

Office of Sport



State Sporting Venues Authority

Annual Report 2022/2023





Acknowledgement of Country

The Office of Sport acknowledges and celebrates the Traditional Custodians of the lands and waters of NSW where we work, live and play.

We pay our respects to Elders past and present, and recognise their strengths, knowledge, and continuing connection to Country.

Artwork

“Jennebe”

By Jasmine Sarin



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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.

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 the Authority 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 (the Office) 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.

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 2022/2023.

Closure of Myuna Bay Sport and Recreation Centre

In the reporting period the Office of Sport has:

- Prepared a development application to seek approval to demolish the Centre which will be lodged with Lake Macquarie City Council in July 2023.
- Worked with the National Parks and Wildlife Service to secure SSVA tenure of land in the Lake Macquarie State Conservation area to support development of a new facility, resulting in preparation of a revocation proposal for consideration by Cabinet in December 2023.
- Undertaken a detailed Needs Study, including initial engagement with the local community to support planning work for the new facility.

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 administers the *Sporting Venues Authorities Act 2008* and the *Sporting Venues Authorities Regulation 2019*.

Disclosure of Controlled Entities

As at 30 June 2023, the Authority has no controlled entities.

Cost of Annual Report

The cost to produce this Annual Report was \$270 (ex GST).

Internal Audit and Risk Management Policy Attestation Statement for the 2022-2023 Financial Year



I, Karen Jones, am of the opinion that the NSW Office of Sport has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the NSW Treasury Policy TPP20-08 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	Status
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

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

Membership

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

- | | | |
|--------------------------------|-----------------|--------------------------------------|
| • Independent Chair (current) | Gerardine Brus | 1 February 2023 to 1 February 2026 |
| • Independent Chair (outgoing) | Jim Mitchell | 1 February 2020 to 31 January 2023 |
| • Independent Member | David Pendleton | 1 July 2022 to 1 July 2025 |
| • Independent Member | Jane Spring | 6 September 2022 to 6 September 2025 |

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.

The resources shared include the Audit and Risk Committee, the Chief Audit Executive and / the internal audit functions. The shared Audit and Risk Committee is a Collaborative Shared Audit and Risk Committee.

Karen Jones
Chief Executive, Office of Sport

Date: 13 October 2023

Key Contact:
Felicity McIntyre
Chief Audit Executive
Mobile: 0499 947 266
felicity.mcintyre@sport.nsw.gov.au



Financial Performance



**Financial Statements for the year ended
30 June 2023**

State Sporting Venues Authority

Financial Statements for the year ended 30 June 2023

Statement by the Chief Executive and Chief Financial Officer

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), we state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's directions, and
- present fairly the State Sporting Venues Authority's financial position, financial performance and cash flows.



Karen Jones
Chief Executive
Office of Sport

Date: 27 October 2023



Sajeew George
Chief Financial Officer
Office of Sport

Date: 27 October 2023



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 State Sporting Venues Authority (the Authority), which comprise the Statement by the Chief Executive and Chief Financial Officer, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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).

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

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

Other Information

The Authority's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Chief Executive of the

Authority is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Annual Report.

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

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

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

I have nothing to report in this regard.

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 Regulation 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 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.



Mary Yuen
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY



State Sporting Venues Authority

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Actual 2022 \$'000
Expenses excluding losses			
Operating expenses	2(a)	6,557	6,318
Depreciation	2(b)	5,237	4,609
		<hr/>	<hr/>
Total Expenses excluding losses		11,794	10,927
Revenue			
Lease revenue	3(a)	6,520	6,285
Contributions	3(b)	5,156	4,006
		<hr/>	<hr/>
Total Revenue		11,676	10,291
Gain / (Loss) on disposal	4	(49)	(4)
		<hr/>	<hr/>
Net result		(167)	(640)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Net change in revaluation surplus/(losses) of property	7	8,788	17,052
		<hr/>	<hr/>
Total other comprehensive income/(deficit)		8,788	17,052
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME		8,621	16,412

The accompanying notes form part of these financial statements.

State Sporting Venues Authority

Statement of Financial Position

as at 30 June 2023

		Actual 2023	Actual 2022
	Notes	\$'000	\$'000
ASSETS			
Current assets			
Receivable from the Office of Sport	6	1,800	-
Total current assets		1,800	-
Non-current assets			
Property			
Land and buildings	7	203,051	195,817
Total property		203,051	195,817
Total non-current assets		203,051	195,817
Total assets		204,851	195,817
LIABILITIES			
Current liabilities			
Provisions	8	770	2,420
Total current liabilities		770	2,420
Total Liabilities		770	2,420
Net Assets		204,081	193,397
EQUITY			
Reserves		57,727	46,815
Accumulated funds		146,354	146,582
Total Equity		204,081	193,397

The accompanying notes form part of these financial statements.

State Sporting Venues Authority

Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Opening balance at 1 July 2022		146,582	46,815	193,397
Net result for the year		(167)	-	(167)
Other comprehensive income				
Net change in revaluation surplus of property	7	-	8,788	8,788
Adjustments - provisions	8		1,650	1,650
Revaluation adjustment - assets held for sale	7		474	474
Land transfer to TAFE	5	(61)	-	(61)
Total other comprehensive income		(61)	10,912	10,851
Total comprehensive income for the year		(228)	10,912	10,684
Balance at 30 June 2023		146,354	57,727	204,081

	Notes	Accumulated Funds \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Opening balance at 1 July 2021		147,222	31,413	178,635
Net result for the year		(640)	-	(640)
Other comprehensive income				
Net change in revaluation surplus of property		-	17,052	17,052
Other adjustments to asset reserves			(1,650)	(1,650)
Total other comprehensive income		-	15,402	15,402
Total comprehensive income for the year		(640)	15,402	14,762
Balance at 30 June 2022		146,582	46,815	193,397

The accompanying notes form part of these financial statements.

State Sporting Venues Authority

Statement of Cash Flow

for the year ended 30 June 2023

There are no cash transactions as all receipts and payments related to the State Sporting Venue Authority are processed through the Office of Sport.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

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 31 March 2023, it has no other entities under its control and no cash generating units. The Authority cannot employ staff. However, services may be engaged 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 Office of sport 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 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
- Ryde Hockey Centre
- Southern Highlands Regional Shooting Centre
- Sydney Academy of Sport and Recreation Centre

The Office used to manage the Myuna Bay Sport and Recreation Centre until the operations were closed in March 2019 (more details provided in Note 1(i)).

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, which are paid to the Office on an in-kind basis

(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 (AAS) (which include Australian Accounting Interpretations)

These financial statements for the year ended 30 June 2023 have been authorised for issue by the Chief Executive and Chief Financial Officer of the Office on 27 October 2023.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

- the requirements of the Government Sector Finance Act 2018 (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property is measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

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

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency, which is the entity's presentation and functional currency.

The financial statements for the year ended 30 June 2023 are prepared on a going concern basis.

(C) STATEMENT OF COMPLIANCE

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

(D) INSURANCE

The Authority's property is insured by the Office through the NSW Treasury Managed Fund Scheme (TMF) of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

(E) 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.

(F) 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 21-09) and Treasurer's Direction (TD21-05). 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.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

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 7 and Note 10 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.

A Comprehensive valuation of land and building was carried out by Colliers International as at 31 March 2023 and valuation amounts are included in the financial statements. The land value increased by \$3.35 million, and the value of the buildings increased by \$2.76 million, increasing the total value of land and buildings by \$6.11 million.

An indexation assessment of land and buildings was carried out by Colliers International as at 30 June 2023 increasing land value by \$544,000 and building value by \$2.13 million, increasing the total land and building value by \$2.68 million.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated.

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.

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.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

(iv) Depreciation of property

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. All material 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 and infrastructure	10-80
Plant and equipment	3-40

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 values, 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 10 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.

(G) 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(f).

(ii) Accumulated funds

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

(H) 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.

(I) 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 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

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

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 \$9.88 million) and the land impaired to \$0.6 million (impact \$2.9 million). The financial impact of these impairments have been recognised in the 2020/21 financial statements of the Authority.

On 3 June 2022 an agreement for a compensation payment was executed between the Office and Origin Energy. As per this agreement a compensation payment was received on 24 June 2022 and the second instalment was received on 16 September 2022. In accordance with the requirements of AASB 116, the compensation for impairment or loss was recognised in the Office's financial statements as at 30 June 2022.

The NSW Government is currently undertaking planning and consultation to determine the design and scope of a new centre at Morisset. The Office will record expenses in work in progress, and after project completion the asset will be capitalised in the Office/Authority balance sheets after consulting with key stakeholders and Executive approval.

(J) JINDABYNE SPORT AND RECREATION CENTRE

The Office on behalf of the Authority have entered into the following agreement with third parties in relation to the Jindabyne Sport and Recreation Centre:

- Snow Australia for the development of the National Snowsport Training Centre (10 July 2023);
- Snowy Mountains BMX Club ("SMBC") for the development of the Snowy Mountains BMX Club Facility (3 February 2020);
- TAFE NSW ("TAFE") for the development of the TAFE NSW Connected Learning Centre (7 March 2022);
- NSW Biathlon Association ("BA") for the development of Biathlon NSW Facility (26 July 2022); and

- Department of Education ("DoE") for an Access and Works Licence pertaining to land owned by the Authority (30 May 2023).

The Office has assessed the arrangements and appropriate accounting entries are incorporated in the financial statements in compliance with relevant accounting standards and financial reporting guidelines.

(K) CHANGES IN ACCOUNTING POLICIES, INCLUDING NEW OR REVISED AUSTRALIAN ACCOUNTING STANDARDS

(i) Effective for the first time in FY2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year.

- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- *AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
- *AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

The introduction of these new or revised Australian Accounting Standards did not have an impact on the financial statements.

(ii) Issued but not yet effective

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

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

- *AASB 17 Insurance Contracts*
- *AASB 2020-1 Amendments to Australian*

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

Accounting Standards – Classification of Liabilities as Current or Non-current

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the

Public Sector

- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The impact of these Standards in the period of initial application is not expected to materially affect the financial statements.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

2. Expenses Excluding Losses

	Actual 2023 \$'000	Actual 2022 \$'000
(a) Operating expenses		
In-kind maintenance expenses	6,520	6,285
Auditor's remuneration*	37	33
	<u>6,557</u>	<u>6,318</u>
(b) Depreciation		
Depreciation of buildings	5,237	4,609
	<u>5,237</u>	<u>4,609</u>

3. Revenue

(a) Lease revenue		
Variable lease revenue	6,520	6,285
	<u>6,520</u>	<u>6,285</u>
(b) Contributions		
In-kind contributions of capital items	5,119	3,973
Auditor's remuneration	37	33
	<u>5,156</u>	<u>4,006</u>

4. Loss on Disposal

Written down value of assets written off	(49)	(4)
	<u>(49)</u>	<u>(4)</u>

5. Land transfer to TAFE

Land transfer to TAFE at Jindabyne**	61	-
	<u>61</u>	<u>-</u>

* Audit fee is paid by the Office of Sport on behalf of the Authority.

**The Office of Sport agreed to transfer a portion of the Land (0.5 hectare) to TAFE NSW for the construction of Connected Learning center at Jindabyne for nil consideration.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

6. Current Assets

	Actual 2023 \$'000	Actual 2022 \$'000
Receivable		
Receivable from the Office of Sport*	1,800	-
	<u>1,800</u>	<u>-</u>

*On 30 June 2023 the Office of Sport received the sale amount of \$1.8 million from the Department of Education for land and building at Jindabyne on behalf of the Authority.

7. Non-Current Assets - Property

	Land \$'000	Buildings \$'000	Total \$'000
At 1 July 2021 - fair value			
Gross carrying amount	76,648	199,203	275,851
Accumulated depreciation	-	(97,216)	(97,216)
Net carrying amount	<u>76,648</u>	<u>101,987</u>	<u>178,635</u>

	Land \$'000	Buildings \$'000	Total \$'000
Year ended 30 June 2022			
Net carrying amount at beginning of year	76,648	101,987	178,635
Net revaluation increment	4,087	12,965	17,052
Addition	-	3,973	3,973
Disposals	-	(4)	(4)
Adjustments	770	-	770
Depreciation expenses	-	(4,609)	(4,609)
Net carrying amount at end of year	<u>81,505</u>	<u>114,312</u>	<u>195,817</u>

At 1 July 2022 - fair value			
Gross carrying amount	81,505	227,954	309,459
Accumulated depreciation	-	(113,642)	(113,642)
Net carrying amount	<u>81,505</u>	<u>114,312</u>	<u>195,817</u>

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

7. Non-Current Assets - Property (cont.)

	Land	Buildings	Total
	\$'000	\$'000	\$'000
Year ended 30 June 2023			
Net carrying amount at beginning of year	81,505	114,312	195,817
Net revaluation increment	3,895	4,893	8,788
Revaluation increment - asset held for sale	378	96	474
Addition	-	5,119	5,119
Disposals	(61)	(49)	(110)
Transfer to asset held for sale	(1,458)	(342)	(1,800)
Depreciation expenses	-	(5,237)	(5,237)
Net carrying amount at end of year	84,259	118,792	203,051
	Land	Buildings	Total
	\$'000	\$'000	\$'000
At 30 June 2023 - fair value			
Gross carrying amount	84,259	245,483	329,742
Accumulated depreciation	-	(126,691)	(126,691)
Net carrying amount	84,259	118,792	203,051

Work in Progress

The value of work in progress relating to land and buildings for the Authority is \$5.150 million (2022: \$5.485 million) as at 30 June 2023. This is included in the total property plant and equipment value as shown above.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

8. Current Liabilities

	2023	2022
	\$'000	\$'000
Opening Balance	2,420	-
Provision for land contamination at Sydney Academy of Sport	-	770
Provision for land contamination at Jindabyne Sport and Recreation Centre*	(1,650)	1,650
	770	2,420

*Provision for the cost for remediation of land contamination was reversed as the Department of Education (DoE) is responsible for remediation of contamination as part of the terms and conditions of transfer. DoE has also confirmed the remedial work on contamination of the land has been completed.

9. Contingent Liabilities and Contingent Assets

Contingent Liability

On 27 February 2009 and 6 February 2012, 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.

Contamination at Sydney Academy of Sport Land:

A small portion of land at the Sydney Academy of Sport is contaminated with lead pellets from a historic shotgun range. The land is not easily accessible to the public and is not used for any purpose that poses a direct risk to human health. The Office has long-term remediation plan approved by the Environmental Protection Authority (EPA) and regularly undertakes work to remove contaminants. The annual cost of the remediation work is treated as an operating expense and the Office confirms there is no material impact to the annual recurrent budget or financial statements.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

10. Fair value measurement of Non-Financial Assets

(a) Fair value hierarchy

2023

	Level 1	Level 2	Level 3	Total fair value
	\$'000	\$'000	\$'000	\$'000
Property (Note 7)				
Land	-	84,259	-	84,259
Buildings	-	-	118,792	118,792
	-	84,259	118,792	203,051

2022

	Level 1	Level 2	Level 3	Total fair value
	\$'000	\$'000	\$'000	\$'000
Property (Note 7)				
Land	-	-	81,505	81,505
Buildings	-	-	114,312	114,312
	-	-	195,817	195,817

The land was reclassified from level 3 to level 2 based on latest revaluation advise by the valuer.

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 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.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

(b) Reconciliation of recurring Level 3 fair value measurements

2023	Land and buildings	Total recurring Level 3 fair value
	\$'000	\$'000
Fair value as at 1 July 2022	195,817	195,817
Transfer to Level 2	-	(81,505)
Additions	5,119	5,119
Net revaluation increment	8,788	4,893
Increment to land & building for transfer to DoE	474	96
Disposals	(110)	(49)
Adjustment to asset held for sale	(1,800)	(342)
Depreciation	(5,237)	(5,237)
Fair value as at 30 June 2023	203,051	118,792

2022	Land and buildings	Total recurring Level 3 fair value
	\$'000	\$'000
Fair value as at 1 July 2021	178,635	178,635
Net revaluation increment	17,052	17,052
Disposals	(4)	(4)
Adjustment	770	770
Depreciation	(4,609)	(4,609)
Fair value as at 30 June 2022	195,817	195,817

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

11. Commitments

The Office signs commitment of expenditure on behalf of the Authority, and therefore the commitment for the Authority (\$215,000) are included in the Office's financial statements.

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

	2023	2022
	\$'000	\$'000
Depreciation	(5,237)	(4,609)
Net gain / (loss) on disposal of assets	(49)	(4)
In kind expenses	(6,557)	(6,318)
In kind contributions	11,676	10,291
Net Result	(167)	(640)

13. Entity as a lessor

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

Lessor for operating leases

Future minimum rentals receivable (undiscounted) under non-cancellable operating lease as at 30 June 2023 are as follow:

	2023	2022
	\$'000	\$'000
Within one year	87	121
Later than one year	43	50
Two to three years	43	33
Three to four years	43	33
Four to five years	43	33
Later than five years	490	398
Total (excluding GST)	749	668

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 Statement of Comprehensive Income.

State Sporting Venues Authority

Notes to the Financial Statements

for the year ended 30 June 2023

14. Related Party Disclosure

(a) 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 and the Chief Executive and Executive Directors of the Office.

(b) Key management personnel compensation

The Authority does not pay compensation for its KMP.

(c) 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, with the Office utilising the facilities of the Authority, maintaining, and upgrading them in return. During 2022-2023, The Authority had related party transactions with The Office for in-kind revenue (\$6.52 million) and expense transactions (\$6.52 million).

15. Events after the Reporting Period

There has not arisen in the interval between 30 June 2023 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 and Chief Financial Officer of the Office 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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