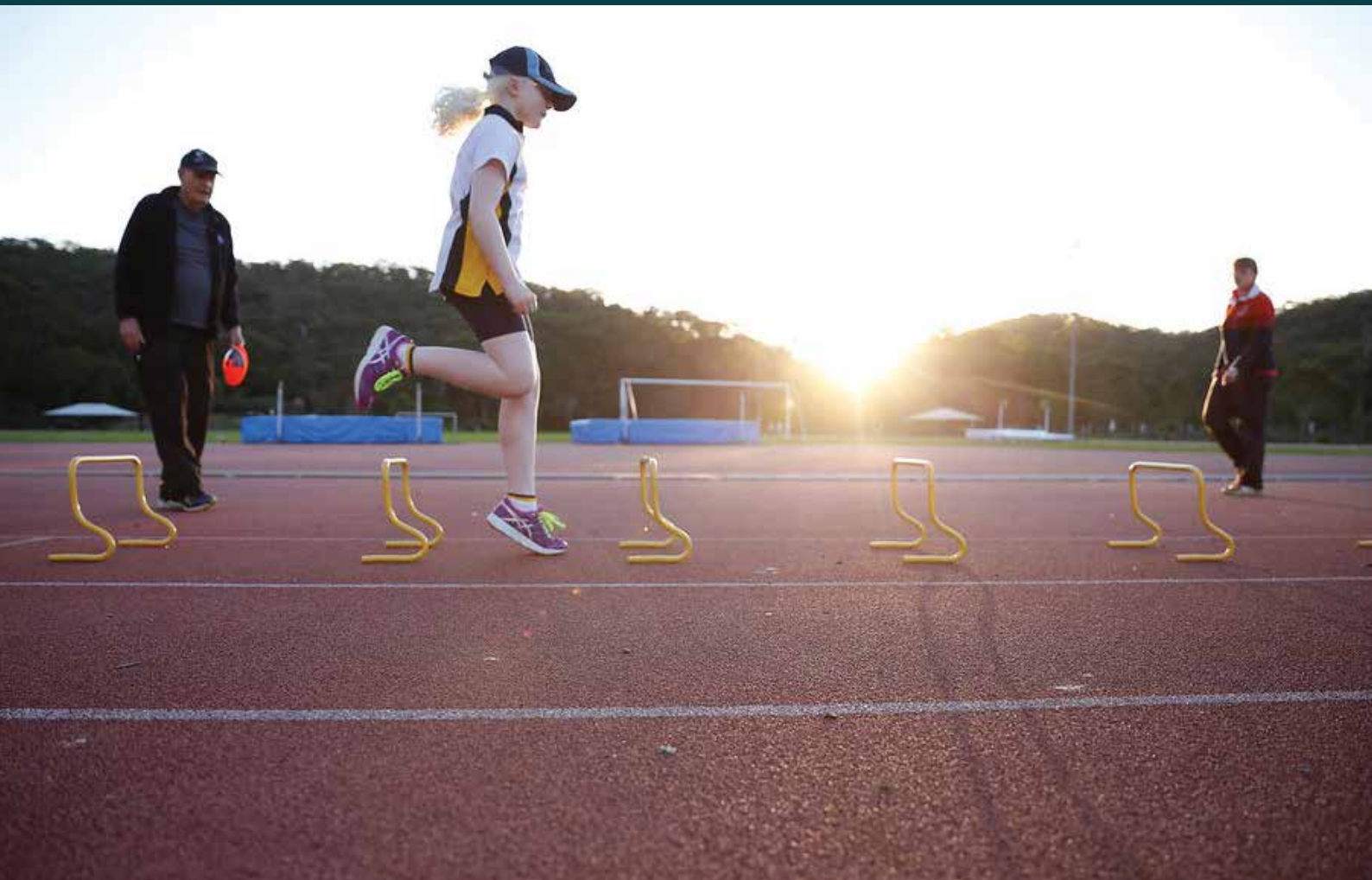


State Sporting Venues Authority Annual Report 2020/2021



Contents

Overview	1
Independent Auditor's Report	2
Internal Audit	4
Financial Statements	6
Statement by Chief Executive and Director Finance	7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

Overview

Charter

The Sporting Venues Authorities Act 2008 establishes the State Sporting Venues Authority (the Authority) as a statutory authority under the control of the Minister for Sport, Multiculturalism, Seniors and Veterans.

The Authority holds vested title to certain lands and its principal functions are to:

- Maintain and improve the Authority's land
- Establish and manage sporting grounds, sporting facilities and recreational facilities (whether or not on the Authority's land)
- Establish and manage facilities for the purposes of sporting competitions, sports training and sports education (whether or not on the Authority's land)
- Permit the use of the whole or any part of the Authority's land for activities of a sporting, recreational or community nature, including the use of that land for events and general community access
- Encourage the use and enjoyment of the Authority's land by the public and clubs, associations or other bodies, where appropriate in its opinion
- Undertake or provide, or facilitate the undertaking or provision of commercial and retail activities and facilities on the Authority's land
- Make all reasonable attempts to ensure that any new development carried out on the Authority's land accords with best practice environmental and planning standards
- Ensure that proper asset management plans are in place and are implemented for the Authority's land

The land holdings are as follows:

- Berry Sport and Recreation Centre*
- Borambola Sport and Recreation Centre*
- Jindabyne Sport and Recreation Centre
- Little Wobby Wharf
- Milson Island Sport and Recreation Centre
- Myuna Bay Sport and Recreation Centre
- Ryde Hockey Centre (Keith Thompson Hockey Centre)
- Southern Highlands Regional Shooting Complex
- Sydney Academy of Sport and Recreation*

* Part SSVA and part Crown Land

The Act allows the Authority to do all such supplemental, incidental or consequential acts as may be necessary or practical for the exercise of its functions, including entering into any contract or arrangement with any person in connection with the carrying out of its functions.

Summary review of operations

In 2015/2016, the Authority entered into a formal agreement with the Office of Sport regarding the use

and management of its lands. The agreement states, the functions of the Authority including the management of its lands are undertaken by the Sport and Recreation Services Group at the Office of Sport. The Office maintains the land and buildings of the Authority and undertakes capital works to upgrade the properties from time to time. In return, the Office receives the right to use the Authority's land and buildings for the conduct of a range of sport and recreation functions. By allowing the Office to conduct these activities on the Authority's land, the Authority passively achieves its aims, as they coincide with those of the Office in relation to sport and recreation functions. As the Authority holds no bank account, this reciprocal arrangement is represented in the Financial Statements of the Authority through the recognition of in-kind transactions. This agreement was unchanged and remained in force during 2020/2021.

Closure of Myuna Bay Sport and Recreation Centre

In December 2019, it was announced that the Myuna Bay Sport and Recreation Centre would be permanently closed due to safety concerns relating to the nearby Eraring Power Station Ash Dam. This has resulted in the Centre buildings and land value being impaired, further details of which can be found in the Financial Statements of the Authority. As at 30 June 2021, negotiations are continuing with Origin Energy Ltd over compensation related to the closure and building a new facility at a different location.

Management and structure

The Authority has no members, no board members and no staff. The Minister has delegated his responsibility for the day to day management of the Authority's functions to the Chief Executive, Office of Sport. The Minister acts as the Authority in matters relating to the transfer of land.

Financial Year

Pursuant to section 4(1A) of the Public Finance and Audit Act 1983, the Authority's financial year commences on 1 July and ends on the next 30 June.

Legislation

The Minister for Sport, Multiculturalism, Seniors and Veterans administers the Sporting Venues Authorities Act 2008 and the Sporting Venues Authorities Regulation 2019.

Disclosure of controlled entities

As at 30 June 2021, the Authority has no controlled entities.



INDEPENDENT AUDITOR'S REPORT

State Sporting Venues Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the State Sporting Venues Authority (the Authority), which comprises the Statement by the Accountable Authority, 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 Authority'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 Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (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 Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Lawrissa Chan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

15 October 2021
SYDNEY

Internal Audit and Risk Management Attestation Statement for the 2020-2021 Financial Year for the NSW Office of Sport

I, Karen Jones am of the opinion that the NSW Office of Sport has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, 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		Status
1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	compliant
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.	compliant
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.	compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	compliant
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.	compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	compliant

NSW Treasury

The independent chair and members of the Audit and Risk Committee are⁵³:

- Independent Chair James Mitchell 1 February 2020 to 31 January 2023
- Independent Member 1 Gerardine Brus 1 April 2021 to 31 March 2024
- Independent Member 2 Jason Masters 1 February 2020 to 30 June 2022

Shared Arrangements

I, Karen Jones advise that the NSW Office of Sport has entered into an approved shared arrangement with the following Department/agency:

- State Sporting Venues Authority (SSVA).

The resources shared include [the Audit and Risk Committee, the Chief Audit Executive and/or the internal audit functions. The shared Audit and Risk Committee is a [Principal Department Led/Collaborative] Shared Audit and Risk Committee.



Karen Jones
Chief Executive, Office of Sport

Date: 13 October 2021

Key Contact
Elizabeth Perez Chief
Risk and Audit Executive

- 52 Where an agency notes that it has been 'non-compliant' or 'in transition', the Accountable Authority shall complete the 'Departure from Core Requirements' section below.
- 53 This should include all Independent Chairs and Members that were on the Audit and Risk Committee for the reporting period and their term. All members of the Audit and Risk Committee shall be independent.
- 54 A copy of the relevant Ministerial Determination which supports the agency's departure



State Sporting Venues Authority Financial Statements for the year ended 30 June 2021

State Sporting Venues Authority

Statement by Chief Executive and Director Finance for the year ended 30 June 2021

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), we state on behalf of State Sporting Venues Authority (the Authority) that:

- (i) The financial statements of the Authority for the year ended 30 June 2021, have been prepared in accordance with applicable Australian Accounting Standards (which includes Australian Accounting Interpretations), the requirements of the *Government Sector Finance Act 2018* and the Treasurer's Directions; and
- (ii) The financial statements exhibit a true and fair view of the financial position and financial performance of the Authority as at 30 June 2021



Karen Jones
Chief Executive,
Office of Sport
15 October 2021



Sajeev George
Director Finance, Procurement and IM&T
Office of Sport
15 October 2021

State Sporting Venues Authority

Statement of comprehensive income

for the year ended 30 June 2021

	Notes	Actual 30 June 2021 \$'000	Actual 30 June 2020 \$'000
Expenses excluding losses			
Operating expenses	2(a)	6,546	6,242
Depreciation	2(b)	4,460	4,657
Total Expenses excluding losses		11,006	10,899
Revenue			
Lease revenue	3(a)	6,513	6,210
Contributions	3(b)	5,554	1,312
First-time recognition of assets	3(c)	-	1,494
Total Revenue		12,067	9,016
Gain/(Loss) on disposal	4	(1)	(528)
Net result		1,060	(2,411)
Other comprehensive income <i>Items that will not be reclassified to net result</i>			
Net increase / (decrease) in property revaluation surplus	5(a)	500	(2,220)
Total other comprehensive income/(deficit)		500	(2,220)
TOTAL COMPREHENSIVE INCOME		1,560	(4,631)

The accompanying notes form part of these financial statements.

State Sporting Venues Authority

Statement of financial position

as at 30 June 2021

	Notes	Actual 30 June 2021 \$'000	Actual 30 June 2020 \$'000
Assets			
Non-current assets			
Property			
Land and Buildings	5(a)	176,103	176,236
Work in progress	5(b)	2,532	839
Total property		178,635	177,075
TOTAL NON-CURRENT ASSETS		178,635	177,075
TOTAL ASSETS		178,635	177,075
NET ASSETS		178,635	177,075
EQUITY			
Reserves		31,413	30,913
Accumulated funds		147,222	146,162
TOTAL EQUITY		178,635	177,075

The accompanying notes form part of these financial statements.

State Sporting Venues Authority

Statement of changes in equity

for the year ended 30 June 2021

		ACCUMULATED FUNDS	ASSET REVALUATION SURPLUS	TOTAL
	NOTES	\$'000	\$'000	\$'000
Opening balance at 1 July 2020		146,162	30,913	177,075
Net result for the year		1,060	-	1,060
Other comprehensive income				
Net change in revaluation surplus / (losses) of property	5(a)	-	500	500
Total other comprehensive income		-	500	500
Total comprehensive income for the year		1,060	500	1,560
Balance at 30 June 2021		147,222	31,413	178,635

		ACCUMULATED FUNDS	ASSET REVALUATION SURPLUS	TOTAL
	NOTES	\$'000	\$'000	\$'000
Opening balance at 1 July 2019		148,573	33,133	181,706
Net result for the year		(2,411)	-	(2,411)
Other comprehensive income				
Net change in revaluation surplus / (losses) of property	5(a)	-	(2,220)	(2,220)
Total other comprehensive income		-	(2,220)	(2,220)
Total comprehensive income for the year		(2,411)	(2,220)	(4,631)
Balance at 30 June 2020		146,162	30,913	177,075

The accompanying notes form part of these financial statements.

State Sporting Venues Authority

Statement of cash flow

for the year ended 30 June 2021

There are no cash transactions

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

1. Summary of Significant Accounting Policies

(a) Reporting entity

The State Sporting Venues Authority (the 'Authority') is constituted under the Sporting Venues Authorities Act 2008 under the control of the Minister for Sport. It is a statutory authority under Schedule 7.1 of the Government Sector Finance Act 2018 and is thereby required to produce Annual Financial Statements and an Annual Report to Parliament.

The Authority is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. Accordingly, the Authority's financial statements form part of the NSW Total State Sector Accounts.

The Authority is a not-for-profit entity, as profit is not its principal objective and, as at 30 June 2021, it has no other entities under its control and no cash generating units. The Authority cannot employ staff however, services may be employed under Section 21 of the Government Sector Employment Act 2013, enabling the Authority to exercise its functions in maintaining and improving the Authority's land, establishing, and encouraging the use of sporting facilities (whether or not on the Authority's land) and permitting the use of its land for recreational and community purposes.

The Authority has a service arrangement with the Office of Sport (the Office). The service arrangement between the Authority and the Office allows the Office to conduct certain aspects of its business, mainly Sport and Recreation Centres, on the Authority's land. In return, the Office maintains the Authority's assets and regularly upgrades them. In practice, the Authority achieves its functional outcomes by allowing officers of the Sport and Recreation Group of the Office the use of its properties to conduct a range of sporting and recreational activities.

The properties controlled by the Authority are:

- Berry Sport and Recreation Centre
- Borambola Sport and Recreation Centre
- Jindabyne Sport and Recreation Centre
- Little Wobby Wharf
- Milson Island Sport and Recreation Centre
- Myuna Bay Sport and Recreation Centre
- Ryde Hockey Centre
- Southern Highlands Regional Shooting Centre
- Sydney Academy of Sport and Recreation Centre

The Authority recognises its expenses and revenue on an in-kind basis as the Authority has no bank account and undertakes no cash transactions. As a result, the Authority only recognises in its financial statements:

- land and building assets vested in the Authority through legislation
- non-cash transactions associated with these assets
- receipt of lease revenue (in-kind) for allowing the Office to

use its assets, whereby the value of the revenue is equal to the cost incurred by the Office to maintain and upgrade the Authority's assets

- the maintenance expenses associated with the Authority's assets (except the Southern Highlands Regional Shooting Centre), which are paid to the Office on an in-kind basis.

These financial statements for the year ended 30 June 2021 have been authorised for issue by the Chief Executive, and the Director, Finance, Procurement and IM&T of Office of Sport on 15 October 2021.

(b) Basis of preparation

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

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

Property is measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

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

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

The financial statements for the year ended 30 June 2021 are prepared on a going concern basis.

In assessing whether the going concern assumption is appropriate, the Authority has considered the impact of COVID-19 on the operations of the Sport and Recreation centres during the twelve-month period leading up to 30 June 2021.

The Authority receives in-kind contributions from the Office of Sport, which in turn has received additional funding from Treasury for the 2020-21 financial year to support continuing operations. Considering this, the going concern assumption is considered appropriate.

(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)

Income, expenses, and assets are recognised net of the amount of GST.

(e) Insurance

The Authority's property is insured by the Office through the NSW Treasury Managed Fund Scheme (TMF) of self-insurance

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

(f) Income recognition

The Authority only receives income on an in-kind basis and this income is measured at the fair value of the consideration or contribution received or receivable.

(i) Contributions

In-kind contributions from the Office for maintenance and capital upgrades are recognised as income when the Authority obtains control over the assets comprising the contributions.

(ii) Rendering of services

In-kind revenue is recognised when the service is provided or by reference to the stage of completion of the service, based on in-kind services rendered to date.

(g) Assets

(i) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

(ii) Revaluation of property

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

Property 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 takes into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use. Fair value of property 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 Note 5 and Note 7 for further information regarding fair value.

The Authority revalues property at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last full revaluation was completed on 29 February 2020 and was based on an independent assessment by Liquid Pacific Property Consultants.

Interim desktop valuation of land and buildings are performed between comprehensive valuations where cumulative changes to indices suggest fair value may differ materially from carrying value.

An indexation assessment of land and buildings was carried out by Opteon Property Group Ltd as at 30 June 2021 to confirm asset carrying values were not materially different from fair value.

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 revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as gains in the net result.

Revaluation decrements are recognised immediately as losses in the net result, except that, to the extent that a credit balance exists in the revaluation surplus in respect of the class of assets, they are debited directly to the revaluation surplus.

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

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

(iii) Impairment of property

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

The Authority 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, the Authority 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.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

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.

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 net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

(iv) Depreciation of property

Depreciation is provided for on a straight-line basis for all depreciable assets to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. All material identifiable components of assets are depreciated separately over their useful lives. Land is not a depreciable asset.

The following useful lives have been determined for the assets.

	Useful life ranges in years
Buildings	3-100

The useful life years are the same as for the previous year.

(v) Fair value hierarchy

A number of the Authority's accounting policies and disclosures require the measurement of fair value for non-financial assets. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Under AASB 13, the Authority categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets that the Authority can access at the measurement date.

- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs)

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

Refer to Note 7 for further disclosures regarding fair value measurements of non-financial assets.

(vi) Major inspection costs

When each major inspection is performed, the labour cost of performing the 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.

(vii) 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.

(h) Equity and reserves

(i) Revaluation surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Authority's policy on the revaluation of property as discussed in Note 1 (g) (ii).

(ii) Accumulated funds

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

(i) Comparative information

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

(j) Change in accounting policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2020-21

The accounting policies applied in 2020-21 are consistent with those of the previous financial year. AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) applies for the first time in 2020-21 but has had no impact on the Authority's financial statements.

(ii) Issued but not yet effective

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

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

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

- AASB 17 Insurance Contracts (effective 1 January 2023)
 - AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C) (effective 1 July 2021)
 - AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective 1 January 2023)
 - AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities (effective 1 July 2021)
 - AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (effective 1 January 2022)
 - AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts (effective 1 January 2021)
 - AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective 1 January 2022)
 - AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures (effective 1 July 2021)
 - AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform-Phase 2 (effective 1 January 2021)
 - AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments (effective 1 July 2021)
 - AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities (effective 1 July 2021)
 - AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (effective 1 January 2023)
- The Authority anticipates that the adoption of these Standards in the period of initial application will have no material impact on the financial statements.

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

2. Expenses excluding losses

(a) Operating expenses	Actual 2021 \$'000	Actual 2020 \$'000
In-kind maintenance expenses	6,513	6,210
In-kind expenses - auditor's remuneration	33	32
	6,546	6,242
(b) Depreciation		
Depreciation of Buildings	4,460	4,657
	4,460	4,657

3. Revenue

Recognition and Measurement

Until 30 June 2019, income is recognised in accordance with AASB 111 Construction Contracts , AASB 118 Revenue and AASB 1004 Contributions .

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers .

(a) Lease revenue		
Variable lease revenue	6,513	6,210
	6,513	6,210
(b) Contributions		
In-kind contributions of capital items	5,521	1,280
In-kind contribution of auditor's remuneration	33	32
	5,554	1,312

The Authority receives in-kind contributions from the Office of Sport.

(c) First-time recognition of assets		1,494
		1,494

During the 2019-20 full revaluation, a number of assets were identified and added to the register for the first time. These assets include land improvements on sites previously transferred to the Authority as well as assets that were constructed by local councils and ownership transferred to the Authority.

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

4. Loss on Disposal

Written down value of assets written off	(1)	(528)
	(1)	(528)

5. Non-Current Assets

(a) Property	Land \$'000	Buildings \$'000	Total \$'000
At 30 June 2020 - fair value			
Gross carrying amount	76,648	191,873	268,521
Accumulated depreciation	-	(92,285)	(92,285)
Net carrying amount	76,648	99,588	176,236
At 30 June 2021 - fair value			
Gross carrying amount	76,648	196,671	273,319
Accumulated depreciation	-	(97,216)	(97,216)
Net carrying amount	76,648	99,455	176,103

Reconciliation

A reconciliation of the carrying amount of each class of property at the beginning and end of the reporting period is set out below:

	LAND \$'000	BUILDINGS \$'000	TOTAL \$'000
Year ended 30 June 2021			
Net carrying amount at start of year	76,648	99,588	176,236
Net revaluation increment/(decrement)	-	500	500
Transfer from work-in-progress	-	3,828	3,828
Impairment loss	-	500	500
Disposals	-	(1)	(1)
New assets recognised from valuation	-	-	-
Depreciation expenses	-	(4,460)	(4,460)
Net carrying amount at end of year	76,648	99,455	176,103

Land/building impairments

The bushfires, which impacted the State throughout the 2019-20 financial year, damaged some buildings and infrastructure assets of the Authority at the Southern Highlands Shooting Centre. The assets were impaired by \$0.5 million in 2019-20. The works to rectify the damage have been completed in 2020-21 and the impairment reversed.

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

	LAND \$'000	BUILDINGS \$'000	TOTAL \$'000
At 1 July 2019 - fair value			
Gross carrying amount	70,500	187,821	258,321
Accumulated depreciation	-	(76,862)	(76,862)
Net carrying amount	70,500	110,959	181,459
At 30 June 2020 - fair value			
Gross carrying amount	76,648	191,873	268,521
Accumulated depreciation	-	(92,285)	(92,285)
Net carrying amount	76,648	99,588	176,236

RECONCILIATION

A reconciliation of the carrying amount of each class of property at the beginning and end of the reporting period is set out below:

Year ended 30 June 2020			
Net carrying amount at start of year	70,500	110,959	181,459
Net revaluation increment/(decrement)	6,148	(7,868)	(1,720)
Transfer from work-in-progress	-	652	652
Impairment loss	-	(500)	(500)
Disposals	-	(492)	(492)
New assets recognised from valuation	-	1,494	1,494
Depreciation expenses	-	(4,657)	(4,657)
Net carrying amount at end of year	76,648	99,588	176,236

(b) Work-in-Progress (Buildings)	2021 \$'000	2020 \$'000
Net carrying amount at start of year	839	247
Additions	5,521	1,280
Write down/off	-	(36)
Capitalised during the year	(3,828)	(652)
Net carrying amount at end of year	2,532	839

6. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liability

On 20 September 2005, 03 December and 30 December 2009, applications were made under the Native Title Act (Commonwealth) 1993 over areas of land and water in New South Wales where the Authority has land and buildings. It is not possible to estimate the potential liability at this stage.

Contingent Asset

Negotiations are ongoing with Origin Energy Ltd about building a new facility at a different location since the closure of the Myuna Bay Sport and Recreation Centre. It is not practicable to make an estimate of the compensation from Origin Energy at this point in time. Note 8 provides context and further detail.

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

7. 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
Property (Note 5)				
Land	-	-	76,648	76,648
Buildings	-	-	99,455	99,455
	-	-	176,103	176,103
2020				
	Level 1	Level 2	Level 3	Total fair value
	\$'000	\$'000	\$'000	\$'000
Property (Note 5)				
Land	-	-	76,648	76,648
Buildings	-	-	99,588	99,588
	-	-	176,236	176,236

There were no transfers between Level 1, 2 or 3 during the year.

Valuation Techniques, Input and Processes

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

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

(B) Reconciliation of recurring Level 3 fair value measurements

2021	Land and Buildings	Total Recurring
	\$'000	Level 3 Fair Value
		\$'000
Fair value as at 1 July 2020	176,236	176,236
Transfer from work-in-progress	3,828	3,828
Disposals	(1)	(1)
Impairment gain	500	500
Depreciation	(4,460)	(4,460)
Fair value as at 30 June 2021	176,103	176,103

State Sporting Venues Authority

Notes to the financial statements

for the year ended 30 June 2021

2020	Land and Buildings \$'000	Total Recurring Level 3 Fair Value \$'000
Fair value as at 1 July 2019	181,459	181,459
Transfer from work-in-progress	652	652
Net revaluation increment	(1,720)	(1,720)
New assets recognised from valuation	1,494	1,494
Disposals	(492)	(492)
Impairment gain/(loss)	(500)	(500)
Depreciation	(4,657)	(4,657)
Fair value as at 30 June 2020	176,236	176,236

8. Myuna Bay

On 29 March 2019 the Myuna Bay Sport and Recreation Centre, operated by the Office, but the assets owned and recognised by the State Sporting Venues Authority, was closed due to safety concerns relating to the nearby Eraring Ash Dam. The Office was advised by Origin Energy Limited that if the dam wall broke in the event of a major earthquake, there would be a significant risk to the Myuna Bay Sport and Recreation Centre. The Minister requested an independent review of the Origin Energy report. On 12 December 2019 it was announced that the decision to close the Centre was reasonable and that the Centre would be permanently closed. This has resulted in the Centre buildings value being impaired to nil (impact \$9.8 million) and the land impaired to \$0.6 million (impact \$2.9 million). The financial impacts of these impairments have been recognised in the financial statements of the State Sporting Venues Authority.

Negotiations are continuing with Origin Energy Ltd over compensation related to the closure and building a new facility at a different location. The financial impact on the Office relating to continued operating costs incurred while the new facility is built, related forgone revenue, and costs relating to the environmental management and making good of the closed site are still to be quantified and agreed on with Origin Energy as at 30 June 2021.

The financial impacts of these impairments have been recognised in the financial statements of the State Sporting Venues Authority.

9. Commitments for Expenditure

Capital	2021 \$'000	2020 \$'000
Aggregate capital expenditure contracted for the acquisition of property at balance date and not provided for:		
Within one year	1,474	-
Total (including GST)	1,474	-

STATE SPORTING VENUES AUTHORITY

Notes to the financial statements

for the year ended 30 June 2021

10. Reconciliation of Cash Flows from Operating Activities to net result

	2021 \$'000	2020 \$'000
Net cash inflow from operating activities	-	-
Depreciation	(4,460)	(4,657)
Net gain / (loss) on disposal of assets	(1)	(528)
(Impairment) / Reversal of Impairment	-	-
In kind expenses	(6,546)	(6,242)
In kind contributions	12,067	7,522
New assets recognised from valuation	-	1,494
Net Result	1,060	(2,411)

11. Entity as a lessor

SSVA buildings are leased to third parties through the Office of Sport under a service level agreement. The lease arrangements are operating leases with rental received monthly and accounted for in Office of Sport Statement of Comprehensive Income.

Lessor for operating leases

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June 2021 are as follows:

	2021 \$'000
Within one year	127
Later than one year	121
Two to three years	50
Three to four years	33
Four to five years	33
Later than five years	431
Total (including GST)	795

Recognition and Measurement

An operating lease is a lease other than a finance lease. Rental income arising from the lease is accounted for on a straight-line basis over the lease terms and is included in the Office of Sport Statement of Comprehensive Income.

STATE SPORTING VENUES AUTHORITY

Notes to the financial statements

for the year ended 30 June 2021

12. Related Party Disclosure

During 2020-21, SSVA had related party transactions with Office of Sport for in-kind revenue (\$6.59m) and expense transactions (\$6.59m).

- Key management personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Authority, directly or indirectly. The Authority does not employ staff, however the KMP's for the Authority comprise of the Minister for Sport, Multiculturalism, Seniors and Veterans and the Chief Executive and Executive Directors of the Office of Sport.

- Key management personnel compensation

The Authority does not pay compensation for its KMP.

- Other transactions with key management personnel and related entities

There have been no reported KMP transactions with the Authority. The Authority has related party transactions with the Office of Sport, with the Office utilising the facilities of the Authority, maintaining, and upgrading them in return.

13. Events after the Reporting Period

There has not arisen in the interval between 30 June 2021 and the date of signing this report, any other item, transaction, or event of a material or unusual nature likely, in the opinion of the Chief Executive to significantly affect the operations or the affairs of the Authority in these financial statements.

End of audited financial statements



Office of Sport

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☎ **13 13 02** from Monday to Friday, 9am to 5pm
(with the exception of public holidays)

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