b>	<b>25,421</b>	<b>25,243</b>
<b>Non-Current</b>		
Service Concession Financial Liabilities (b)	648,054	673,474
Finance Lease Liabilities (c)	-	-
TCorp Borrowings (f)	1,071,906	1,074,915
<b>Total Non-Current Borrowings</b>	<b>1,719,960</b>	<b>1,748,389</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

(b) Service Concession Financial Liabilities

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
Movement:		
Carrying Amount at 1 July	698,717	-
Net adjustment on initial application of AASB 1059	-	463,787
Net adjustment on initial application of AASB 1059 (from derecognition of Finance Lease Liabilities)	-	258,741
Restated Carrying Amount at 1 July	698,717	722,528
Minimum Lease Payments	(41,521)	(41,048)
Correction of prior period error (Note 23)	-	372
Restated Minimum Lease Payments	(41,521)	(40,676)
Finance Lease Interest Charges (Note 2(e))	16,279	16,865
<b>Carrying Amount at 30 June</b>	<b>673,475</b>	<b>698,717</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

(c) Finance Lease Liabilities

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
Movement:		
Carrying Amount at 1 July	-	258,741
Net adjustment on initial application of AASB 1059	-	(258,741)
Minimum Lease Payments	-	-
Finance Lease Interest Charges (Note 2(e))	-	-
<b>Carrying Amount at 30 June</b>	<b>-</b>	<b>-</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

(d) Service Concession Commitments

	2021	Restated 2020 <sup>1</sup>
	\$'000	\$'000
<b>Minimum Lease Payments:</b>		
Payable within one year	41,099	41,522
Payable later than one year but not later than five years	164,396	164,396
Payable later than five years	645,969	687,067
<b>Total Minimum Lease Payment Commitment</b>	<b>851,464</b>	<b>892,985</b>
<b>Finance Costs:</b>		
Payable within one year	(15,678)	(16,279)
Payable later than one year but not later than five years	(56,411)	(58,962)
Payable later than five years	(105,900)	(119,027)
<b>Total Finance Costs Commitment</b>	<b>(177,989)</b>	<b>(194,268)</b>
<b>Present Value of Finance Lease Commitments:</b>		
Payable within one year	25,421	25,243
Payable later than one year but not later than five years	107,985	105,434
Payable later than five years	540,069	568,040
<b>Total Present Value of Finance Lease Commitments</b>	<b>673,475</b>	<b>698,717</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

(e) Recognition and Measurement - Service concession financial liabilities

The service concession financial liabilities are determined in accordance with AASB 1059 "Service Concession Arrangements: Grantor". PMNSW's service concession financial liability comprises the lease on the International Convention Centre Sydney. The lease has a lease term of 25 years with the asset returned to PMNSW at the end of lease term. The financial liability was recognised at fair value at the date of initial application of AASB 1059 (1 July 2019). The service concession financial liability is subsequently measured at amortised cost using the effective interest method.

## PLACE MANAGEMENT NSW

### Section D: Liabilities

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### (f) New South Wales Treasury Corporation (TCorp) Borrowings

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

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

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

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

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

<b>Repayment of TCorp Borrowings</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Payable within one year	119,909	75,932
Payable later than one year but not later than five years	411,108	534,439
Payable later than five years	540,889	464,544
<b>Total Repayment of TCorp Borrowings</b>	<b>1,071,906</b>	<b>1,074,915</b>

#### 16. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

##### (a) Provisions

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Land Remediation (b)	117	690
Personnel Services (c)	886	-
Other (d)	2,780	2,780
<b>Total Current Provisions at 30 June</b>	<b>3,783</b>	<b>3,470</b>

##### (b) Land Remediation

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Movement:		
Carrying Amount at 1 July	690	5,542
Provision Recognised during the Year	-	117
Decrease in Provision from Payments	(573)	(4,969)
<b>Carrying Amount at 30 June</b>	<b>117</b>	<b>690</b>

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

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

## PLACE MANAGEMENT NSW

### Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### (c) Personnel Services

	2021	2020
	\$'000	\$'000
Movement:		
Carrying Amount at 1 July	-	-
Provision Recognised during the Year	886	-
<b>Carrying Amount at 30 June</b>	<b>886</b>	<b>-</b>
<b>Provision for Personnel Services - Dissection</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Annual Leave (i)	512	-
Long Service Leave On-costs (ii)	374	-
<b>Carrying Amount at 30 June</b>	<b>886</b>	<b>-</b>

PMNSW receives personnel services from the DPIE. The DPIE is not a Special Purpose Service Entity and does not control PMNSW under this arrangement (Note 1(a)). As PMNSW is not an employer, the disclosure requirements of AASB 119 "Employee Benefits" in respect of employee benefits do not apply. However, for clarity and transparency, a Personnel Services Provision is disclosed where the substance of the underlying liability recognised effectively represents employee benefits.

#### (i) Annual Leave

A liability for annual leave and associated on-costs is recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

#### (ii) Long Service Leave On-costs

A liability is recognised for certain long service leave related on-costs and additional employee benefit costs that arise on incurring long service leave, including payroll tax, workers compensation insurance, annual leave, accrued leave while on long service leave taken in service and defined contribution superannuation. This long service leave on-cost liability is calculated in accordance with the requirements of Treasury Circular 21-03 and is based on the long service leave liability recognised by the DPIE in respect of employees of PMNSW.

The DPIE's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The DPIE accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

All long service leave taken by employees of PMNSW is reimbursed to the DPIE by the Crown Entity's "Non-Budget Sector Long Service Leave Pool Scheme". Accordingly, PMNSW only recognises the consequential costs associated with long service leave.

#### (d) Other Provisions

	2021	2020
	\$'000	\$'000
Movement:		
Carrying Amount at 1 July	2,780	2,780
<b>Carrying Amount at 30 June</b>	<b>2,780</b>	<b>2,780</b>

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

#### (e) Recognition and Measurement - Provisions

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



## PLACE MANAGEMENT NSW

### Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 17. CURRENT / NON-CURRENT LIABILITIES - OTHER

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Current</b>		
Lease Receipts in Advance (i)	111	68
Revenue in Advance	288	791
Deferred Income - Refinancing Gain (ii)	853	778
Deferred Income - Other	13	-
<b>Total Current Liability at 30 June</b>	<u>1,265</u>	<u>1,637</u>
<b>Non-Current</b>		
Lease Receipts in Advance (i)	2,913	3,046
Revenue in Advance	736	-
Deferred Income - Refinancing Gain (ii)	27,815	28,668
Deferred Income - Other	1,281	-
<b>Total Non-Current Liability at 30 June</b>	<u>32,745</u>	<u>31,714</u>

- (i) Lease Receipts in Advance relates to upfront rent payments received from tenants for long-term leases classified as operating lease.
- (ii) Deferred income relates to the SICEEP Project finance lease refinancing gain. This is being amortised over the finance lease term.

PLACE MANAGEMENT NSW

Section E: Equity

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

18. EQUITY

(a) Asset Revaluation Reserve

The total asset revaluation reserve is used to record increments and decrements on the revaluation of non-current property plant and equipment and finance leases. This accords with PMNSW's policy on the Revaluation of Property, Plant and Equipment (Note 10). No financial distributions are made from the Asset Revaluation Reserve.

<b>Asset Revaluation Reserve - Movement</b>	<b>2021</b>	<b>Restated</b>
	<b>\$'000</b>	<b>2020<sup>1</sup></b>
		<b>\$'000</b>
Carrying Amount at 1 July	260,401	234,284
Net Increase in Property, Plant and Equipment Revaluation Surplus (i)	68,609	26,383
Transfer to Accumulated Funds on Derecognition of PP&E (Note 18 (b))	-	(266)
<b>Carrying Amount at 30 June</b>	<b>329,010</b>	<b>260,401</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated for the error set out in Note 23.

<b>Asset Revaluation Reserve - Asset Class</b>	<b>2021</b>	<b>Restated</b>
	<b>\$'000</b>	<b>2020<sup>1</sup></b>
		<b>\$'000</b>
Land and Buildings	292,727	237,393
Infrastructure	22,219	11,589
Plant and Equipment	4,084	4,084
Art & Artefacts	9,980	7,335
<b>Total Asset Revaluation Reserve at 30 June</b>	<b>329,010</b>	<b>260,401</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated for the error set out in Note 23.

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

	<b>2021</b>	<b>Restated</b>
	<b>\$'000</b>	<b>2020<sup>1</sup></b>
		<b>\$'000</b>
Land and Buildings (Note 10(a))	23,655	364
Service concession Assets (Note 10(a))	31,679	23,689
Infrastructure (Note 10(a))	10,630	2,330
Art & Artefacts (Note 10(a))	2,645	-
<b>Net Increase in Property, Plant and Equipment Revaluation Surplus</b>	<b>68,609</b>	<b>26,383</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated for the error set out in Note 23.

PLACE MANAGEMENT NSW

Section E: Equity

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

(b) Accumulated Funds

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

Accumulated Funds - Movement

	2021 \$'000	Restated 2020 <sup>1</sup> \$'000
Carrying Amount at 1 July	680,791	1,178,217
Changes in accounting policy- initial application of AASB 1059 (Note 1(g)(ii))	-	(463,787)
Correction of prior period errors (Note 23)	-	610
<b>Restated balance at 1 July</b>	<b>680,791</b>	<b>715,040</b>
Net Result for the Year	13,847	(5,111)
Correction of prior period errors (Note 23)	-	1,131
Restated Net Result for the Year	13,847	(3,980)
Transfer from Asset Revaluation Reserve on Derecognition of PP&E (Note 18 (a))	-	266
Financial Distributions (i)	-	(30,535)
<b>Carrying Amount at 30 June</b>	<b>694,638</b>	<b>680,791</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(ii)) and for the error set out in Note 23.

(i) Financial Distributions

	2021 \$'000	2020 \$'000
Capital Repatriations from the Net Proceeds of Asset Sales (Paid to the State Government)	-	(30,535)
	-	<b>(30,535)</b>

## PLACE MANAGEMENT NSW

### Section F: Financial Instruments and Other Notes

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

#### 19. FINANCIAL INSTRUMENTS

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

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

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by PMNSW, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by Management on a continuous basis.

#### (a) Financial Instrument Categories

(i) As at 30 June 2021

Class	Category	Notes	Carrying amount \$'000
<b>Financial Assets</b>			
Cash and Cash Equivalents	Amortised Cost	6	210,461
Loans and Receivables at Amortised Cost (i)	Amortised Cost	7	202,607
<b>Financial Liabilities</b>			
Payables (ii)	Financial Liabilities measured at Amortised Cost	14	46,768
Borrowings	Financial Liabilities measured at Amortised Cost	15	1,745,381

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

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

(ii) As at 30 June 2020

Class	Category	Notes	Restated Carrying amount <sup>1</sup> \$'000
<b>Financial Assets</b>			
Cash and Cash Equivalents	Amortised Cost	6	142,464
Loans and Receivables at Amortised Cost (i)	Amortised Cost	7	177,921
<b>Financial Liabilities</b>			
Payables (ii)	Financial Liabilities measured at Amortised Cost	14	43,600
Borrowings	Financial Liabilities measured at Amortised Cost	15	1,773,632

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

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

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

#### (b) Derecognition of Financial Assets and Financial Liabilities

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

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

## PLACE MANAGEMENT NSW

### Section F: Financial Instruments and Other Notes

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

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

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

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

#### (c) Offsetting financial instruments

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

#### (d) Financial risks

##### (i) Credit Risk

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

Credit risk arises from the financial assets of PMNSW, including cash and receivables (Notes 6 and 7). No collateral is held by PMNSW. PMNSW has not granted any material financial guarantees.

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

##### Cash and cash equivalents

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

##### Receivables - trade debtors

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

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

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

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

## PLACE MANAGEMENT NSW

### Section F: Financial Instruments and Other Notes

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

The loss allowance for trade debtors as at 30 June 2021 and 30 June 2020 was determined as follows:

#### 30 June 2021

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	1%	1%	16%	2%	2%
Estimated total gross carryin amount at default	1,915	2,008	4,653	184	7,808	16,568
<b>Expected credit loss</b>	<b>0</b>	<b>19</b>	<b>58</b>	<b>29</b>	<b>167</b>	<b>273</b>

#### 30 June 2020

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

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7. PMNSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021.

#### (e) Liquidity Risk

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

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

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

#### (f) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. PMNSW's exposure to market risk is primarily through interest rate risk on the entity's BHP Remediation interest earning bank balance held within the NSW Treasury Banking System (Note 6(a)). PMNSW has no exposure to foreign currency risk and does not enter into commodity contracts.

#### (g) Fair Value of Financial Instruments

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

## 20. COMMITMENTS FOR EXPENDITURE

### (a) Capital Expenditure Commitments

	2021 \$'000	2020 \$'000
Capital expenditure contracted at balance date but not provided for:		
Within one year	5,764	-
Later than one year and not later than five years	4,444	-
<b>Total Capital Expenditure Commitments (Incl GST)</b>	<b>10,208</b>	<b>-</b>

## PLACE MANAGEMENT NSW

### Section F: Financial Instruments and Other Notes

#### Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

Total capital expenditure commitments relate to contracted upgrading and refurbishment works on various owned buildings and infrastructure assets. Capital expenditure commitments at 30 June 2021 include GST recoverable input tax credits of \$0.93 million (nil at 30 June 2020) that are expected to be recoverable from the Australian Taxation Office.

#### (b) Subvention Costs Commitments

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Subvention costs contracted at balance date but not provided for:		
Payable within one year	1,029	2,562
Payable later than one year but not later than five years	12,419	10,282
Payable later than five years	1,375	1,592
<b>Total Subvention Costs Commitments (Incl GST)</b>	<b><u>14,823</u></b>	<b><u>14,436</u></b>

Subvention costs commitments at 30 June 2021 include GST recoverable input tax credits of \$1.3 million (\$1.5 million at 30 June 2020) that are expected to be recoverable from the Australian Taxation Office.

#### (c) Service concession Commitments

Expenditure commitments on PMNSW's Service concession financial liabilities are disclosed at Note 15(d).

### 21. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

PMNSW is not aware of any contingent assets or liabilities at 30 June 2021 (Nil at 30 June 2020).

### 22. RELATED PARTY DISCLOSURES

#### (a) Key Management Personnel Compensation

During the 2020-21, PMNSW incurred \$0.33 million in respect of its Key Management Personnel services that were provided by the DPIE (\$0.22 million in 2019-20).

#### (b) Transactions and Outstanding Balances with Other Related Parties

During 2020-21, PMNSW has not entered into other transactions with Key Management Personnel, their close family members and controlled or jointly controlled entities thereof (Nil in 2019-20).

#### (c) Transactions and Outstanding Balances with Other Government Entities

During 2020-21, PMNSW entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions are collectively, but not individually, a significant portion of PMNSW's property rental income, fees for services rendered and grant and contribution revenue.

### 23. PRIOR PERIOD ERRORS

During 2017-18, PMNSW recorded adjustments of \$75.2 million for the fair value movement of Property, Plant and Equipment. The adjustments were made to the PPE General Ledger non-control accounts and Asset Revaluation Reserve. During the following years, the fair value movement was then updated in the Fixed Assets Register and the PPE General Ledger control accounts, while the prior year audit adjustments were not reversed from the PPE General Ledger non-control accounts. Therefore, the balances of Property, Plant and Equipment and Asset Revaluation Reserve at 1 July 2019 and 30 June 2020 were understated.

**PLACE MANAGEMENT NSW**

**Section F: Financial Instruments and Other Notes**

**Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021**

As this error was made in a reporting period prior to the comparative period, the opening Statement of Financial Position account balances as at 1 July 2019 (i.e. the closing Statement of Financial Position account balances as at 30 June 2019) were restated. In addition, the Statement of Financial Position account balances were still understated as at 30 June 2020, so this error resulted in the restatement of Statement of Financial Position account balances as at 30 June 2020.

PMNSW has also corrected a small number of low value errors between Property, Plant and Equipment, Borrowings, Asset Revaluation Reserve and Accumulated Funds resulting in the restatement of these balances as at 1 July 2019 and 30 June 2020.

The following section shows the restatement of each line item affected by the errors.

**Changes to the Opening Statement of Financial Position at 1 July 2019**

Statement of Financial Position	Note	Restated Original Balance <sup>1</sup> 1 July 2019 \$'000	Impact Increase/ (Decrease) \$'000	Restated Balance 1 July 2019 \$'000
Property, Plant and Equipment	10(a)	1,807,780	60,951	1,868,731
<b>Total Assets</b>		<b>2,840,115</b>	<b>60,951</b>	<b>2,901,066</b>
<b>Net Assets</b>		<b>888,373</b>	<b>60,951</b>	<b>949,324</b>
Asset Revaluation Reserve	18(a)	173,943	60,341	234,284
Accumulated Funds	18(b)	714,430	610	715,040
<b>Total Equity</b>		<b>888,373</b>	<b>60,951</b>	<b>949,324</b>

**Adjustments to the Statement of Comprehensive Income For the Year Ended 30 June 2020**

Statement of Comprehensive Income	Note	Restated Original Balance <sup>1</sup> 30 June 2020 \$'000	Impact Increase/ (Decrease) \$'000	Restated Balance 30 June 2020 \$'000
<b>Expenses</b>				
Operating Expenses:				
Property related	2(a)	120,921	372	121,293
<b>Total Expenses</b>		<b>298,139</b>	<b>372</b>	<b>298,511</b>
Other gains/(losses)	4(b)	33,725	(758)	32,967
<b>Net result before income tax equivalent</b>		<b>(2,850)</b>	<b>(1,130)</b>	<b>(3,980)</b>
<b>Other comprehensive income</b>				
Net increase/(decrease) in property, plant and equipment revaluation surplus	18(a)	11,342	15,041	26,383
<b>Total other comprehensive income</b>		<b>11,342</b>	<b>15,041</b>	<b>26,383</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<b>8,492</b>	<b>13,911</b>	<b>22,403</b>



PLACE MANAGEMENT NSW

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2021

Adjustments to the Comparative Figures as at 30 June 2020

Statement of Financial Position	Note	Restated Original Balance <sup>1</sup> 30 June 2020 \$'000	Impact Increase/ (Decrease) \$'000	Restated Balance 30 June 2020 \$'000
Investment properties	9(a)	633,165	(758)	632,407
Property, Plant and Equipment	10(a)	1,785,908	75,992	1,861,900
<b>Total Assets</b>		<b>2,751,180</b>	<b>75,234</b>	<b>2,826,414</b>
Borrowings	15(a)	1,773,259	373	1,773,632
<b>Total Liabilities</b>		<b>1,773,259</b>	<b>373</b>	<b>1,773,632</b>
<b>Net Assets</b>		<b>866,331</b>	<b>74,861</b>	<b>941,192</b>
Asset Revaluation Reserve	18(a)	185,285	75,116	260,401
Accumulated Funds	18(b)	681,046	(255)	680,791
<b>Total Equity</b>		<b>866,331</b>	<b>74,861</b>	<b>941,192</b>

1) The amounts as at 1 July 2019 and 30 June 2020 have been restated due to the implementation of AASB 1059 (Note 1(g)(i)).

24. EVENTS AFTER THE REPORTING PERIOD

Management is continuously evaluating the COVID-19 impact on PMNSW and has concluded that while it is reasonably possible that COVID-19 could have a negative effect on the results of its future operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty, in particular the latest lockdown in NSW in July 2021.

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

End of Audited Financial Statements



## INDEPENDENT AUDITOR'S REPORT

### Luna Park Reserve Trust

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of Luna Park Reserve Trust (the Trust), which comprise the Statement by Trust Manager, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

### Basis for Opinion

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

I am independent of the Trust in accordance with the requirements of the:

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

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

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

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

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

### Trust Manager's Responsibilities for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

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



Min Lee  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

7 October 2021  
SYDNEY

# Luna Park Reserve Trust

## Financial Statements

For the Year Ended 30 June 2021

### Statement by Trust Manager

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), I state on behalf of the Luna Park Reserve Trust, that in my opinion:

- (a) The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards (which includes Australian Accounting interpretations) and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions;
- (b) The statements and notes present fairly the financial position as at 30 June 2021, financial performance and cash flows of the Trust for the year then ended.



**Anita Mitchell**  
Chief Executive Officer  
Place Management NSW  
(Trust Manager)

Date: 6 October 2021

**LUNA PARK RESERVE TRUST**  
**Start of Audited Financial Statements**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2021**

	Note	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>Expenses</b>				
Other Operating Expenses	2(a)	438	1,232	2,204
Depreciation Expense	2(b)	960	901	889
<b>Total Expenses</b>		<b>1,398</b>	<b>2,133</b>	<b>3,093</b>
<b>Revenue</b>				
Sale of Goods and Services	3(a)	841	1,119	1,807
Investment Revenue	3(b)	2	110	11
Grants and Contributions	3(c)	900	900	800
<b>Total Revenue</b>		<b>1,743</b>	<b>2,129</b>	<b>2,618</b>
<b>NET RESULT</b>		<b>345</b>	<b>(4)</b>	<b>(475)</b>
<b>Other Comprehensive Income</b>				
<i>Item that will not be Reclassified to Net Result:</i>				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	821	-	731
<b>Total Other Comprehensive Income</b>		<b>821</b>	<b>-</b>	<b>731</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,166</b>	<b>(4)</b>	<b>256</b>

The accompanying notes form part of these financial statements.

# LUNA PARK RESERVE TRUST

## Statement of Financial Position

As at 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	5(a)	1,467	2,324	1,429
Receivables	6(a)	1,507	633	634
<b>Total Current Assets</b>		<b>2,974</b>	<b>2,957</b>	<b>2,063</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	7(a)	42,043	41,737	42,185
<b>Total Non-Current Assets</b>		<b>42,043</b>	<b>41,737</b>	<b>42,185</b>
<b>TOTAL ASSETS</b>		<b>45,017</b>	<b>44,694</b>	<b>44,248</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	9(a)	14	411	411
<b>Total Current Liabilities</b>		<b>14</b>	<b>411</b>	<b>411</b>
<b>TOTAL LIABILITIES</b>		<b>14</b>	<b>411</b>	<b>411</b>
<b>NET ASSETS</b>		<b>45,003</b>	<b>44,283</b>	<b>43,837</b>
<b>EQUITY</b>				
Accumulated Funds	10(a)	7,680	7,325	7,335
Asset Revaluation Reserve	10(b)	37,323	36,958	36,502
<b>TOTAL EQUITY</b>		<b>45,003</b>	<b>44,283</b>	<b>43,837</b>

The accompanying notes form part of these financial statements.

## LUNA PARK RESERVE TRUST

### Statement of Changes in Equity

For the Year Ended 30 June 2021

	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>Balance at 1 July 2020</b>		<b>7,335</b>	<b>36,502</b>	<b>43,837</b>
<b>Net Result for the Year</b>		345	-	345
<b>Other Comprehensive Income:</b>				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	-	821	821
<b>Total Other Comprehensive Income</b>		-	821	821
<b>Total Comprehensive Income for the Year</b>		345	821	1,166
<b>Balance at 30 June 2021</b>		<b>7,680</b>	<b>37,323</b>	<b>45,003</b>
<b>Balance at 1 July 2019</b>		<b>7,810</b>	<b>35,771</b>	<b>43,581</b>
<b>Net Result for the Year</b>		(475)	-	(475)
<b>Other Comprehensive Income:</b>				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	-	731	731
<b>Total Other Comprehensive Income</b>		-	731	731
<b>Total Comprehensive Income for the Year</b>		(475)	731	256
<b>Balance at 30 June 2020</b>		<b>7,335</b>	<b>36,502</b>	<b>43,837</b>

The accompanying notes form part of these financial statements.

## LUNA PARK RESERVE TRUST

### Statement of Cash Flows

For the Year Ended 30 June 2021

	Notes	Actual 2021 \$'000	Budget 2021 \$'000	Actual 2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Payment to Suppliers		(864)	(1,232)	(2,366)
<b>Total Payments</b>		<b>(864)</b>	<b>(1,232)</b>	<b>(2,366)</b>
<b>Receipts</b>				
Sale of Goods and Services		-	1,120	1,378
Interest Received		2	110	11
Grants and Contributions		900	900	800
Other receipts		-	(3)	-
<b>Total Receipts</b>		<b>902</b>	<b>2,127</b>	<b>2,189</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	5(c)	<b>38</b>	<b>895</b>	<b>(177)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of Property, Plant and Equipment		-	-	(397)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>(397)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>38</b>	<b>895</b>	<b>(574)</b>
Opening Cash and Cash Equivalents		1,429	1,429	2,003
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5(a)	<b>1,467</b>	<b>2,324</b>	<b>1,429</b>

The accompanying notes form part of these financial statements.



# LUNA PARK RESERVE TRUST

## Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Reporting Entity

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

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

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

The Department of Planning, Industry and Environment (DPIE), a principal department, is a separate reporting entity and does not control the Trust for financial reporting purposes.

These financial statements for Year ended 30 June 2021 have been authorised for issue by the PMNSW's Chief Executive Officer on 6 October 2021.

#### (b) Basis of Preparation

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

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

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

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

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

The Trust's financial statements are prepared on a going concern basis as the assumption that the Trust is a going concern is justified.

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

#### (c) Statement of Compliance

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

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

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

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

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

#### (e) Comparative Information

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

# LUNA PARK RESERVE TRUST

## Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### (f) Fair Value Measurement and Hierarchy

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

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

Level 1 – quoted prices in active markets for identical assets/liabilities that the Trust can access at measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3 – inputs that are not based on observable market data (unobservable inputs).

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

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

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

#### (i) Effective for the First Time in 2020-21

The Trust applied AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2020-21, but do not have an impact on the financial statements of the Trust.

#### • AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the entity from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of those services.

Where AASB 1059 applies, the grantor recognises the service concession asset when the grantor obtains control of the asset and measures the service concession asset at current replacement cost. At the same time the grantor recognises a corresponding financial liability or unearned revenue liability or a combination of both.

The adoption of AASB 1059 and the withdrawal of TPP 06-8 did not have any impact on the Trust's financial statements.

# LUNA PARK RESERVE TRUST

## Section A: Entity Information and Basis of Preparation

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

#### (ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standard, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods.

The following new standards have not been applied and are not yet effective. The impact of the following standards in the period of initial application is not expected to be significant:

- AASB 17 Insurance Contracts
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures For-Profit and Not-for-Profit Tier 2 Entities
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform - Phase 2
- AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments
- AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021
- AASB 2021-4 Amendments to Australian Accounting Standards – Modified Retrospective Transition Approach for Service Concession Grantors
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction of Accounting Estimates

#### (h) Impact of COVID-19 on Financial Reporting for 2020-21

COVID-19 caused a decrease of \$1.0 million in the Trust's rental revenue in 2020-21. However, the decrease in rental revenue was compensated by the one-off grant income of \$0.9 million from the NSW State through DPIE. COVID-19 did not have any impact on the expected credit losses of Receivables and the fair value of Property, Plant and Equipment. The Trust provided a rent relief to its tenant in 2020-21 in the form of rental deferral. As the existing lease will only expire in 2044, the Trade Debtor from the deferred rent is expected to be fully collected at a later stage.

# LUNA PARK RESERVE TRUST

## Section B: Financial Performance

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### 2. EXPENSES

#### (a) Other Operating Expenses

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Repairs and Maintenance (i)	72	1,792
Management Fee	303	350
Auditor's Remuneration - Audit of Financial Statements	15	32
Other Contractors	23	6
Shared Service Fees	25	24
	<u>438</u>	<u>2,204</u>

#### (i) Repairs and Maintenance

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

The significant decrease in Repairs and Maintenance of \$1.7 million in 2020-21 was due to decrease in Restricted Cash in 2020-21 available for reimbursement to the tenant due to decrease in the Heritage and Infrastructure Rental Income component.

#### (b) Depreciation Expense

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
Depreciation Expense (Note 7(a))	960	889
	<u>960</u>	<u>889</u>

#### Recognition and Measurement - Depreciation of Property, Plant and Equipment

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

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

<b>Asset Class</b>	<u>2021</u>	<u>2020</u>
	<u>Years</u>	<u>Years</u>
Buildings and Improvements	20-50	20-50
Infrastructure	50	50

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

### 3. REVENUE

#### Recognition and Measurement - Revenue

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

# LUNA PARK RESERVE TRUST

## Section B: Financial Performance

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### (a) Sale of Goods and Services

	2021	2020
	\$'000	\$'000
Property Rental Income - Operating Lease Income	491	717
Heritage and Infrastructure Rental Income - Operating Lease Income	350	1,090
	<u>841</u>	<u>1,807</u>

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

### (b) Investment Revenue

	2021	2020
	\$'000	\$'000
Interest	2	11
	<u>2</u>	<u>11</u>

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

### (c) Grants and Contributions

	2021	2020
	\$'000	\$'000
Grant Revenue	900	800
	<u>900</u>	<u>800</u>

Revenue from grants and contributions without sufficiently specific milestones/performance obligations is recognised when the Trust obtains control over the granted assets (i.e. cash received) in accordance with AASB 1058 "Income of Not-for-Profit Entities".

Grant revenue received in 2020-21 represents a one-off contribution from the NSW State through DPIE as a result of revenue loss due to COVID-19 restrictions. No element of financing is deemed present as the grant payment is received in advance. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. This is based on past experience and/or terms in the agreement.

## 4. BUDGET REVIEW

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

### (a) Net Result

The Net Result of \$0.3 million surplus was \$0.3 million higher than budget, primarily due to decrease in Other Operating Expense by \$0.8 million, in particular Repairs and Maintenance expense, and partly offset by decrease in Rental Revenue.

### (b) Assets and Liabilities

Total Assets of \$45.0 million were \$0.3 million higher than budget, primarily due to increase in Property Plant and Equipment from 2020-21 revaluations. The increase in Receivables and decrease in Cash and Cash Equivalents were mainly due to the rental payment deferral due to COVID-19.

Total Liabilities of \$0.01 million were \$0.4 million lower than budget due to decrease in Payables by \$0.4 million from payment in 2020-21.

### (c) Cash Flows

Closing Cash and Cash Equivalents of \$1.5 million were \$0.8 lower than budget as a result of rental payment deferral due to COVID-19.

# LUNA PARK RESERVE TRUST

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### 5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

#### (a) Cash and Cash Equivalents

	2021 \$'000	2020 \$'000
<b>Current</b>		
Cash at Bank	1,467	1,410
Restricted Cash:		
Luna Park Heritage Infrastructure Fund (b)	-	19
	<u>1,467</u>	<u>1,429</u>

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

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

#### Interest Rate Risk

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at 30 June 2021. The analysis is performed on the same basis as for 2020. The analysis assumes that all other variables remain constant.

Exposure to interest rate risk arises primarily through the Trust's cash and cash equivalents. The Trust does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Trust's exposure to interest rate risk is set out below.

Interest Rate Risk - 2021	Carrying Amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,467	(15)	(15)	15	15
Interest Rate Risk - 2020	Carrying Amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>Financial Assets</b>					
Cash and Cash Equivalents	1,429	(14)	(14)	14	14

#### (b) Restricted Cash

	2021 \$'000	2020 \$'000
At the Beginning of Financial Year	19	-
Collection of Heritage and Infrastructure Rental	46	1,629
Payment for Heritage and Infrastructure Works During the Period	(63)	(1,612)
GST Transfers	(2)	2
At the End of Financial Year	<u>-</u>	<u>19</u>

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

# LUNA PARK RESERVE TRUST

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

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

	2021	2020
	\$'000	\$'000
<b>Net Cash Flow From Operating Activities</b>	<b>38</b>	<b>(177)</b>
<b>Non-Cash Revenue/(Expenses):</b>		
Depreciation	(960)	(889)
<b>Changes in Operating Assets and Liabilities:</b>		
Increase/(Decrease) in Receivables	851	469
Decrease/(Increase) in Payables	416	122
<b>Net Result</b>	<b>345</b>	<b>(475)</b>

### 6. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

#### (a) Receivables

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Trade Debtors - Rent Receivable	1,457	610
GST Receivable	-	22
Accrued Revenue	50	2
<b>Total Current Receivables</b>	<b>1,507</b>	<b>634</b>

#### (b) Recognition and Measurement - Receivables

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

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

##### (i) Subsequent measurement

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

##### (ii) Impairment

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

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

# LUNA PARK RESERVE TRUST

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

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

#### (a) Total Property, Plant and Equipment

	2021 \$'000	2020 \$'000
<b>Non-Current</b>		
<b>Land</b>		
At Fair Value	18,135	17,869
<b>Carrying Amount at 30 June</b>	<b>18,135</b>	<b>17,869</b>
<b>Buildings</b>		
At Fair Value	27,898	27,145
Accumulated Depreciation	(12,072)	(11,169)
<b>Carrying Amount at 30 June</b>	<b>15,826</b>	<b>15,976</b>
<b>Infrastructure</b>		
At Fair Value	18,016	17,818
Accumulated Depreciation	(9,934)	(9,478)
<b>Carrying Amount at 30 June</b>	<b>8,082</b>	<b>8,340</b>
<b>Work in Progress</b>	-	-
<b>Total Property, Plant and Equipment</b>		
At Fair Value	64,049	62,832
Accumulated Depreciation	(22,006)	(20,647)
<b>Total Property Plant and Equipment Carrying Amount at 30 June</b>	<b>42,043</b>	<b>42,185</b>
<b>Reconciliation of Opening and Closing Carrying Amounts</b>		
	2021 \$'000	2020 \$'000
<b>Land</b>		
Carrying Amount at 1 July	17,869	17,869
Net Revaluation Increment/(Decrement) (Note 10(b))	266	-
<b>Carrying Amount at 30 June</b>	<b>18,135</b>	<b>17,869</b>
<b>Buildings</b>		
Carrying Amount at 1 July	15,976	16,014
Depreciation Expense (Note 2(b))	(588)	(559)
Net Revaluation Increment/(Decrement) (Note 10(b))	438	521
<b>Carrying Amount at 30 June</b>	<b>15,826</b>	<b>15,976</b>
<b>Infrastructure</b>		
Carrying Amount at 1 July	8,340	7,346
Transfer from Work in Progress	(3)	1,114
Depreciation Expense (Note 2(b))	(372)	(330)
Net Revaluation Increment/(Decrement) (Note 10(b))	117	210
<b>Carrying Amount at 30 June</b>	<b>8,082</b>	<b>8,340</b>
<b>Work in Progress</b>		
Carrying Amount at 1 July	-	717
Additions/(Correction of Addition)	(3)	397
Transfer to Fixed Assets	3	(1,114)
<b>Carrying Amount at 30 June</b>	<b>-</b>	<b>-</b>
<b>Total Property Plant and Equipment Carrying Amount at 30 June</b>	<b>42,043</b>	<b>42,185</b>



# LUNA PARK RESERVE TRUST

## Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

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

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-Current</b>		
<b>Land</b>		
At Fair Value	18,135	17,869
<b>Carrying Amount at 30 June</b>	<b>18,135</b>	<b>17,869</b>
<b>Buildings</b>		
At Fair Value	27,898	27,145
Accumulated Depreciation	(12,072)	(11,169)
<b>Carrying Amount at 30 June</b>	<b>15,826</b>	<b>15,976</b>
<b>Infrastructure</b>		
At Fair Value	18,016	17,818
Accumulated Depreciation	(9,934)	(9,478)
<b>Carrying Amount at 30 June</b>	<b>8,082</b>	<b>8,340</b>
<b>Work in Progress</b>	-	-
<b>Total Property, Plant and Equipment</b>		
At Fair Value	64,049	62,832
Accumulated Depreciation	(22,006)	(20,647)
<b>Total Property Plant and Equipment Carrying Amount at 30 June</b>	<b>42,043</b>	<b>42,185</b>
<b>Reconciliation of Opening and Closing Carrying Amounts</b>		
	<b>2021</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Carrying Amount at 1 July	17,869	17,869
Net Revaluation Increment/(Decrement)	266	-
<b>Carrying Amount at 30 June</b>	<b>18,135</b>	<b>17,869</b>
<b>Buildings</b>		
Carrying Amount at 1 July	15,976	16,014
Depreciation Expense	(588)	(559)
Net Revaluation Increment/(Decrement)	438	521
<b>Carrying Amount at 30 June</b>	<b>15,826</b>	<b>15,976</b>
<b>Infrastructure</b>		
Carrying Amount at 1 July	8,340	7,346
Transfer from Work in Progress	(3)	1,114
Depreciation Expense	(372)	(330)
Net Revaluation Increment/(Decrement)	117	210
<b>Carrying Amount at 30 June</b>	<b>8,082</b>	<b>8,340</b>
<b>Work in Progress</b>		
Carrying Amount at 1 July	-	717
Additions/(Correction of Addition)	(3)	397
Transfer to Fixed Assets	3	(1,114)
<b>Carrying Amount at 30 June</b>	<b>-</b>	<b>-</b>
<b>Total Property Plant and Equipment Carrying Amount at 30 June</b>	<b>42,043</b>	<b>42,185</b>

# LUNA PARK RESERVE TRUST

## Section C: Assets

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

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

##### (i) Acquisitions of Assets

Assets acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

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

##### (ii) Capitalisation Thresholds

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

##### (iii) Revaluation of Property, Plant and Equipment

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

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any social-political restrictions imposed by government. In most cases after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 8 for further information regarding fair value.

The Trust re-values each class of property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. A comprehensive revaluation was performed on 31 March 2019 by AON Global Risk Consulting Valuation Services (AON).

Interim revaluations are conducted between comprehensive revaluations. A desktop revaluation was performed on 31 March 2021 and was subsequently updated on 30 June 2021 by AON.

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

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

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

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

# LUNA PARK RESERVE TRUST

## Section C: Assets

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

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

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

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

#### (iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 "Impairment of Assets" is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not-for-profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

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

#### (v) Major Inspection Costs

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

#### (vi) Restoration Costs

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

## 8. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis (Refer to Notes 1(f) and 7):

#### (a) Fair Value Hierarchy 2021

	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
<b>Property, Plant and Equipment (Note 7)</b>				
Land	-	18,135	-	18,135
Buildings	-	-	15,826	15,826
Infrastructure	-	-	8,082	8,082
	-	<b>18,135</b>	<b>23,908</b>	<b>42,043</b>
<b>2020</b>				
	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
<b>Property, Plant and Equipment (Note 7)</b>				
Land	-	17,869	-	17,869
Buildings	-	-	15,976	15,976
Infrastructure	-	-	8,340	8,340
	-	<b>17,869</b>	<b>24,316</b>	<b>42,185</b>

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

# LUNA PARK RESERVE TRUST

## Section C: Assets

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

#### (b) Valuation Techniques, Input and Processes

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

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

#### (c) Reconciliation of Recurring Level 3 Fair Value Measurements

##### 2021

	Buildings	Infrastructure	Total Recurring Level 3 Fair Value
	\$'000	\$'000	\$'000
Fair Value as at 1 July 2020	15,976	8,340	24,316
Additions/(Correction of Addition)	-	(3)	(3)
Revaluation Increments/(Decrements)	438	117	555
Depreciation	(588)	(372)	(960)
<b>Fair Value as at 30 June 2021</b>	<b>15,826</b>	<b>8,082</b>	<b>23,908</b>

##### 2020

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

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

# LUNA PARK RESERVE TRUST

## Section D: Liabilities

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### 9. CURRENT LIABILITIES - PAYABLES

#### (a) Payables

	<u>2021</u>	<u>2020</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Current</b>		
Trade Creditors	-	27
Accrued Expenses	9	384
GST Payable	5	-
	<u>14</u>	<u>411</u>

#### (b) Recognition and Measurement - Payables

Payables are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Payables represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

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

#### (c) Maturity Profile

All of the Trust's payables and accruals have a maturity of less than 12 months (2020: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasury Circular TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasury Circular TC 11/12 allows the Minister to award interest for late payment.

# LUNA PARK RESERVE TRUST

## Section E: Equity

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### 10. EQUITY

#### (a) Accumulated Funds

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

<b>Accumulated Funds Movement</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying Amount at 1 July	7,335	7,810
Net Result for the Year	345	(475)
<b>Carrying Amount at 30 June</b>	<b>7,680</b>	<b>7,335</b>

#### (b) Asset Revaluation Reserve

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

<b>Asset Revaluation Reserve Movement</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying Amount at 1 July	36,502	35,771
Net Increase in Revaluation Reserve (i)	821	731
<b>Carrying Amount at 30 June</b>	<b>37,323</b>	<b>36,502</b>

#### Dissection by Asset Class:

Land	13,315	13,049
Buildings	16,457	16,019
Infrastructure	7,551	7,434
<b>Total Asset Revaluation Reserve at 30 June</b>	<b>37,323</b>	<b>36,502</b>

#### (i) Net Increase in Revaluation Reserve

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Land (Note 7(a))	266	-
Buildings (Note 7(a))	438	521
Infrastructure (Note 7(a))	117	210
<b>Net Increase in Revaluation Reserve</b>	<b>821</b>	<b>731</b>

# LUNA PARK RESERVE TRUST

## Section F: Financial Instruments and Other Notes

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

#### 11. FINANCIAL INSTRUMENTS

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

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

The PMNSW Board (as the Trust manager) has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Trust, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by Management on a continuous basis.

#### (a) Financial Instrument Categories

(i) As at 30 June 2021

Class	Notes	Category	Carrying amount \$'000
<b>Financial Assets</b>			
Cash and Cash Equivalents	5	Amortised Cost	1,467
Receivables (i)	6	Amortised Cost	1,507
<b>Financial Liabilities</b>			
Payables (ii)	9	Financial Liabilities measured at Amortised Cost	9

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

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

(ii) As at 30 June 2020 under AASB 9

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

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

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

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

#### (b) Derecognition of financial assets and financial liabilities

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

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

# LUNA PARK RESERVE TRUST

## Section F: Financial Instruments and Other Notes

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

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

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

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

#### **(c) Offsetting financial instruments**

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

#### **(d) Financial Risks**

##### **(i) Credit Risk**

Credit risk arises when there is the possibility that a counterparty will default on their contractual obligations, resulting in a financial loss to the Trust. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Trust, including cash and receivables (Notes 5 and 6). No collateral is held by the Trust and the Trust has not granted any financial guarantees. Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

##### *Cash and cash equivalents*

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

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

##### *Receivables - trade debtors*

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

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

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

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macro-economic factors affecting the ability of the customers to settle the receivables.



# LUNA PARK RESERVE TRUST

## Section F: Financial Instruments and Other Notes

### Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2021 and 30 June 2020 was Nil.

#### (ii) Liquidity Risk

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

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

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

#### (iii) Market Risk

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

#### (iv) Fair Value of Financial Instruments

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

## 12. COMMITMENTS FOR EXPENDITURE

	2021	2020
	\$'000	\$'000
Capital expenditure contracted at balance date but not provided for:		
Payable within one year	-	85
Payable later than one year but not later than five years	-	-
<b>Total Capital Expenditure Commitments (Incl GST)</b>	<b>-</b>	<b>85</b>

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

## 13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Trust is not aware of any contingent assets or liabilities at 30 June 2021 (Nil at 30 June 2020).

The Trust may be liable for reimbursement to the lessee for maintenance costs of Heritage and Infrastructure. The amount involved cannot be accurately determined as the reimbursement is subject to collection of future Heritage and Infrastructure operating lease income from the lessee. The Trust is not aware of any other contingent liabilities at 30 June 2021 (Nil at 30 June 2020).

# LUNA PARK RESERVE TRUST

## Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2021

### 14. RELATED PARTY DISCLOSURES

#### (a) Key Management Personnel Compensation

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

#### (b) Transactions and Outstanding Balances with Other Related Parties

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

#### (c) Transactions and Outstanding Balances with Other Government Entities

During the year, the Trust entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the Trust's sale of goods/rendering of services/receiving of services. The Trust received management services of \$0.3 million from Place Management NSW in 2020-21.

### 15. EVENTS AFTER REPORTING DATE

Management is continuously evaluating the COVID-19 impact on the Trust and has concluded that while it is reasonably possible that the COVID-19 could have a negative effect on the results of its future operations, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty, in particular the latest lockdown in NSW in July 2021.

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

**End of Audited Financial Statements**



**APPENDICES**

# PAYMENT OF ACCOUNTS — PLACE MANAGEMENT NSW

The table below indicates Place Management NSW's account payment performance for 2020-21.

PERFORMANCE 2020-21	1ST QTR	2ND QTR	3RD QTR	4TH QTR	Grand Total
<b>ALL SUPPLIERS</b>					
<b>Value of Invoices Paid (\$'000)</b>					
Paid on/ before due date	21,236	21,563	20,914	8,791	72,504
<30 Days Past Due Date	9,576	8,086	3,197	5,879	26,737
>30<60 Days Past Due Date	1,727	893	2,972	1,057	6,650
>60<90 Days Past Due Date	183	111	424	160	878
>90 Days Past Due Date	757	128	184	1,109	2,179
<b>Total Value of Invoices Paid (\$'000)</b>	<b>33,479</b>	<b>30,782</b>	<b>27,691</b>	<b>16,997</b>	<b>108,948</b>
<b>% Paid on Time - By Value</b>	<b>63%</b>	<b>70%</b>	<b>76%</b>	<b>52%</b>	<b>67%</b>
<b>Number of Invoices Paid</b>					
Paid On / Before Due Date	357	386	346	570	1,659
Paid Past Due Date	330	316	468	399	1,513
<b>Total Number of Invoices Paid</b>	<b>687</b>	<b>702</b>	<b>814</b>	<b>969</b>	<b>3,172</b>
<b>% Paid on Time - By Number</b>	<b>52%</b>	<b>55%</b>	<b>43%</b>	<b>59%</b>	<b>52%</b>
<b>Interest Paid</b>					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0
<b>SMALL BUSINESS SUPPLIERS</b>					
<b>Value of Invoices Paid (\$'000)</b>					
Paid on/ before due date	21,074	21,415	20,910	8,787	72,186
<30 Days Past Due Date	10,078	14,177	10,254	31,730	66,238
>30<60 Days Past Due Date	1,690	723	2,865	1,031	6,310
>60<90 Days Past Due Date	183	111	424	160	878
>90 Days Past Due Date	757	128	184	1,109	2,179
<b>Total Value of Invoices Paid (\$'000)</b>	<b>33,781</b>	<b>36,555</b>	<b>34,637</b>	<b>42,817</b>	<b>147,790</b>
<b>Total Value Paid on Time %</b>	<b>62%</b>	<b>59%</b>	<b>60%</b>	<b>21%</b>	<b>49%</b>
<b>Number of Invoices Paid</b>					
Paid On / Before Due Date	423	321	419	442	1605
Paid Past Due Date	204	327	344	469	1344
<b>Total Number of Invoices Paid</b>	<b>627</b>	<b>648</b>	<b>763</b>	<b>911</b>	<b>2949</b>
<b>% Paid on Time - By Number</b>	<b>67%</b>	<b>50%</b>	<b>55%</b>	<b>49%</b>	<b>54%</b>
<b>Interest Paid</b>					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0

# PAYMENT OF ACCOUNTS — LUNA PARK RESERVE TRUST

The table below indicates Luna Park Reserve Trust's account payment performance for 2020-21.

PERFORMANCE 2020-21	1ST QTR	2ND QTR	3RD QTR	4TH QTR	Grand Total
<b>ALL SUPPLIERS</b>					
<b>Value of Invoices Paid (\$'000)</b>					
Paid on/ before due date	0	40	0	718	758
<30 Days Past Due Date	12	13	0	13	38
>30<60 Days Past Due Date	24	0	0	0	24
>60<90 Days Past Due Date	6	0	0	1	7
>90 Days Past Due Date	33	41	0	1	75
<b>Total Value of Invoices Paid (\$'000)</b>	<b>74</b>	<b>94</b>	<b>0</b>	<b>734</b>	<b>902</b>
<b>% Paid on Time - By Value</b>	<b>0%</b>	<b>42%</b>	<b>0%</b>	<b>98%</b>	<b>84%</b>
<b>Number of Invoices Paid</b>					
Paid On / Before Due Date	0	2	0	2	4
Paid Past Due Date	19	7	4	5	35
<b>Total Number of Invoices Paid</b>	<b>19</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>39</b>
<b>% Paid on Time - By Number</b>	<b>0%</b>	<b>22%</b>	<b>0%</b>	<b>29%</b>	<b>10%</b>
<b>Interest Paid</b>					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0
<b>SMALL BUSINESS SUPPLIERS</b>					
<b>Value of Invoices Paid (\$'000)</b>					
Paid on/ before due date	0	40	0	718	758
<30 Days Past Due Date	0	13	0	13	26
>30<60 Days Past Due Date	0	0	0	0	0
>60<90 Days Past Due Date	0	0	0	1	1
>90 Days Past Due Date	0	41	0	1	42
<b>Total Value of Invoices Paid (\$'000)</b>	<b>0</b>	<b>94</b>	<b>0</b>	<b>734</b>	<b>828</b>
<b>Total Value Paid on Time %</b>	<b>0%</b>	<b>42%</b>	<b>0%</b>	<b>98%</b>	<b>92%</b>
<b>Number of Invoices Paid</b>					
Paid On / Before Due Date	0	6	3	3	12
Paid Past Due Date	0	3	1	4	8
<b>Total Number of Invoices Paid</b>	<b>0</b>	<b>9</b>	<b>4</b>	<b>7</b>	<b>20</b>
<b>% Paid on Time - By Number</b>	<b>0%</b>	<b>67%</b>	<b>75%</b>	<b>43%</b>	<b>60%</b>
<b>Interest Paid</b>					
Number of Payments for Interest on:					
Overdue Invoices	0	0	0	0	0
Interest Paid on Overdue Invoices	0	0	0	0	0

# RISK MANAGEMENT AND INSURANCE ACTIVITIES

## Risk Management

### INSURANCE ARRANGEMENTS AND ACTIVITIES

During the period 2020-21, PMNSW had insurance arrangements in place for all its assets and major risk. Insurable risk cover for PMNSW was provided through participation in the NSW Treasury Managed Fund (TMF), the NSW Government self-insurance scheme while insurance for LPRT was provided by the lessee. Insurable risk exposures covered through the TMF includes:

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

The main exposures that are not included are:

- illegal activities
- wear and tear, and inherent vice (Note: Inherent Vice is an exclusion found in most property insurance policies

eliminating coverage if there is a hidden defect in a good or property which causes or contributes to its deterioration, damage, or wastage)

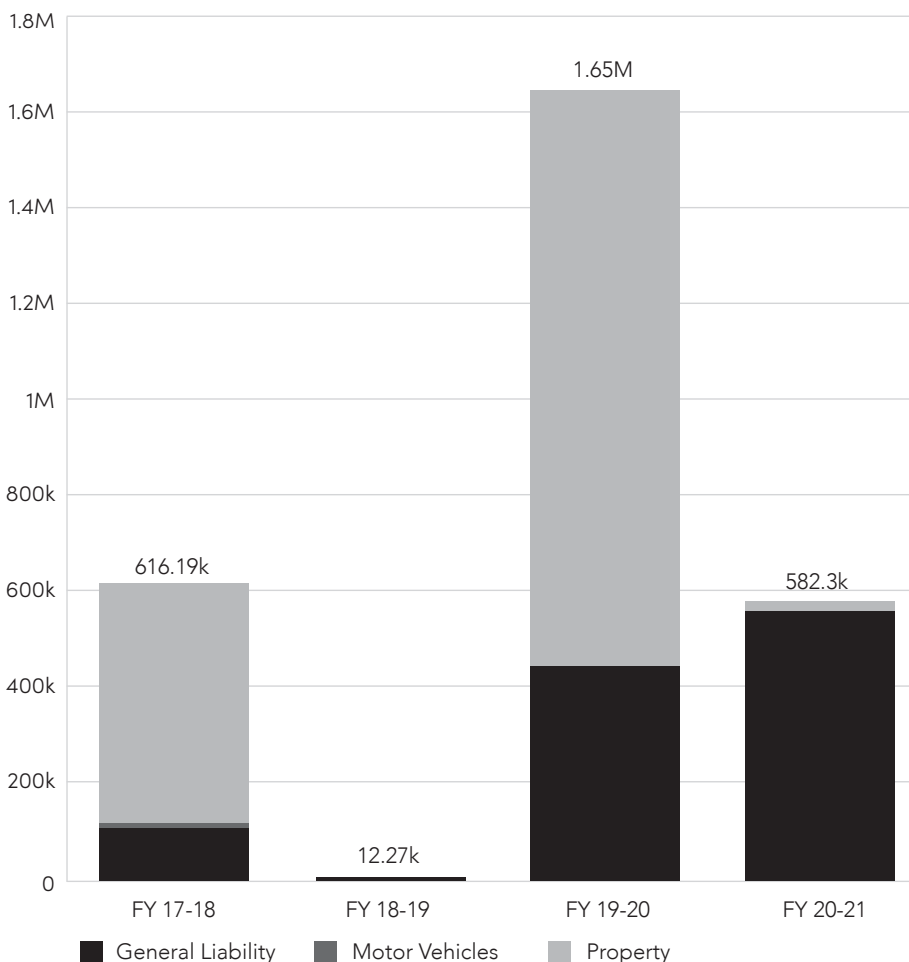
- pollution (not being sudden and accidental pollution)

### NUMBER OF CLAIMS AND NET INCURRED COSTS

Insurance claims and net incurred cost for PMNSW for financial year 2019-20 and 2020-21 are shown in the table below.

	Number of Claims		Net incurred cost (\$)	
	2019-20	2020-21	2019-20	2020-21
Workers Comp	-	-	-	-
Property	2	1	\$1,205,188	\$18,731
Liability	11	14	\$444,025	\$563,586
Motor vehicle	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total</b>	<b>13</b>	<b>15</b>	<b>\$1,649,213</b>	<b>\$582,317</b>

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



## PROPERTY AND ADVISORY GROUP AUDIT AND RISK COMMITTEE (ARC)

PMNSW has an independent Audit and Risk Committee (ARC) under a collaborative shared Audit and Risk Committee arrangement. During the year, the Chief Audit Executive reported to the ARC. The ARC met during 2020–21.

### MEMBERSHIP

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

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

## Internal Audit and Risk Management Attestation Statement for the 2020-2021 Financial Year for Place Management NSW

I, Anita Mitchell, Chief Executive, Place Management NSW, am of the opinion that Place Management NSW has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

### Core Requirements

#### Risk Management Framework

- |     |   |                  |
|-----|---|------------------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.  | <b>Compliant</b> |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | <b>Compliant</b> |

#### Internal Audit Function

- |     |  |                  |
|-----|--|------------------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.                                    | <b>Compliant</b> |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | <b>Compliant</b> |
| 2.3 | The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.                                  | <b>Compliant</b> |

#### Audit and Risk Committee

- |     |   |                  |
|-----|---|------------------|
| 3.1 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | <b>Compliant</b> |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'.   | <b>Compliant</b> |



## Membership

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

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

## Shared Arrangements

I, Anita Mitchell, Chief Executive, Place Management NSW, advise that Place Management NSW has entered into an approved shared arrangement comprising the following agencies:

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

The resources shared include the Audit and Risk Committee, the Chief Audit Executive, and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee.



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Anita Mitchell  
**Chief Executive**  
**Place Management NSW**  
Date: 23 August 2021

Agency Contact:  
Suzette Gay  
Director Audit  
02 9289 6912

## Internal Audit and Risk Management Attestation Statement for the 2020-2021 Financial Year for the Luna Park Reserve Trust

I, Anita Mitchell, Chief Executive, Place Management NSW, Manager of the Luna Park Reserve Trust, am of the opinion that the Luna Park Reserve Trust, has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

### Core Requirements

#### Risk Management Framework

- |     |   |                  |
|-----|---|------------------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.  | <b>Compliant</b> |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | <b>Compliant</b> |

#### Internal Audit Function

- |     |  |                  |
|-----|--|------------------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.                                    | <b>Compliant</b> |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | <b>Compliant</b> |
| 2.3 | The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.                                  | <b>Compliant</b> |

#### Audit and Risk Committee

- |     |   |                  |
|-----|---|------------------|
| 3.1 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | <b>Compliant</b> |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'.   | <b>Compliant</b> |

## Membership

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

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

## Shared Arrangements

I, Anita Mitchell, Chief Executive, Place Management NSW (Manager of the Luna Park Reserve Trust), advise that the Luna Park Reserve Trust has entered into an approved shared arrangement comprising the following agencies:

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

The resources shared include the Audit and Risk Committee, the Chief Audit Executive, and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee.



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Anita Mitchell  
**Chief Executive**  
**Place Management NSW,**  
**Manager of the Luna Park Reserve Trust.**  
Date: 23 August 2021

Agency Contact:  
Suzette Gay  
Director Audit

## Cyber Security Annual Attestation for the 2020-2021 Financial Year for

### Place Management NSW

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

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

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

The Place Management NSW currently leverages the Department of Customer Service cyber security response plan, which has been exercised during the 2020- 2021 financial year with recommendations incorporated into process improvements via 'Project Trust'.

The Department of Customer Service has completed independent audits of cyber security controls in place during the 2020-2021 financial year, and the department's maturity against the NSW Cyber Security Policy mandatory requirements. These audits have identified opportunities for improvement, which we are now focussed on addressing.



**Anita Mitchell**  
**Chief Executive Placemaking NSW**  
**Place Management NSW**

Date: 10 September 2021

## **Cyber Security Annual Attestation for the 2020-2021 Financial Year for**

### **Luna Park Reserve Trust**

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

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

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

The Luna Park Reserve Trust currently leverages the Department of Customer Service cyber security response plan, which has been exercised during the 2020-2021 financial year with recommendations incorporated into process improvements via 'Project Trust'.

The Department of Customer Service has completed independent audits of cyber security controls in place during the 2020-2021 financial year, and the department's maturity against the NSW Cyber Security Policy mandatory requirements. These audits have identified opportunities for improvement, which we are now focussed on addressing.



**Anita Mitchell**  
**Chief Executive Placemaking NSW**  
**Luna Park Reserve Trust**

Date: 10 September 2021

# MULTICULTURAL POLICIES AND SERVICES PROGRAM

All Multicultural Plan and Disability Inclusion Action Plans initiatives for Place Management NSW now fall under DPIE and will be reported in their Annual Report.

## WORK HEALTH AND SAFETY (WHS)

In 2020-21, PMNSW continued to take a proactive approach in managing the safety of its employees, other workers and visitors to its properties and precincts. PMNSW worked closely with CBRE managing the precinct WHS function whilst PMNSW continues to manage WHS internally using an informal consultative approach aligned with the PDPS WHS business. Significant focus was placed on ensuring a healthy and safe workplace and environment for visitors to The Rocks and Darling Harbour in relation to COVID-19 measures to facilitate full enjoyment of the precincts.

### WHS incidents – PMNSW

There were three claims for workers compensation reported in 2020-21. One claim was classified as psychological and the other two were classified as physical with all three claimed by the same employee. A total of \$66,446 has been paid and the claim remains open. Outside of the workers compensation claim, there were no

additional work-related incidences reported.

The following number of incidents occurring in the public domain were reported during the period 2020-21:

Date	Time	Incident Description	Investigation outcome/Actions required/completed
28.11.2020	10am	Body of missing person discovered by NSW Police divers in Cockle Bay.	Missing person reported to NSW Police 26.11.2020. Divers searched Cockle Bay as part of police operation to locate missing person. No action required by PMNSW or CBRE.
4.2.2021	9.45am	Worker received an electric shock whilst removing a section of wall to access air-conditioning duct	Electrical isolation of the area completed however a redundant unterminated cable within the wall cavity remained live. Corrective actions to isolate power to the building when undertaking demolition work.
14.3.2021	7.45pm	Operator working in mast lift to lower the Rocks Market sail structure injured when the equipment overbalanced and fell.	Equipment use on section of the roadway not appropriate due to the gradient and camber of the surface. Replacement lift equipment sourced to replace mast lift for the install and lowering of the Rocks Market sail structure. Contractor SWMS and team training reviewed.

## BUDGETS

### Performance against budget

#### PMNSW

Place Management NSW, including the financial performance of the International Convention Centre Sydney, finished the 2020-21 financial year with a \$65.4 million surplus compared to budget.

Place Management NSW delivered a favourable variance of \$48.9 million in revenue primarily due to an increase in stimulus grant from Treasury as part of NSW Government COVID-19 economic stimulus.

Total expenses are \$7.4 million favourable to budget. This is primarily due to reduction in operating expenses in relation to COVID-19 pandemic.

#### LUNA PARK RESERVE TRUST

Luna Park Reserve Trust finished the 2020-21 financial year with a \$0.3 million surplus compared to budget. This was a result of the decrease in Other Operating Expense of \$0.7 million and the decrease in Rental Revenue of \$0.4 million.

## Budget Overview

#### PMNSW

Place Management NSW is forecasted to deliver a \$51.3 million deficit in the 2021-22 financial year. PMNSW has been materially impacted by the COVID-19 pandemic, which has caused reduction in both revenue and expenses. The forecasted deficit is primarily due to depreciation expenses of \$84.2 million.

#### LUNA PARK RESERVE TRUST

Luna Park Reserve Trust is forecasted to deliver a surplus of \$0.3 million in the 2021-22 budget. The forecasted surplus is primarily due to the expectation that the impact of COVID-19 to the Luna Park operator will decrease in 2021-22.

	2019-20 actual \$'000	2020-21 actual \$'000	2020-21 budget \$'000	2020-21 variance \$'000	2021-22 budget \$'000
<b>Place Management NSW</b>					
Expenses	298,511	267,060	274,469	(7,409)	327,860
Revenues	256,502	268,776	219,795	48,981	276,538
Other gains/(losses)	38,029	12,131	3,108	9,023	0
<b>Net operating result – surplus/</b>	<b>(3,980)</b>	<b>13,847</b>		<b>65,413</b>	<b>(51,322)</b>
<b>Luna Park Reserve Trust</b>					
Expenses	3,093	1,398	2,133	(735)	1,784
Revenues	2,618	1,743	2,129	(386)	2,057
Other gains/(losses)	0	0	0	0	0
<b>Net operating result – surplus/</b>	<b>(475)</b>	<b>345</b>	<b>(4)</b>	<b>349</b>	<b>273</b>



## ADDITIONAL MATTERS FOR INCLUSION

### Privacy and Personal Information Protection Act 1998

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

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

Additional information about how PMNSW manages its obligations under the PPIP Act is available at [planning.nsw.gov.au/Privacy](http://planning.nsw.gov.au/Privacy)

### Accessing this report

This report is available for download at [dpienew.nsw.gov.au/housing-and-property/place-management-nsw](http://dpienew.nsw.gov.au/housing-and-property/place-management-nsw)

## NUMBERS AND REMUNERATION OF SENIOR EXECUTIVES

See Human Resources.

## CREDIT CARD CERTIFICATION

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

## GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

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

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

### Review of proactive release program

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

PMNSW complies with this Act by proactively releasing information on the department's website [planning.nsw.gov.au](http://planning.nsw.gov.au)



## ASSESSMENT APPROVALS

In fulfillment of our heritage and conservation obligations, during 2020–21 PMNSW’s Strategic Planning Team processed the following applications:

- 246 applications for landowner’s consent (LOC)
- 73 heritage applications under delegation from the NSW Heritage Council:
  - s.60 applications (13 applications; av. 4 days – vs statutory timeframe 40 days, PMNSW agreed to 20 working days timeframe)
  - s60FT applications (3 applications; av.1 day – vs statutory timeframe of 20 days)
  - s.57(2) exemptions (59 applications; av. 2 days – vs statutory timeframe 10 days, however from Dec 2020 no statutory timeframe applies)
  - s.140 excavation permits (0 applications)
  - s.139 exceptions (1 applications; av. 1 day – vs statutory timeframe 15 days)

## PUBLIC INTEREST DISCLOSURES

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

There were no public interest disclosures made by PMNSW officials for the period 1 July 2020 to 30 June 2021.

## EXEMPTIONS AND NIL REPORTS

Reporting requirement Reason for exemption	Reason for exemption
Economic or other factors	N/A
Legal change	No legal change.
Land disposal	In 2020-21 PMNSW sold one property on a 99-year lease. PMNSW keeps a register of government contracts. All contracts greater than \$150,000 are released on the site <a href="https://tenders.nsw.gov.au/">https://tenders.nsw.gov.au/</a> .
Agreements with Multicultural NSW	PMNSW does not have any agreements with Multicultural NSW under the Multicultural Act 2000.
Implementation of price determination	PMNSW is not subject to determinations or recommendations of the Independent Pricing and Regulatory Tribunal of NSW.
Promotion	No PMNSW employees undertook overseas travel to promote or develop the business during the reporting period.
Disclosure of controlled entities	N/A
Disclosure of subsidiaries	PMNSW does not control or hold shares in any subsidiaries within the meaning of the Corporations Act 2001.
Investment Performance	PMNSW does not have an investment portfolio.
Requirements arising from employee arrangements	N/A
Research and Development	N/A



Planning,  
Industry &  
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