

Sydney Olympic Park Authority

Annual Report 2019-20,

- State of Environment Report
- Financial statements for the year ended 30 June 2020
- Statutory Information

30 November 2020

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

Dear Minister,

Sydney Olympic Park Authority Annual Report 2019-20

I am pleased to submit the Annual Report for Sydney Olympic Park Authority, for the year ended 30 June 2020, for presentation to Parliament.

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

Yours sincerely



Sam Romaniuk
Chief Executive Officer
Sydney Olympic Park Authority

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1. Charter

Sydney Olympic Park Authority was established on 1 July 2001 as a statutory body of the NSW Government under the *Sydney Olympic Park Authority Act 2001 (NSW)*.

Sydney Olympic Park Authority is focussed on delivery of its statutory functions:

- Sydney Olympic Park becomes an active and vibrant place within metropolitan Sydney;
- Sydney Olympic Park becomes a premium destination for cultural, entertainment, recreation and sporting events;
- any new development carried out under or in accordance with this Act accords with best practice accessibility standards and environmental and town planning standards; and
- the protection and enhancement of the natural heritage of the Millennium Parklands.

2. Aims and objectives

Sydney Olympic Park Authority is responsible for managing and developing the 640 hectares that comprise Sydney Olympic Park and maintaining this precinct as a lasting legacy for the people of NSW.

Sydney Olympic Park Authority carries out the day-to-day management of all public places, 430 hectares of parklands, six sporting venues; Aquatic Centre, Quaycentre, Sports Halls, Hockey Centre, Athletic Centre and Archery Centre and, other sporting facilities comprising of; Tom Wills Oval, Newington Armory sports venues and Wilson Park. This includes the management of buildings, facilities and landscape assets; conservation of water, energy and resources; protection of its environment, ecosystems and heritage; delivery of programs and events to enhance the visitor experience; provision of sports and leisure facilities; and general coordination of the operation and development of the precinct.

The Park welcomed 8 million visitors over the year including 3 million to the expansive parklands and hosted 4,000 events as the state's premier sports and events destination. The local community comprises 24,000 workers, residents and students.

The past financial year numbers have been adversely affected for visitation, events and work due to COVID-19 restrictions and the government's efforts to protect the public's safety. Parkland visitation increased in the year, as people embraced parks and green space as a recreation outlet.

Under the vision of Master Plan 2030 (2018 Review), the Authority is managing the continued evolution of Sydney Olympic Park, ensuring it remains an internationally-admired example of sustainable urban renewal and development; and a precinct that successfully integrates world-class venues, public spaces, parklands and events with a growing community of workers, residents, students and visitors. Future growth sets out the provision of 10,700 homes for 23,500 residents and 34,000 job opportunities.

3. Access

Sydney Olympic Park Authority
5 Olympic Boulevard
SYDNEY OLYMPIC PARK NSW 2127
T: 02 9714 7300
enquiries@sopa.nsw.gov.au
sydneyolympicpark.com.au
sopa.nsw.gov.au

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

4. Management and structure

4.1 Board

Sydney Olympic Park Authority ('SOPA' or the 'Authority') is subject to the control and direction of the NSW Minister for Planning and Public Spaces in the exercise of its functions.

The Chief Executive is responsible for the day-to-day management of the affairs of Sydney Olympic Park Authority in accordance with the specific policies and general directions of the Board.

Sydney Olympic Park Authority Board is appointed in accordance with the *Sydney Olympic Park Authority NSW Act 2001*.

During the 2019-20 year, SOPA Board membership changed as detailed below:

SOPA Board members	July 2019 – February 2020	March 2020 – June 2020
Independent members	<ul style="list-style-type: none"> • The Hon John Fahey AC (Chair) • Jill Davies • David Baffsky AO • Romilly Madew AO • Matthew Dunn OAM • Pippa Downes 	<ul style="list-style-type: none"> • Jill Davies
Ex-Officio members	<ul style="list-style-type: none"> • Karen Jones A/CE, Office of Sport 	<ul style="list-style-type: none"> • Sam Romaniuk, CEO, Sydney Olympic Park Authority, CEO Place Management NSW (Chair) • Jim Betts, Secretary, Department of Planning, Industry & Environment • Karen Jones A/CE, Office of Sport

4.3 Board meetings and attendance

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

Attendees	31/07/19	31/10/19	30/01/20	13/02/20	09/04/20	TOTAL
John Fahey	Yes	Yes	Yes	Yes	N/A	4/4
Romilly Madew	Yes	Yes	Yes	Yes	N/A	4/4
David Baffsky	Yes	Yes	Yes	Yes	N/A	4/4
Pippa Downes	Yes	Yes	Yes	Yes	N/A	4/4
Matthew Dunn	Yes	Yes	Yes	Yes	N/A	4/4

Attendees	31/07/19	31/10/19	30/01/20	13/02/20	09/04/20	TOTAL
Karen Jones	Yes	Yes	Yes	No	Yes	4/5
Jill Davies	Yes	Yes	Yes	Yes	Yes	5/5
Sam Romaniuk	N/A	N/A	N/A	N/A	Yes	1/1
Jim Betts	N/A	N/A	N/A	N/A	Yes	1/1

4.4 Board Member Profiles

The Hon. John Fahey AC

DipLaw

Board member

Appointed to the Sydney Olympic Park Authority Board on 1 June 2016 for a period of one month as an independent board member. Appointed to the Sydney Olympic Park Authority Board on 1 July 2016 as an independent chair for a period of three years. John was reappointed from 1 July 2019 for a period of one year. The Minister dissolved the Board on 14 February 2020.

Non-Executive Director

Chair/Vice-President, Doctors Health Fund
Chancellor, Australian Catholic University
Chair, Australian Building Codes Board

Advisory Board

J.P. Morgan Advisory Council

Romilly Madew AO

B.AgEcon., AICD, FTSE

Chief Executive Officer, Infrastructure Australia

Board Member

Appointed to the Sydney Olympic Park Authority Board on 1 June 2016 for a period of three years and one month as an independent board member. Romilly was reappointed from 1 July 2019 for a period of one year. The Minister dissolved the Board on 14 February 2020.

Non-Executive Director

Chief Executive Women
Chair, Currawong State Park Advisory Board (Pittwater, NSW)
President, Bilgola Surf Life Saving Club
Founder, Minerva Network (supporting Australia's elite sportswomen)

David Baffsky AO

LLB

Board Member

Appointed to the Sydney Olympic Park Authority Board on 26 October 2009 for a period of two years and four months as an independent board member. Reappointed on 1 July 2012 for a period of three years. Reappointed on 1 June 2016 for a period of three years, David was reappointed from 1 July 2019 for a period of one year. The Minister dissolved the Board on 14 February 2020.

Non-Executive Director

Chairman, Investa Property Group
Chairman, Ariadne Australia Limited
Honorary Chairman, Accor Asia-Pacific
Destination NSW
Australian Brandenburg Orchestra

Director

The George Institute

Pippa Downes

MAppFin, BSc(BA), AICD

Board Member

Appointed to the Sydney Olympic Park Authority Board on 1 June 2016 for a period of three years and one month as an independent board member. Pippa was reappointed from 1 July 2019 for a period of one year. The Minister dissolved the Board on 14 February 2020.

Non-Executive Director

Ingenia Communities
Commissioner, Sport Australia
Australian Technology Innovators
Windlab Limited
ALE Property Group

Matthew Dunn OAM

MCom

CEO, ProForm Foods

Board Member

Appointed to the Sydney Olympic Park Authority Board on 3 May 2018 for a period of two years and eleven months as an independent board member. The Minister dissolved the Board on 14 February 2020.

Non-Executive Director

Vice President, FINA (International Swimming Federation)
President, Oceania Swimming Association

Member

Swimming Australia Board (Invitee)
Carbine Club of NSW
Knox Grammar School (Council Member)

Advisory Board

ProForm Foods

Director

Savills Australia and NZ (to September 2019)

Jill Davies

B.Econ, CA, GAICD

Principal, Global Strategy & Events Consulting

Board Member

Appointed to the Sydney Olympic Park Authority Board on 1 July 2012 for a period of three years as an independent board member. Reappointed on 1 June 2016 for a period of three years, Jill was reappointed from 1 July 2019 for a period of one year.

Non-Executive Director

Place Management NSW Board

Roads and Maritime Services W2B Project

Karen Jones

BEnvPI, DipBldg, CeetFLM, EMBA

Chief Executive, Office of Sport

Board Member

Appointed A/Chief Executive, Office of Sport in July 2019 and Chief Executive, Office of Sport in December 2019. Pursuant to the *Sydney Olympic Park Authority Act 2001*, the Chief Executive is an ex-officio member of the Sydney Olympic Park Authority Board.

Sam Romaniuk

B.Com, LLB, CA

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

Board member

Appointed to the Sydney Olympic Park Authority Board as an Ex-Officio Chair from March 2020 to June 2020.

Non-Executive Director

Place Management NSW

Jim Betts

BA HONS MSC

Secretary, Department of Planning, Industry and Environment

Board member

Appointed to the Sydney Olympic Park Authority Board as a department executive member from March 2020 to June 2020.

5. Summary review of operations

Sydney Olympic Park Authority continued to actively manage and develop Sydney Olympic Park as a world-class events destination, cultural and heritage precinct and urban parklands, providing a place to live, work and study.

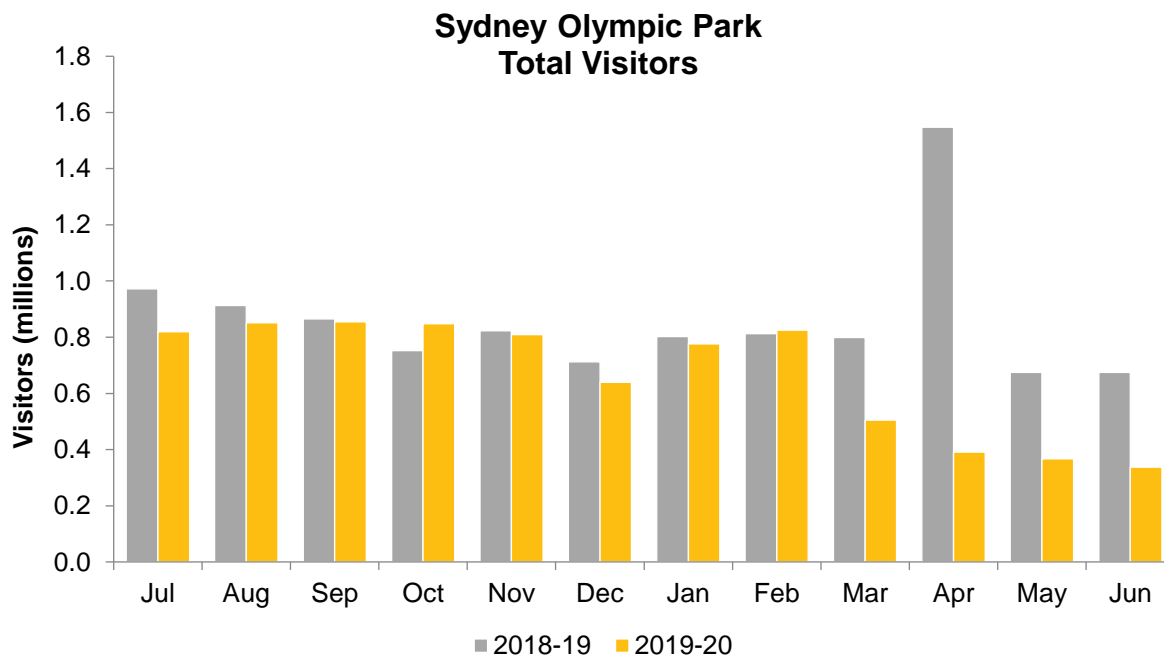
In 2019–20 almost 4,000 events were hosted and 8 million visitors came to visit and enjoy all the Park has to offer. This represents a decrease of c.20% compared with 2018-19.

The restrictions arising from compliance with Public Health Orders in response to COVID 19 reduced visitors to Sydney Olympic Park from March 2020.

The Sydney Olympic Park based community is estimated at 24,000 people in 2019-20. This is comprised of:

- 17,960 workers;
- 4,280 residents; and
- 1,860 students.

The Sydney Olympic Park based community was affected by the departure of a significant employer and compliance with COVID-19 restrictions. The total number of workers includes 5,000 casual event based staff that were unable to work due to restrictions on mass gatherings and the cancellation of major events including the Royal Easter Show 2020.



6. Funds granted to non-government community organisations

During the financial year, \$25.5m was granted to New South Wales Cricket Association for the Cricket Centre of Excellence Facility.

Under the Events and Activation Grant Funding Program \$1,462 was granted to Geocaching NSW for development of a geocaching program using Sydney Olympic Park parklands areas.

7. Economic factors affecting achievement of operational objectives

The last quarter of the 2019–20 was significantly impacted by the COVID-19 pandemic.

Sydney Olympic Park Authority operated venues such as the Aquatic and Athletic Centre were closed for an extended period. Major events could not be held in major venues in the precinct. Most events to be held in the precinct were cancelled during this period, most notably the cancellation of the largest annual ticketed event in Australia, the 2020 Sydney Royal Easter Show. It was the first time the Show had been cancelled since the Spanish Flu pandemic in the long history of the Show. The COVID-19 restrictions has had a significant impact on visitation to the precinct and associated revenue of the Authority as detailed in the annual financial statements.

Major venues and businesses in the Park face significant headwinds with economic impacts of the lock-down continuing into the 2020–21 financial year, which will again impact visitation and financial performance objectives of the Authority.

- Residential sales enquiry levels remain low. Despite the slowdown, recent residential developments in the precinct including Ecove (Boomerang Tower) and Mirvac (Pavilions) have offset the higher vacancy rate of people living in Sydney Olympic Park. Mirvac's Pavilions development introduced "Build to Rent" residential product to the Park, which will provide long-term residential rental opportunities for renters, and introduces institutional investment to the residential development space.
- The commercial office market at Sydney Olympic Park has begun to see improved results with vacancy rates slowly reducing. The outlook for commercial office development is uncertain with an expected push for people to work at home more often following the COVID-19 pandemic experience.

In addition, during 2019-20 a number of developments progressed:

- Mirvac continued construction during the period progressing well with construction of 696 apartments over four buildings ranging from 35 levels, with five levels of basement parking. The Boomerang Tower development added 229 new homes over 32 levels, with six levels of above-ground car parking. The development includes the now completed Sydney Olympic Park Authority head office and ground floor retail space.
- The Locker Room licensed premises on the corner of Olympic Boulevard and the Yulang was completed during the year, comprising three levels, including a ground floor restaurant and bar, first floor function space and a rooftop bar.
- Austino received development approval for 1 and 2 Murray Rose Avenue to develop approximately 293 residential units over two buildings ranging from 8 to 15-storeys. Construction is expected to commence in late 2021.
- A development application was lodged for Site 2A/2B on Australia Avenue, between Murray Rose Avenue and Parkview Drive. The proposed mixed-use development will introduce a new 4.5 star hotel of approximately 300 rooms and around 19,000 square metres (GFA) of commercial office space, and is likely to commence construction in late 2020.

8. Management and activities

Sydney Olympic Park Authority continued to actively manage and develop Sydney Olympic Park as a world-class events destination, cultural and heritage precinct, growing town centre providing a place to live, work and study.

8.1 Delivering Australia's event capital

In 2019–20 almost 4,000 events were hosted and included major sporting events, concerts and entertainment, business events, exhibitions and community and cultural shows.

The number of events has significantly decreased on the previous year, as many events scheduled to occur were cancelled for public health safety as part of the COVID-19 restrictions. Most notably was the 2020 Sydney Royal Easter Show, which attracts close to a million visitors across two weeks.

Highlights of the event calendar included the State of Origin, NRL Grand Final, Queen + Adam Lambert and Fire Fight benefit concert. The new ATP Cup event at the Tennis Centre was also an important part of the events calendar and was made possible following a works program to upgrade the venue with a new roof.

In the period, new international major events were pitched and secured for the Park including the FIBA Women's World Cup 2022 and FIFA Women's World Cup 2023.

Safety in managing an events precinct remains the highest priority and as such hostile vehicle mitigation bollards were added to Olympic Boulevard to help provide safety for all visitors.

8.2 Creating a sustainable community to live, work, discover and play

Sydney Olympic Park Authority has continued to unlock opportunities to create a vibrant town centre, great public spaces and more homes and jobs.

Sydney Olympic Park Authority achieved the highest possible rating of 6 Star Green Star Communities by the Green Building Council of Australia. This places Sydney Olympic Park as a world leader for delivering a sustainable community. Work is under way as part of this process to take the Park to carbon neutral by 2030. During the year, the pedestrian lighting was upgraded in Station Square and the Yulang to a new LED technology enhancing visitor safety while achieving energy efficiency.

The Park's identity as the home for sport was further cemented with the completion of the New South Wales Rugby League Centre of Excellence joining a sports community of 60 organisations in the Park.

8.3 Conserving and enhancing an abundant and healthy urban parkland

Sydney Olympic Park provides over 430 hectares of green space home to over 400 native plants and 200 native animals and an important asset for people to exercise, discover and play in nature.

Parklands and green space were elevated in importance during COVID-19 restrictions as people embraced their parks for bike riding, walking and access to fresh air and space. In April, Sydney Olympic Park recorded its highest number of parklands visitors in a month, since reporting began in 2003, with over 336,000 visits and over double the number of cyclists than an average month experiences.

During 2019-20 Sydney Olympic Park Authority undertook a review of the 1997 Parklands Vision and commenced on developing a Parklands Future Directions document. The Parklands Future Directions document is anticipated to be released in 2020-21 and will deliver an updated focus for the parklands addressing current and future opportunities to enhance and conserve this treasured public space.

The final stand of Lantana, a nationally recognised invasive weed species, was removed from the Brickpit as part of a 14- year long ecological restoration project. The project saw more than 20,000 square metres of Lantana removed and over 50,000 native plant seedlings added to the area now providing important habitat for woodland birds.

An eBook *20 Years of Healing: Delivering the ecological legacy of the Green Games* was launched showcasing the incredible insights into the restoration and conservation of nature at Sydney Olympic Park. The book aims to guide other land managers in addressing conservation challenges to help ecology beyond the borders of the Park.

8.4 Enhancing recreation and sporting opportunities for the community and top athletes

Along with sports and recreation opportunities occurring in the parklands, Sydney Olympic Park Authority manages the Aquatic Centre, Quaycentre, Hockey Centre, Archery Centre, Sports Halls, Athletic Centre and Satellite Venues.

Over 1.4 million visitors attended these venues and almost 500 events were staged during the period. Numbers were adversely affected in the second half of the financial year as the Authority navigated COVID-19 safety measures.

During the COVID-19 forced closure, the Authority took the opportunity to undertake maintenance works to the training pool, leisure pool and splashers' water playground in anticipation of re-opening to the general public. Undertaking the works during this time, allowed a faster result without causing disruption to visitors.

In the year, the Aquatic Centre also received a major refurbishment of the heating and air conditioning systems significantly enhancing visitor comfort levels.

Staff at the Aquatic Centre all took part in the Royal Life Saving NSW Cultural Competence training with the pool the first to have all staff complete the training. Visitors are now able to be helped by a workforce that are better equipped to understand and support different cultures that form the community.

At Quaycentre, gymnasts can now practice their routines using the best facilities with an upgraded gymnasium floor under new LED lighting.

8.5 Protecting and activating cultural and heritage spaces

Award-winning Murama Dance Ground was an important space launched this year dedicated to healing and belonging in Newington Armory, Sydney Olympic Park. The space is committed to sharing our First Nation's culture and stories to support cultural revival, shared learning and social benefits.

Greater opportunities to engage with art in Western Sydney were delivered through exhibitions like Operation Art and ARTEXPRESS. This year for the first time, ARTEXPRESS offered both a physical and virtual exhibition responding to the current climate.

The parklands have increased opportunities for people to engage with and use these incredible spaces, including the Youth Eco Summit, Murama Indigenous Youth Summit and Innovation Games.

8.6 Providing innovative responses to COVID-19

The impact of COVID-19 has been felt across Sydney Olympic Park. However, the Authority has delivered a number of swift and innovative responses to bring Sydney Olympic Park to people, no matter where they are in the world.

One of the first responses sought to support and provide for students and teachers who could no longer attend excursions. Sydney Olympic Park Authority's education team were rapid in turning digital, offering all Kindergarten to Year 12 curriculum based excursions as a live virtual experience.

The excursions kick-started an entire online response to COVID-19 with the launch of Sydney Olympic Park LIVE. Park LIVE provided a wealth of online experiences to people in their homes, keeping the Park relevant.

These experiences included a 360 degree bike tour of the Park, a mini Park Rangers program for toddlers, exercise routines from athletes, a Brickpit tour, concerts for Make Music Day, gymnastics classes, environmental lessons and more.

9. Human resources

Employment Statistics

(Non-casual Headcount at Census Date)

Remuneration 2017-18	Headcount As at 30 June 2018	Remuneration 2018-19	Headcount As at 30 June 2019	Remuneration 2019-20	Headcount As at 30 June 2020
\$140,996 > (SES)	9	\$144,521 > (SES)	11	\$148,134 > (SES)	7
\$140,996 > (Non SES)	0	\$144,521 > (Non SES)	20	\$148,134 > (Non SES)	0
\$112,797 - \$140,996	48	\$115,617 - \$144,521	34	\$118,507 - \$148,134	52
\$87,225 - \$112,797	54	\$89,406 - \$115,617	55	\$91,641 - \$118,507	59
\$68,929 - \$87,225	32	\$70,652 - \$89,406	35	\$72,418 - \$91,641	26
\$61,658 - \$68,929	36	\$63,199 - \$70,652	32	\$64,779 - \$72,418	29
\$46,945 - \$61,658	21	\$48,119 - \$63,199	19	\$49,322 - \$64,779	18
\$0 - \$46,945	0	\$0 - \$48,119	0	\$0 - \$49,322	0
Total	200	Total	206	Total	191

Number and Remunerations of Senior Executives

Senior Executive Band	As at 30 June 2019				As at 30 June 2020			
	Female	Male	Total	% Representation by Women	Female	Male	Total	% Representation by Women
Band 4 (Secretary)	0	0	0	0%	0	0	0	0%
Band 3 (Deputy Secretary)	0	1	1	0%	0	0	0	0%
Band 2 (Executive Director)	1	2	3	33%	0	2	2	0%
Band 1 (Director)	2	5	7	29%	2	3	5	40%
Total	3	8	11	27%	2	5	7	29%

Senior Executive Band	Range as at 30 June 2019 (\$)	Average Remuneration (\$)	Range as at 30 June 2020 (\$)	Average Remuneration (\$)
Band 4 (Secretary)	475,151 – 548,950	N/A	487,051-562,650	N/A
Band 3 (Deputy Secretary)	337,101 – 475,150	400,450	345,551-487,050	N/A
Band 2 (Executive Director)	268,001 – 337,100	287,843	274,701-345,550	302,875
Band 1 (Director)	187,900 – 268,000	206,938	192,600-274,700	211,469

In 2019-20, 10.6% of employee related expenditure was for senior executives, compared with 2018-19 which was 9.84%

10. Workforce Diversity

Trends in Representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2018	2019	2020
Women ¹	50%	44.5%	45.6%	44.5%
Aboriginal People and/or Torres Strait Islander People ²	3.3%	0.0%	0.0%	0.6%
People whose First Language Spoken as a Child was not English ³	23.2%	16.0%	17.1%	20.3%
People with a Disability ⁴	5.6%	0.6%	1.1%	1.9%
with a Disability Requiring Work-Related Adjustment ¹¹	N/A	0.0%	0.0%	0.0%

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

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

³ A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 22.3% is the percentage of the NSW general population born in a country where English is not the predominant language.

⁴ In December 2017, the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. More information can be found at: Jobs for People with Disability: A plan for the NSW public sector. The benchmark for 'People with Disability Requiring Work-Related Adjustment' was not updated.

11. Consultants

Sydney Olympic Park Authority engages consultants for specialised work on an as-needed basis, including for economic appraisals and financial services.

In 2019-20, the Authority did not engage any consultants.

12. Disability inclusion action plans

The Authority's Disability Inclusion Action Plan 2019–22 continues to guide access and inclusion initiatives and improvements at the Park and the NSW Government's commitment to improving the opportunities for persons with disability to share fully in, and be included into community life. The vision is for Sydney Olympic Park to be a world leading inclusive and accessible place for people from all backgrounds and abilities, built on the legacy of the Sydney 2000 Olympic and Paralympic Games.

Sydney Olympic Park Authority has demonstrated a strong commitment to access and inclusion during the reporting period by working with its Access and Inclusion Leadership Committee to identify strategic priorities, supporting and hosting inclusion focused place activation and events, continuing with its disability programs at its venues and visitor programs, asset upgrades and policy and planning improvements.

Our Disability Inclusion Action Plan for 2019-2022 was updated to support staff and visitors who have a disability.

The Authority also applied for the International Association of Public Participation (IAP2) awards for the engagement work in developing and implementing our Disability Inclusion Action Plan.

13. Consumer response

Sydney Olympic Park Authority values feedback from Park visitors and the local community and is committed to addressing areas of improvement. Feedback can come in the form of a complaint, compliment or suggestion based on the experience the individual and/or group had in the Park. This feedback can be provided to the Authority via email, web form, phone, social media or in person to Authority staff and is recorded in the corporate system.

From 1 July 2019 to 30 June 2020, the Authority recorded approximately 379 complaints, 26 compliments and 70 suggestions from the public. Most notably, there was a 22% increase in the number of complaints received compared to the previous financial year.

Complaints received related to:

- Event experience — traffic management, car park egress times, accessible parking and pick up/drop off locations, noise complaints from local residents, shuttle bus services, ride share location, change to annual Summer outdoor cinema, experience at ATP Cup, Tennis Centre
- Site presentation — litter, cleanliness of facilities, graffiti, landscaping upkeep, fallen trees
- Staff behaviour/customer service — security rangers, car park attendants, reception
- Aquatic Centre — lap lane availability, swim school programs, damage to hoist, changes to parking
- Website — difficult to navigate events and find information
- Maintenance — damage left by contractors and development sites, playgrounds, street lights along Hill Road, flooding along Louise Sauvage Pathway
- Parklands and town centre — Mosquito management plan, parking availability, way finding, noise from development sites, parking infringements, dogs off leash, moss covering pond at Wentworth Common resulting in children mistaking it for grass and falling in, water features and sprinklers in use during water restrictions and poor signage to communicate changes to visitors, P3 car park shuttle bus late.

Compliments received related to:

- Customer service delivery including the timely response to address concerns; and by particular staff including Park Rangers, Education team, Quaycentre staff and Secure Parking
- Adjustment of precinct operations during Royal Edinburgh Military Tattoo to adapt to needs of demographic — coach drop off location, golf carts to transport guests around ANZ Stadium area
- Ease of pre-booked parking experience
- Site presentation and atmosphere of parklands, particularly Blaxland Riverside Park
- Bluey meet and greet at Christmas in the Square event
- ARTEXPRESS being provided online — provided in response to COVID-19 restrictions closing down Armory Gallery
- P3 Car Park shuttle service

14. Payment of accounts

The table below highlights the Authority's account payment performance for 2019-20.

Quarter Ended	Current (within due date)	Less than 30 days overdue	Between 31 & 60 days overdue	Between 61 & 90 days overdue	More than 90 days overdue
	\$'000	\$'000	\$'000	\$'000	\$'000
At 30 Sep 2019	606	0	7	0	0
At 31 Dec 2019	912	0	30	0	0
At 31 Mar 2020	1,334	6	0	0	0
At 30 Jun 2020	63	8	12	0	0

Trade creditors' accounts paid on time within each quarter

Quarter Ended	Accounts paid on time target %	Accounts paid on time actual %	Amount paid on time \$'000	Total amount paid \$'000
At 30 Sep 2019	95	97%	51,680	52,120
At 31 Dec 2019	95	98%	46,584	46,780
At 31 Mar 2020	95	98%	23,272	24,061
At 30 Jun 2020	95	99%	37,360	37,671

No suppliers requested or were reasonably entitled to penalty interest for the year.

15. Risk management and insurance activities

Risk Management and Business Continuity

The Department of Planning, Industry and Environment (the Department) supports Sydney Olympic Park Authority to manage risks.

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

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

During 2019-20 the Department revised its Business Continuity Management Framework based on the international business continuity standard (ISO22301:2019) and developed a comprehensive set of tools to support business continuity planning, impact analysis and crisis management to ensure critical activities can be continued in the event of disruption. These tools and related support are available to the Authority to manage any business continuity event.

Ethics

The Department launched its Code of Ethics and Conduct on 1 April 2020. The Code is web-based and is a resource to support Sydney Olympic Park Authority employees to understand and comply with their obligations. Prior to the new Code being adopted, employees of the Department observed the compliance obligations of the relevant policies that applied prior to the machinery of government change in July 2019.

The Code of Ethics and Conduct underpins the Department's compliance framework, which includes:

- Systems to assist employees with their personal compliance obligations (declaration and management of conflicts of interest, approval of secondary employment, senior executive private interests and gifts, benefits and hospitality)
- The Fraud and Corruption Control Framework and Policy
- Public Interest Disclosures Policy and Procedure (which includes access to an anonymous reporting tool)
- Lobbying of Government Officials Policy

Public Interest Disclosures

Under the Public Interest Disclosures Act 1994, each public authority is required to prepare an annual report on their obligations under this Act. This information for Sydney Olympic Park Authority is captured in the Department of Planning, Industry and Environment Annual Report as all Public Interest Disclosures are managed centrally by the Department.

Insurance Arrangements and Activities

During the period 2019-20, the Authority had insurance arrangements in place for all its assets and major risk. Insurable risk cover for the Authority was provided through participation in the NSW Treasury Managed Fund

(TMF), the NSW Government self-insurance scheme.. Insurable risk exposures covered through the TMF includes:

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

The main exposures that are not included are:

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

Audit and Risk Compliance Committee (ARC)

As a result of Machinery of Government changes in 2019–20, the Authority Board’s Audit Risk & Compliance (ARC) Committee was dissolved in early 2020. The final meeting of the ARC Committee was held on 13 February 2020.

New arrangements were established whereby oversight of The Authority’s audit function was placed within the Department of Planning, Industry & Environment (DPIE) overall audit governance structure. The Authority’s Audit & Risk Committee (ARC) now forms part of the Property Audit & Risk Committee (within DPIE).

The charter of the Sydney Olympic Park Authority ARC has been reviewed by the Chief Audit Executive, in consultation with the Chief Executive Officer and the Audit and Risk Committee, and is consistent with the ‘model charter’ contained in the Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15–03) issued by NSW Treasury. The Committee addresses financial, accounting, reporting and internal controls, as well as risk management and compliance issues.

16. Internal Audit and Risk Management Attestation Statement

Internal Audit and Risk Management Attestation Statement for the 2019-2020 Financial Year for Sydney Olympic Park Authority

I, Sam Romaniuk, Chief Executive of Sydney Olympic Park Authority am of the opinion that the Sydney Olympic Park Authority has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements

Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Non-Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Non-Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

Membership

The Chair and members of the previous SOPA Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date
Chair	Pippa Downes	23 March 2017	14 February 2020
Member	Jill Davies	01 December 2016	14 February 2020
Member	Matthew Dunn	26 July 2018	14 February 2020

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

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

Note: Audit and Risk Committee oversight for Sydney Olympic Park Authority (SOPA) was previously provided by an Audit and Risk Committee arrangement within SOPA. SOPA transitioned across to a DPIE collaborative shared Audit and Risk Committee arrangement in early 2020.

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

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

Departures from Core Requirements

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

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

Departure Non-compliant	Reason for departure and description of practicable alternative measures being implemented
Core Requirement 2.1 Internal Audit Function	An internal audit function has been established and maintained. The Chief Audit Executive (CAE) is a Department of Planning Industry and Environment employee and is responsible for the internal audit function within Sydney Olympic Park Authority (SOPA).

	<p>The CAE has direct access to SOPA's Agency Head and the ARC and is supported by the Department of Planning, Industry and Environment's internal audit function.</p>
<p>Core Requirement 3. 1 Audit and Risk Committee</p>	<p>An independent Audit and Risk Committee with appropriate expertise has been established.</p> <p>A Collaborative Shared Audit and Risk Committee will provide independent oversight and advice for the operations of the Sydney Olympic Park Authority.</p> <p>SOPA is party to a collaborative shared Audit and Risk Committee (ARC).</p> <p>The ARC will review the financial statements and will provide support to SOPA to manage risk, internal audit and financial management activities.</p> <p>This collaborative shared ARC is made up of agencies with property and land management responsibilities.</p>

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



Sam Romaniuk
Chief Executive
Sydney Olympic Park Authority

Date: 11 September 2020

Agency Contact:
Suzette Gay
Director Audit
02 8289 6912

17. Digital information security policy attestation 2019-20

Cyber Security Annual Attestation Statement for the 2019-2020 Financial Year for Sydney Olympic Park Authority

I, Sam Romaniuk, am of the opinion that Sydney Olympic Park Authority have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cyber security maturity and initiatives of Sydney Olympic Park Authority.

Risks to the information and systems of Sydney Olympic Park Authority have been assessed and are managed.

There exists a current cyber incident response plan for Sydney Olympic Park Authority which has been tested during the reporting period.

Sydney Olympic Park Authority has an Information Security Management System (ISMS) certification in ISO 27001:2013 in place.

Sydney Olympic Park Authority is doing the following to continuously improve the management of cyber security governance and resilience: Prepare and establish a management plan for improvement of security awareness, incident management process and work on essential eight maturity to next levels.

This attestation covers the following agencies: Sydney Olympic Park Authority



Sam Romaniuk
Chief Executive Officer
Sydney Olympic Park Authority

27 August 2020

Date

18. Multicultural Policies and Services Program

Sydney Olympic Park is easily accessible to a large culturally and linguistically diverse (CALD) community in Western Sydney and the Authority gives high priority to the promotion of cultural diversity.

The Authority works with ethnic media on awareness campaigns to ensure the broader community has access to information about products and services offered at Sydney Olympic Park. At the same time, a closer relationship has been developed with the City of Parramatta, the Community Migrant Resource Centre and Settlement Services International to optimise the opportunity for all cultures to share their stories in the Park.

The Authority ensures that local communities are informed about leisure, sporting, and cultural activities/events at Sydney Olympic Park through its What's On campaign, e-newsletters, websites, and public relations activities.

The Authority supported the staging of a number of significant ethnic community events, festivals and celebrations within the Park during 2019–20 including:

- The Sydney Sacred Music Festival, a celebration of music from diverse cultures featuring highly regarded performers reflecting the depth and breadth of Sydney's rich musical heritage.
- The Ceremony, a cross-cultural family day hosted by the Murama Healing Space, with food, music and dance from Indigenous, Syrian, Tibetan and Uyghur communities in western Sydney.
- The Red Room Poetry project was brought to completion in early September at the Badu Mangroves, Bicentennial Park. This brings a First People's perspective to the Park's most extraordinary natural environment. The boardwalk has been engraved with two poems written by renowned Aboriginal poet, Lorna Munro.

The inaugural Events and Activation Grant Funding Program, which provided grant and value in kind support for a range of events including a Community Migrant Resource Centre Block Party and the Africultures Festival. These and other events will bring the Park to life once the COVID-19 restrictions are lifted.

During the reporting period the Authority formed part of the Department of Planning, Industry and Environment and was in compliance with the Department's Multicultural Policies and Services Program.

19. Work Health and Safety (WHS)

Health and Safety Committees and the Whole of Business Coordination Committee continued to meet regularly during the year and addressed a range of matters.

No significant lost time or major injury workers' compensation claims were incurred during the year, nor were there any prosecutions under the Work Health and Safety Act. In addition 12 staff were trained as health and safety representatives (HSR) to ensure we have a trained group of staff who can liaise with other staff to identify health and safety issues and convey these issues to leaders within the Authority.

The Authority continued to support the Fitness Passport program as a wellbeing initiative. The program provides employees and members of their families with access to multiple fitness facilities and health clubs at a significantly reduced rate.

To support the health and wellbeing of staff during the COVID-19 pandemic, staff have been encouraged and enabled to work from home whenever it is reasonable to do so.

The Authority participated in an influenza vaccination program provided by the Department for staff expressing an interest in receiving the vaccination. The vaccination program is viewed as a preventive strategy to protect employee health, and minimise disruptions to the workplace through absenteeism.

The Authority's staff wellbeing committee, comprising staff representatives from each area of the organisation, continued to meet regularly during 2019. The committee is a vehicle for seeking employees' views and facilitating feedback between staff and management on staff welfare, amenity and general wellbeing issues and has been incorporated into the new employee engagement committee.

WHS induction and training

The Authority staff were required to complete two WHS mandatory courses on the DPIE learning system:

- DPIE WHS Induction
- DPIE Covid-19 Awareness

Additionally, WHS mandatory information is hosted on the Department of Planning, Industry and Environment intranet. Training is provided in:

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

20. Budgets

Performance against budget

Sydney Olympic Park Authority (SOPA) finished the year with a net deficit of \$85.3 million against a budgeted deficit of \$4.3 million.

SOPA delivered a favourable variance of \$9.7m in revenue primarily due to reduction of revenue due to the COVID-19 pandemic offset by Treasury stimulus grants and insurance recoveries.

Total expenses were \$44.5m unfavourable to budget. This is primarily due to increase in depreciation expenses to reflect the Stadium ownership reverting to SOPA and SOPA Venues personnel costs over budget due to timing of the transfer to SOPA pursuant to machinery of government changes.

Losses on disposal and other losses accounted for an unfavourable variance of \$46.3m primarily due to the accounting treatment of the right to receive asset for ANZ Stadium after the prior year adjustment to reflect the Stadium ownership reverting to SOPA.

Budget overview

SOPA is forecast to deliver a \$50.8m deficit in the 2020-21 financial year. SOPA has been materially impacted by the Covid-19 pandemic, which has caused reduction in both revenue and expenses. The forecasted deficit is primarily due an increase to depreciation expenses of \$38.2m and no right to receive gains of \$44.5m for both ANZ Stadium and Qudos Bank Arena, offset by additional grant revenue of \$39.9m for critical capital works and maintenance for ANZ Stadium.

	Actual 2018-19	Actual 2019-20	Budget 2019-20	Variance 2019-20	Budget 2020-21
	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses	184,967	198,906	154,407	(44,499)	182,465
Revenues	175,432	103,997	94,294	9,703	131,645
Other gains / (losses)	9,387	9,572	55,845	(46,273)	0
Net operating result surplus / (deficit)	(148)	(85,337)	(4,268)	(81,069)	(50,820)

21. Additional matters for inclusion

Privacy and Personal Information Protection Act 1998 (PIIP Act)

A comprehensive internal privacy review was undertaken to ensure compliance with the requirements of the Privacy and Personal Information Protection Act 1998.

There were no reviews under Part 5 of the Privacy and Personal Information Protection Act 1998.

22. Numbers and remuneration of senior executives

See Human Resources.

23. Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) sets out annual reporting obligations under sections 7(3), 21 and 125.

The Government Information (Public Access) Regulation 2018 (GIPA Regulation) also provides further requirements about the content to be included in the annual report.

Review of proactive release program — GIPA Reg. Clause 8(a). The Authority's program for the proactive release of information involves:

- Provision of information via informal access applications;
- Annual review and mandatory proactive release of policies;
- Ongoing release of tender and contract information to the e-tenders website;
- Review and consolidation of documents available on the Authority's website; and
- Review and availability of information (other than the above) that impacts on the public.

During the reporting period, the Authority reviewed this program by:

- Reviewing the informal access application process and types of information releasable without compromising third party rights; quality of information being provided and completion time frames;
- Review of additional information for placement on the website that is of public interest.

Number of access applications received — GIPA Reg. Clause 8(b)

During the 2019-20 reporting period, the Authority received two formal access applications, in addition to one application carried forward from 2018-19.

Refer to tables A to I below for details on the matters dealt with by the Authority.

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn	Decision Pending
Media	0	1	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	1	0
Private sector business	0	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0	0

*More than one decision can be made in respect of a particular access application.

If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn	Decision Pending
Personal information applications*	0	1	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	1	0

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	3

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Decision pending	Total
Internal review	0	0	0	0
Review by Information Commissioner*	0	1	0	1
Internal review following recommendation under section 93 of Act	0	0	0	0
Review by NCAT	0	1	0	1
Total	0	2	0	2

*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	2

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications for review
Agency-initiated transfers	0
Applicant-initiated transfers	0

24. Public Interest Disclosures

Under the Public Interest Disclosures Act 1994, each public authority is required to prepare an annual report on their obligations under this Act. This information for Sydney Olympic Park Authority is captured in the Department of Planning, Industry and Environment Annual Report as all Public Interest Disclosures are managed centrally by the Department.

25. Promotion

From 28 August to 6 September 2019, the then CEO Charles Moore participated in a study tour focused on the vast array of urban regeneration projects in the UK's East London community. This was to help the CEO in overseeing the planning and leading the delivery of the Master Plan 2030 (2018 Review). To also assist Government to capitalise on the significant infrastructure investment e.g. Metro West, Parramatta Light Rail planned for Western Sydney and in particular the greater Parramatta Olympic Peninsula region. Total travel cost to the Authority \$9,042.10.

From 18 to 25 November SOPA Manager Wetlands, Dr Swapan Paul travelled to China following an invitation by the Chinese Academy of Forestry to provide an intensive wetland training to Chinese Wetland Managers. This trip also included his attendance at a seminar and visit to several wetland research sites in Beijing, China. Total travel cost to the Authority was \$105.

From 1 to 5 December the Authority's Senior Manager Water and Energy Dr Andrej Listowski travelled to Vietnam following an invitation by the University of Technology, Ho Chi Minh City to speak at the Green Technologies for Sustainable Water Conference particularly in water recycling technology and renewal resources management. This trip was at no cost to the Authority.

26. Exemptions and Nil reports

Reporting requirement	Reason for exemption
Application of extension of time	N/A
Legal change	No legal change.
Land disposal	No properties with a value greater than \$5M were disposed of during the reporting period.
Disclosure of Controlled Entities	Sydney Olympic Park Authority does not have any entities.
Disclosure of Controlled Subsidiaries	Sydney Olympic Park Authority does not have any subsidiaries.
Agreements with Multicultural NSW	Sydney Olympic Park Authority does not have any agreements with Multicultural NSW during the reporting period.
Total external costs incurred in the production of the report	Nil
Public availability of annual reports	The Authority's annual reports are available on its website sopa.nsw.gov.au and the NSW Parliament website after tabling in Parliament
Requirements arising from employee arrangements	N/A
Research and Development	N/A

27. Events after the Reporting Period

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

Sydney Olympic Park Authority

Annual Report 2019-20

- State of Environment Report

State of Environment Report, 2019-20

Sydney Olympic Park Authority seeks to set a high standard of environmental performance, and works to continually improve the sustainability of Sydney Olympic Park and the business activities of the Authority. This State of Environment Report provides an overview of the Authority's management practices and performance over 2019–20 in relation to its immediate environmental responsibilities, and meets the environmental reporting requirements set out in the *Sydney Olympic Park Authority Act 2001*. It also addresses reporting requirements under the NSW Government Resource Efficiency Policy. The report is based around the eight key environmental issues identified in the *Environmental Guidelines for Sydney Olympic Park* (Sydney Olympic Park Authority, 2008). Authority operations and new Park development projects are also addressed.

The Authority continues to implement new initiatives to improve its environmental performance, and has implemented over 160 such initiatives since 2000; these initiatives are in addition to routine environmental management activities and span areas including flora and fauna conservation; leachate management; water conservation; transportation; heritage conservation; energy efficiency; environmental education and development.

Achievements

- The Authority was formally accredited as a 6 star Green Star Community by the Green Building Council of Australia (GBCA) in December 2019, the highest rating possible under GBCA's rating system. Sydney Olympic Park is the first 6 Star Green Star community wholly delivered by a NSW Government agency, having achieved a total of 97 points out of a possible 110 for its application, the second- highest points tally of any Green Star Communities project in Australia. The rating will remain current until December 2024.
- Completion of staged removal of over 20,000 square metres of Lantana — a Weed of National Significance due to its invasiveness and environmental impact — from the Brickpit over 14 years. The Brickpit has significant ecological value for many fauna including small woodland birds declining across much of the NSW, and the endangered Green and Golden Bell Frog.
- Staged luminaire replacement program to energy-saving LED lights in the town centre was completed, with re-lamping undertaken at the Yulang, Station Square, Jacaranda Square, Fig Grove, Olympic Boulevard, Heritage Precinct and Cathy Freeman Park; luminaire replacement was undertaken at Quaycentre and the Aquatic Centre.
- The highest number of Latham's Snipe — an internationally-protected migratory bird species — was recorded since targeted surveys began in 2004. This number (30 birds) is more than double the 10-year average, and exceeds the Commonwealth threshold (18 birds) for 'important habitat'. Ensuring suitable habitat is available for Snipe is one of the key aims of wetland management, with vegetation and water management designed to enhance foraging and roosting habitat for this species.
- In 2018–19, tidal exchange was restored to a degraded section of mangrove forest by installing a culvert through historic bunding to link the mangrove forest with Powells Creek. Monitoring in 2019–20 revealed mangrove health had improved as anticipated — mangroves are germinating and stressed trees are recovering.
- An e-book titled *20 years of healing: Delivering the ecological legacy of the Green Games* was released, celebrating and sharing the long-term work completed to conserve and enhance the Park's natural environment.

Key projects delivered

- Construction of the alternative leachate treatment and disposal system has been completed. Leachate from five legacy landfills (Kronos Hill, Wentworth Common, Haslams Reach/P5 Car Park, Archery Centre and Bicentennial Park) that is currently reliant on off-site treatment will be disposed through licensed discharge to the sewer. This system, along with the three biological treatment systems already operating on-site, will result in over 85% of all landfill leachate generated from the Sydney Olympic Park legacy landfills being diverted away from the industrial liquid waste treatment plant.
- Accumulated sediment was removed from the inlet section of Bennelong Pond to avoid flooding of roads as well as improve habitat quality.
- A 123kW solar photovoltaic system able to generate ~170,000kWh per year was constructed and commissioned on the roof of P3 Car Park in April 2020. The system is connected to The Authority's head office and is expected to reduce electricity costs by 50% and save 14 tonnes of CO2 per month.

Key projects commenced

- The Stadia Precinct public domain design competition was held in February 2020; it is the first major Authority-led project following certification as a 6 Star Green Star Community. The competition was aimed at recollecting the Olympic legacy of world-leading sustainable design and set the course for future public domain improvements throughout the Park. Key elements of the design brief included a strong focus on biophilic design, innovative sustainable design and setting an ambitious target of increasing tree canopy from 10% to 75% of the site area. The winning concept is currently being developed into a schematic design before wider public consultation in 2020–21.
- The five-year Public Space Waste Management Strategy was developed to set high standards and targets for waste diversion from landfill and commence the path towards a circular economy.
- A sustainability awareness program is being developed to provide opportunities for sustainability education to the community, residents, workers and visitors through multiple platforms to improve knowledge and motivation for sustainable living and individual wellbeing.

Green Star

As the Park is becoming an even more desirable place to live, work and play, the precinct is continuing to grow and develop, with an accompanying increase in energy and water use, waste generation, and increased pressure on ecological systems and public open spaces. As a certified 6 star Green Star Community under the Green Building Council of Australia rating tool, which represents World Leadership in sustainable precincts, the Authority has developed action plans to deliver a sustainable precinct that provides a healthy environment, liveable community and prosperous city. Key actions specifically related to the environment for 2019–20 include:

- Updated the Authority's Procurement Policy POL02/17 (Goods, Works & Services) to reflect the compliance requirements for responsible sourcing and sustainability of primary construction materials; the revised Policy has been approved.
- Continued to update of the Environmental Guidelines for Sydney Olympic Park to reflect commitments made to meet Green Star Communities credit requirements.
- Developed an online, publicly available Community Users Guide for local residents; the Guide pertains to sustainability attributes of waste reduction, energy efficiency, water efficiency, and sustainable transport and movement.
- Committed to achieving net-zero emissions for the organisation and for Sydney Olympic Park as a whole by 2050 with an aspirational target of 2030.

Upcoming actions include:

- Public exhibition of the revised Environmental Guidelines; and
- Continued development of strategies to facilitate responsible sourcing and increased application of primary construction materials (concrete, steel, asphalt and PVC) for all projects in relation to new and retrofit building, civil infrastructure, public realms and open space works, in accordance with compliance requirements in the updated Procurement Policy

Fast Facts

921,000 kilolitres of recycled water (or equivalent of **368** Olympic swimming pools) produced during 2019-20 for use in Sydney Olympic Park and adjacent suburb of Newington

Sydney Olympic Park supports over **400** native plant species and over **220** native animal species

Over **1.2 million** cyclists visited the Parklands in 2019–20; the highest number since records began in 2005–06

26,800 native shrubs and groundcovers were planted in 2019–20 to provide habitat

The Authority's pollution control measures prevented close to **77 tonnes** of waste from entering the Park's waterways during 2019–20

3 million people visited the parklands throughout the year, including over **15,000** school students

Sydney Olympic Park runs on **80%** recycled water saving thousands of kilolitres of drinking water every year

1 WATER

Sydney Olympic Park Authority has a locally integrated approach to water conservation based on wastewater reprocessing, stormwater harvesting and reducing water demand.

The Water Reclamation and Management Scheme (WRAMS) produces recycled water from sewage and stormwater; this recycled water is used for irrigation, ornamental fountains, and toilet flushing across all of the Park's sport and entertainment venues, office buildings and apartments, as well as homes in the adjacent suburb of Newington and Newington Public School.

Separate metering enables the water consumption of individual components (such as fountains) within the public domain to be monitored, and leaks to be identified or operating regimes adjusted. Stormwater from buildings

and roads in the northern catchments of the town centre is harvested into water storage ponds and used to irrigate park areas, landscapes and sports fields, and also feeds into the WRAMS water recycling system. Potable water is typically only used for kitchens, showers and hand basins, in swimming pools and on artificial turf hockey playing fields. Water demand for landscaping is minimised through water-wise landscaping practices and night time irrigation, when evaporation is low. Any development within Sydney Olympic Park is required to connect to the recycled water system and to address the Authority's Stormwater Management and Water Sensitive Urban Design Policy in order to effectively manage stormwater runoff for re-use and minimise pollutants entering the environment.

Water Production and Consumption 2019–20

Recycled water production	921,000 kilolitres produced Approximately 30,000 residents and workers serviced
Recycled water consumption	256,345 kilolitres used in the public domain, including <ul style="list-style-type: none"> – 93,475 kilolitres used in irrigation – 66,158 kilolitres used in the parklands – 61,804 kilolitres used in the sport venues – 34,908 kilolitres used in commercial buildings and car parks and capital buildings.
Harvested stormwater consumption	Approx. 345,000 kilolitres used for parklands irrigation
Potable water consumption	149,061 kilolitres used in the public domain, including <ul style="list-style-type: none"> – 32,909 kilolitres used in the parklands – 76,414 kilolitres used in the sport venues – 39,738 kilolitres used in commercial and capital buildings.

NSW Government Resource Efficiency Policy reporting:

Water management	2019–20	2018–19	2017–18	2016–17	2015-16	2014–15	2013–14
Recycled water production (Kilolitres)	921,000	987,000	919,821	923,000	930,00	896,000	991,341
Total potable water consumption (Kilolitres)	149,061	156,769	132,955	114,717	116,082	116,774	125,032
Potable Water Cost (\$)	323,670	326,420	271,228	229,434	264,203	260,640	271,069

Compliance with procurement standards:

W2 Minimum water standards for office buildings – complied

W3 Minimum standards for new water-using appliances – complied

2 ENERGY

Sydney Olympic Park’s buildings and facilities are designed and managed to minimise energy consumption and greenhouse gas emissions.

As a State Government Agency, the Authority is committed to net zero carbon emissions by 2050 and has an aspiration to be carbon zero by 2030. The Authority’s Integrated Energy Strategy aims to meet this target, and to fulfil greenhouse gas reduction commitments made to obtain a Six Star Green Star Communities accreditation. Pathways to reduce energy demand include:

- minimum Green Star, NABERS and BASIX requirements for all new buildings. High performance environmental ratings and building controls is mandated by Master Plan 2030;

- Renewable Energy — diversification of energy supply to include on-site solar photovoltaic systems on assets;
- Power Purchase Agreements — off-site renewable energy purchasing to be investigated; and
- Energy efficiency — continual improvement across all of the Authority’s assets including venues, street lighting, car park lighting and head office.

The Authority manages 88 electricity accounts with electricity consumption assigned across five major asset groups: building & amenities, car parks, street lighting, irrigation & leachate and venues. Of these groups, Venues is the highest consumer of electricity, followed by street lighting. Re-lamping of metal halide lights to LED luminaires is

continuing, as LED luminaires use ~50% less electricity than conventional metal halide lights, provide consistent illumination output and have a lifespan of over 10 years. Advanced light control system allows close control of operating times and light levels – lights may be dimmed or switched off when not in use — further reducing energy consumption.

A 123kW capacity solar photovoltaic system was installed on the roof of P3 Car Park and was commissioned in April 2020. This system supplies electricity to the Authority’s head office and has the potential to save around 50% of grid electricity and 14 tonnes of CO₂ per month.

Energy production and consumption 2019–20

Electricity consumption	14,730,502 kilowatt hours consumed across the Park, a 3.7% reduction compared to 2018–19. This includes the Authority’s head office, street lights, car park lights, and 6,381,956 kilowatt hours consumed in the sport venues (16% reduction compared to 2018–19). Green power accounted for 6% of total electricity consumption.
Natural gas consumption	Natural gas consumption in the public domain was comprised of 2,720 litres of bottled LPG gas for barbeques at Blaxland Riverside Park, similar to previous years, and approximately 56,041 gigajoules of natural gas used at the sport venues, a 14% decrease compared to 2018–19. Electricity and gas usage reduction in 2019–20 is mainly attributed to mandatory COVID-19 closures since mid-March 2020.
Solar power generation	Approximately 373,556 kilowatt hours supplied to the grid.
Initiatives	Around 300 metal halide luminaires were replaced with energy efficient LED luminaires in the town centre (Yulang, Station Square, Jacaranda Square, Fig Grove, Olympic Boulevard, Heritage Precinct and Cathy Freeman Park) and Quaycentre.
Achievements	A 123 kilowatt solar system was installed to supply electricity to the Sydney Olympic Park Authority head office, and was operational from 1 April 2020. This system has the potential to save around 50% of grid electricity and 14 tonnes of CO ₂ per month.

NSW Government Resource Efficiency Policy reporting: Energy management (Electricity)

Year	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Consumption (kilowatt hours)	14,730,502	15,302,827	16,466,895	17,767,695	18,910,825	18,787,215	19,940,969
Cost (\$)	2,858,329	3,212,296	2,987,704	3,073,149	3,070,232	3,585,576	4,357,440

Energy efficiency projects implemented since July 2015	year	annual bill savings
Luminaire replacement (of metal halide with LEDs) at P1 Car Park	2015–16	\$40,000
Luminaire replacement at P1 Car Park and selected streets in the town centre, and progressive installation of advanced lighting control (City Touch system)	2017–18	\$25,000
Luminaire replacement on the 'Tower of Power' and all remaining town centre street lights	2018–19	\$50,000
Luminaire replacement in the town centre and Quaycentre. Installation of solar PV on P3 Car Park	2019–20	>\$50,000

Compliance with procurement standards:

E1 Target to save energy across all government sites – Electricity consumption has decreased by 26%, and annual costs have decreased by 34% since 2013-14. This reduction was achieved mainly by installation of co-generation system at Aquatic Centre, more favourable electricity pricing procured through 777 and 776 Contracts, as well as progressive replacement of metal halide luminaires with LED luminaires across the Park.

E2 Minimum NABERS Energy ratings for offices and data centres – 5.5 NABERS Energy rating achieved for the head office, exceeding the minimum rating of 5 stars

E3 New electrical appliances and equipment – non-compliant. One bar fridge with a 2 star rating was purchased during the reporting period. Only one manufacturer offers an energy-compliant bar fridge and this was unable to be sourced at the time.

E4 Minimum standards for new buildings – 6 Star Green Star fit-out achieved, exceeding the minimum rating of 5 stars

E5 Installation of solar PV – 123kW solar PV system installed. Further opportunities have been identified in the Authority's Integrated Energy Strategy and are under investigation.

E6 Minimum fuel efficiency standard – all vehicles procured via a lease arrangement through whole-of-government contract (SCM0653 Motor Vehicles Scheme)

E7 Purchase 6% green power – complied through Government energy contracts 777 and 776

Scope 2 Greenhouse gas emissions from electricity and gas consumption

Year	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
GHG emission (tCO ₂ e)	14,820	15,744	16,287	17,164	17,877	18,240	18,621

3 POLLUTION CONTROL

The Authority maintains a strong focus on environmental awareness and due diligence to minimise environmental impacts and achieve compliance of its operations with applicable water, noise, light, and air quality standards.

Stormwater runoff generated within Sydney Olympic Park is filtered through gross pollutant separation and containment units and constructed wetlands to reduce the concentration of suspended solids and nutrients before discharge to waterways. Stormwater litter booms are installed across three creeks that traverse the Park to intercept

and capture litter originating upstream from catchments outside the Park’s boundary.

The Authority holds two Environment Protection licences under the *Protection of the Environment Operations Act 1997*, which regulate discharge of wastewater from leachate bioremediation and from recycled water production.

The Authority is also the “appropriate regulatory authority” for major event noise at Sydney Olympic Park, and operates a number of fixed noise monitoring stations across the Park.

Pollution control 2019–20

Stormwater litter	<p>Approximately 77 tonnes of pollutants were prevented from entering the Park’s waterways and downstream, similar to previous years.</p> <ul style="list-style-type: none"> • 30.5 tonnes of stormwater litter and sediment captured by gross pollutant traps; • 6.5 tonnes of stormwater litter captured by booms; • 40.2 tonnes of waste captured in roadside pits and drains.
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Licensed discharges to waters	<p>1,557 kilolitres of landfill leachate were treated via evaporation at the Wilson Park bioremediation system. 1,658 kilolitres were discharged to the Parramatta River over nine days due to heavy rainfall, as the volume of treated leachate and stormwater exceeded the storage capacity of the evaporation ponds. 64 kilograms of mixed hydrocarbon contaminants were removed through biological treatment at the Wilson Park bioremediation system.</p> <p>2,133 kilolitres of leachate were treated at the Blaxland Sustainable Leachate Treatment Wetland; 23,028 kilolitres (including stormwater added to the leachate to reduce ammonia concentrations) was discharged to the Parramatta River in accordance with licence conditions.</p> <p>Over 512 kilograms of ammonia contamination was removed from the environment at the biological leachate treatment wetlands.</p> <p>39,400 kilolitres of reverse osmosis retentate was discharged to Haslams Creek from the WRAMS recycled water plant in accordance with Licence conditions.</p>
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Pollution incidents No pollution incidents were caused by the Authority. Pollution incidents that occurred in the Park due to external landholders:

- Sydney Water Corporation (SWC) attended to a sewer overflow incident on 8 July 2019 at 1–3 Owens Ave, Newington. Sewage seeped into a wetland (Teal Pond) through stormwater pipes before entering Haslams Creek near the M4 Motorway.
- In late November 2019, paint escaped into Boundary Creek from Tennis World’s freshly painted tennis courts due to a heavy rain event. Tennis World organised the required clean up.

Initiatives Two projects aimed at improving capture of stormwater litter were delivered. The stormwater culvert that flows into the gross pollutant trap at the upper end of Boundary Creek was cleaned to avoid upstream flooding. Accumulated sediment was removed from the inlet section of Bennelong Pond to avoid flooding of roads as well as to improve the habitat quality.

NSW Government Resource Efficiency Policy (GREP) reporting:

Air emissions compliance with procurement standards:

- A1 Air emission standards for mobile non-road diesel plant and equipment – No diesel non-road plant and equipment was purchased in the reporting period.
- A2 Low VOC surface coatings – Carpet was replaced in parts of the Aquatic Centre, with products that pass the ISO10580:2010 VOC test.

The GREP requirements are included in any new term contracts let, and are considered in the tender assessment process. Standard ProcurePoint contracts issued by NSW Department of Finance, Services and Innovation are utilised for capital works projects undertaken by the Authority.

Standard contract specifications for subcontractors for work that requires use of VOC emissions materials will be updated to meet requirements.

4 WASTE AND MATERIALS SUSTAINABILITY

Sydney Olympic Park Authority seeks to minimise waste generation and maximise reuse and recycling. Sustainable, recycled and recyclable materials are used wherever practicable in new developments, asset refurbishment and maintenance programs.

Over 600 waste bins and 50 ash cylinders are installed across the Park's public domain. Additional bins are deployed during major events. Green waste is reused as mulch and construction waste is source-separated for recyclables wherever possible. The Authority is developing a five-year whole-of-Government waste contract to improve resource recovery rate in the public domain and sports venues.

Ten engineered remediated landfills covering 105 hectares of the Park, predominantly containing domestic and industrial waste and demolition rubble dating from 1950s to 1970s, are managed to protect human health and the environment. Leachate from three of the Park's landfills (Wilson Park, Blaxland and the Former Golf Driving Range) is treated biologically on-site in constructed wetland treatment systems. Following construction of an alternative leachate treatment and disposal system in 2019–20, leachate from a further five of the Park's landfills will be disposed through licensed discharge to the sewer; work is underway to move the one remaining landfill still reliant on off-site industrial treatment of leachate to a more sustainable system.

Backwash water from the Sydney Olympic Park Aquatic Centre is discharged to a constructed

wetland, and supports aquatic habitat, irrigation and recycled water production.

Sustainability principles are embedded in the Authority's Environmental Guidelines for Sydney Olympic Park, Urban Elements Design Manual and Park Elements Design Manual, which identify approved performance standards, styles and materials for Park infrastructure and furniture. Lights, paving blocks, seating and trees are salvaged from construction projects and reused/ replanted where possible. Detailed new sustainability specifications for primary construction materials, including steel, concrete and asphalt, were adopted in 2020.

Temporary event overlay, including marquees, stages, fencing, tables and chairs, audio and lighting equipment is hired rather than purchased to reduce storage area requirements, and to avoid idle resources during non-event periods.

Waste generation and recycling 2019–20

Public domain waste	<p>294 tonnes of general waste was collected from the public domain, a 27% reduction from 2018–19; 3 tonnes of cardboard was collected and recycled.</p> <p>193 tonnes of waste was collected from sport venues, a 47% reduction from 2018–19. The average recycling rate is 60%. These reductions are due to mandatory COVID-19 closure.</p>
Greenwaste	<p>590 tonnes of vegetation waste from parklands and town centre landscaping was recycled or retained on-site; over 100 tonnes of vegetation waste from natural areas were retained on-site in compost or habitat piles.</p> <p>27.65 tonnes of noxious weeds from parklands and town centre landscaping and 23.16 tonnes of vegetation including noxious weeds from natural areas were taken to appropriate licenced facilities for disposal.</p>
Leachate	<p>20,037 kilolitres were transferred to a liquid waste plant for treatment and 8,117 kilolitres was bioremediated on-site (approximately 29% of all leachate extracted was bioremediated).</p> <p>The biological leachate treatment system at Wilson Park removed 56 kilograms of BTEX and 8 kilograms of Polycyclic Aromatic Hydrocarbons (PAHs).</p> <p>Blaxland Sustainable Leachate Treatment Wetlands removed 512 kilograms of ammonia. Former Golf Driving Range Sustainable Leachate Treatment Wetlands removed 660 kilograms of ammonia.</p>
Aquatic Centre backwash	Approximately 2,250 kilolitres of backwash was discharged to constructed wetlands.
WRAMS reverse cycle osmosis discharge	39,400 kilolitres was discharged to Haslams Creek in accordance with Licence conditions.
Volunteer clean up	The Authority facilitated 12 volunteer clean-ups of Haslams Creek Flats and Badu Mangroves; more than 300 hours were donated by volunteers.
Waste management initiatives	<p>The Authority ran three Boomerang Bags Sydney Olympic Park sewing bees for local residents to convert old street banners that would otherwise go to landfill into useful bags.</p> <p>The Authority is developing a litter reduction campaign in partnership with the Ethic Communities' Council of NSW, with funding from the NSW Environment Protection Authority. The campaign will be delivered in 2020–21 through face-to-face education, signage, display board, and a dedicated webpage.</p> <p>Construction of a new system to sustainably manage leachate from five landfills (landfills (Kronos Hill, Wentworth Common, Haslams Reach/P5 Car Park, Archery Park and Bicentennial Park) and discharge to sewer was completed in mid-2020. It is anticipated this system will commence operation in late 2020 following a commissioning period. This system will manage 50–60% of all leachate extracted at the Park.</p>
Sustainability initiatives	Detailed new specifications for the responsible sourcing of construction materials and the sustainability of primary construction materials including steel, concrete and asphalt have been adopted by the Authority and embedded in procurement practices.

NSW Government Resource Efficiency Policy reporting:

Year	2019–20	2018–19	2017–18	2016–17	2015–16	2014–15	2013–14
Leachate (Offsite disposal only)	20,037 kL	13,525 kL	9,022 kL	29,171 kL	31,512 kL	21,367 kL	27,127 kL
Cost	\$430,579	\$312,715	\$142,855	\$469,332	\$522,306	\$362,546	\$435,650

The volume of leachate generated is highly rainfall-dependant and variable between years. Leachate volume disposed off-site were higher in 2019–20 than the two previous years due to works to enhance leachate extraction. Disposal costs have increased in the last two financial years due to significant increases in disposal prices in 2018–19 2019–20 at the liquid waste treatment plant.

Sydney Olympic Park public domain waste

Year	2019–20	2018–19	2017–18	2016–17	2015–16	2014–15	2013–14
Waste (tonnes)	294	402	437	463	557	515	454.5
Cost	\$118,969	\$161,528	\$147,587	\$163,703	\$204,585	\$250,854	\$217,890

These figures include major event waste, which is dependent upon the number and nature of major events each year, and incurs higher costs than general public domain waste due to the need to bring in and remove additional skip bins.

Sydney Olympic Park Venues Waste

Year	2019–20	2018–19	2017–18	2016–17	2015–16	2014–15	2013–14
Waste (tonnes)	193	366	448	465	708	420	417
Cost	\$137,781	\$155,636	\$177,842	\$153,569	\$130,000	\$115,972	\$112,050

Cost varies with the number and nature of venue events each year.

5 BIODIVERSITY

Approximately half of Sydney Olympic Park is zoned under planning legislation for environmental conservation and management due to its high ecological values. Key habitats include remnant forest and estuarine wetlands, the former Brickpit, constructed freshwater wetlands and planted grassland and woodland habitats. The Park supports over 400 native plant species and over 250 native animal species. These include three endangered ecological communities; over 200 native bird species; seven species of frog; 12 species of bat; 18 species of reptile; native fish; many thousands of species of invertebrates; protected marine vegetation; and three threatened plant species.

The high species richness and abundance in the geographic centre of a large city contribute to the Park's high ecological, aesthetic and educational values. Boardwalks, pathways, and the aerial Brickpit Ring Walk provide visitor access to ecologically-sensitive areas whilst ensuring their protection.

A Biodiversity Management Plan guides the Authority in stewardship of the biodiversity assets under its care and in compliance with environmental legislation. Thirteen species and communities are identified as having particular conservation significance and are the focus of targeted conservation programs. Sydney Olympic Park has been formally recognised as a 'priority site' for the endangered Green and Golden Bell Frog under the NSW Government's Saving our Species conservation program.

Most areas of high biodiversity value are under an active habitat management program implemented by qualified bush regenerators. Targeted control programs are implemented for foxes, cats, feral bees, *Gambusia*, eels, saltwater mosquitoes and nesting ibis.

Water levels in over 65 constructed freshwater ponds and the estuarine Waterbird Refuge are actively managed to support wildlife use and wetland health. A cyclic draining program is applied to a subset of the 22 habitat ponds in Narawang Wetland each year to promote frog breeding and recruitment and remove pest fish species such as *Gambusia*.

The Authority was issued with a new regulatory licence under the *NSW Biodiversity Conservation Act 2016* in August 2019. This Licence conditionally authorises park operational and maintenance activities within threatened species habitats.

In June 2020, the Authority launched an e-book — *20 years of healing: Delivering the Ecological Legacy of the Green Games*, detailing biodiversity conservation programs implemented over the past 20 years.

Biodiversity 2019–20

Number of native wildlife species recorded in 2019–20 (10-year trend in brackets)	109 birds (stable); 12 microbats (increasing); 6 frogs (stable); 2 possums (stable); 13 reptiles (stable).
Number of threatened species sustained	Three endangered ecological communities. Three threatened plant species; three resident threatened fauna species; several threatened migratory fauna species. This is consistent with previous years.
Area and condition of key habitats	<ul style="list-style-type: none"> • Sydney Turpentine Ironbark Forest extent 20.61 hectares; 92% in good condition and 8% regenerating. 7 hectares burnt in April 2018 have resulted in increased species diversity, distribution and structural complexity • Saltmarsh extent 25 hectares; 85% in good to fair condition. Both are consistent with 2017–18 • Mangrove extent 73 hectares; 80% in good to fair condition. Re-sprouting of mangroves observed in large portions of reduced condition area, and recruitment of new specimens through dieback area following introduction of tidal exchange • Swamp Oak Floodplain Forest extent is 7.2 hectares and in good condition. • Shrubland extent is 36 hectares including 20 hectares of mature shrublands and over 16 hectares of immature shrublands under active management for ongoing woodland bird habitat enhancement. 90% in good to fair condition, 10% requires supplementary works or includes immature new plantings
Habitat management and restoration key works	<ul style="list-style-type: none"> • Vegetation management to support threatened species was conducted over 210 hectares of ecologically sensitive habitats • 26,800 new habitat plantings were installed, including 6,635 local provenance plants • Removal of the last remaining stand of Lantana – approximately 1,300 square metres from the Brickpit, completing the staged removal of over 20,000 square metres of Lantana over 14 years. 5,620 replacement plantings (including 2,220 shrubs) were installed • 500 kilograms of Alligator Weed and 680 kilograms of Pampas Grass flower stalks were removed • 128 hours spent enhancing and maintaining tidal channels in Badu Mangroves; mangroves within dieback area are recruiting and re-sprouting in response to previous tidal channel works and installation of second tidal exchange point with Powells Creek • Construction of a new 380 square metre wetland in Kronos Hill; the ponds are netted to protect Green and Golden Bell Frogs from avian predation • Habitat for the endangered Green and Golden Bell Frog was maintained through an extensive vegetation and water level management program • Removal of sediment from a degraded section of Bennelong Pond south of a sediment basin installed in 2018 allowed for reconnection of this section of the pond to the sediment basin and wetland beyond • One of two existing floating islands at the Waterbird Refuge was replaced

Ecological survey programs — survey highlights

- The annual Green and Golden Bell Frog monitoring program shows the species is widely distributed across the Park and due to suitable weather conditions over the last two seasons, currently shows a high pond occupancy and good levels of breeding activity. The Brickpit remains the most stable and most important sub-population in the Park. While the number of frogs in the Brickpit, Kronos Hill/Wentworth Common and Narawang Wetland precincts was substantially higher than in the three previous seasons, Blaxland Riverside Park continues to show a declining trend, where the number of frogs recorded was lower than in all four previous seasons.
- 926 volunteer-hours were donated under the Ecofriends program by members of the Cumberland Bird Observers Club, NSW Frog and Tadpole Study Group, Australian Herpetological Society, Birdlife Australia, and members of the community participating in citizen science programs.
- The Annual Spring Bird Census was completed, with 102 species of native birds and 21,193 individual birds counted. The numbers are comparable with recent years.
- New species recorded at the Park include the Short-beaked Echidna with the critically endangered Swift Parrot being seen for the first time since 1998.
- The Latham's Snipe count in 2019–20 is the highest on record since targeted surveys began in 2004; it is more than double the 10-year trend and meets the criteria for a Commonwealth-significant population.
- Targeted woodland bird survey showed that while diversity and abundance of woodland birds remain high, there is an increased proportion of larger birds over smaller birds. Smaller birds have been identified as a conservation priority in the Biodiversity Management Plan. Habitat improvement projects are ongoing and as new plantings mature, they will provide increased habitat and support for small woodland birds.
- Live streaming of the Park's resident White-bellied Sea-Eagles nest in Newington Nature Reserve has occurred annually since 2009, and is viewed by EagleCAM supporters around the world. Two eggs were laid in June 2019 with both individuals successfully fledging although one died soon after leaving the nest for unknown reasons. Two eggs were laid in June 2020.

Mosquito treatments

- To prevent saltmarsh mosquito population from reaching nuisance levels, five helicopter applications and three ground applications of mosquito treatment biocide, Bti, were administered within the Park's estuarine wetlands during the 2019-20 summer. Two community awareness sessions were conducted.
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6 PUBLIC OPEN SPACES

The public open space of Sydney Olympic Park provides opportunities for sport, leisure, arts, cultural and educational programs and activities, and for the conservation and protection of flora and fauna. It includes the 430 hectare parklands (which contain 100 hectares of public recreational space), along with additional green spaces, pocket parks and plazas within the emerging town centre. The parklands are identified in the *Sydney Olympic Park Authority Act 2001* and managed by the Authority in accordance with the statutory provisions of the *Parklands Plan of Management (2010)*.

The Park contains areas of cultural heritage significance including Newington Armament Depot and Nature Reserve, the Olympic Cauldron (listed on the NSW State Heritage Register), as well as the Vernon buildings and gardens of the former NSW State Abattoir, and buildings from the former State Brickworks.

Public open space 2019–20

Parklands visitation

- Close to 3 million people visited the parklands throughout the year, a 12% increase on 2018–19 due to more people using outdoor spaces for exercise during COVID-19 restrictions. Bicentennial Park received 46% of total parklands visitors. The core visitation areas of parklands recreational public open space (Bicentennial Park, Wentworth Common and Blaxland Riverside Park) are generally full to capacity on most weekends.
 - Guided tours with ecological and heritage themes are available to Park visitors. Programs were significantly impacted from December 2019 with cancellations due to the extreme weather, bushfire (and associated smoke pollution) and COVID-19. Face to face programs were suspended from March 2020 due to COVID-19 and virtual experiences were piloted and are being further developed. In 2019–20:
 - 5,770 people took 322 heritage train tours featuring local heritage and environmental conservation content through the State Heritage listed Newington Armory;
 - 3,509 people attended 113 community engagement programs with a focus on environment and conservation. These included Park Care (Clean up session and Banner Upcycling sessions), Lifestyle walks, Meet the Ranger activations and Mini Park rangers, a parent and child early-years program.
 - 11 virtual Mini Park Rangers sessions and a virtual Brickpit tour were created during the March to June period. These Mini Park Ranger series achieved 2,300 episode views while the Brickpit virtual tour achieved 1,500 views and are among the top 5 performing videos on the Park Live platform.
 - The Visitor Programs team facilitated 18 Technical Insight Tours for 389 visiting delegates, with a strong program focus on environmental management, sustainability, water, and wetlands management.
 - The 2020 annual Parkscape report rated overall satisfaction with Sydney Olympic Parklands at 8.5/10, and ranked the Park third out of five participating government authorities in the Sydney area. Overall satisfaction with Park maintenance was 7.9/10. The scores are similar to previous years. Park users ranked natural features as the most popular feature of the Park.
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Open space development and facilities

Newington Armory is listed on the NSW State Heritage Register due to the heritage significance of the buildings and landscape, many of the 102 buildings have been adaptively re-used and are tenanted by groups including Birdlife Australia, YMCA, Murama, Judo Australia and artists in residence, and the precinct is open to visitors seven days a week.

The Wangal Walk – a cultural discovery trail along the River Walk and connected with the Murama Healing Space, is under development with way-finding and interpretive signage artwork under review.

Completion of Stage 1A Central Linear Park, the first neighbourhood park to be developed within the town centre; Stage 1B to be completed in 2020–21.

During the COVID-19 peak restrictions period, the Authority used the opportunity to undertake some improvement works including:

- Returfing of and amenities upgrade at Blaxland Riverside Park, a popular, high use area during weekends. Landscape refurbishment works is planned for 2020–21.
- Maintenance works of the Millennium Parklands Railway heritage train rolling stock.
- Additional maintenance and deep clean projects in the Parklands, including daily cleaning and disinfection of outdoor gyms, playgrounds, amenities.

Parklands strategy development

The Parklands Advisory Committee was re-established during 2019, following several years in abeyance. The Committee is charged with providing recommendations to the Board with respect to the care, control and management of the Parklands.

A new vision for the Parklands — Parklands Future Directions 2030

— is in development and is anticipated to be presented for public exhibition and consultation in early 2021. Precinct plans for two of three parkland destinations proposed under this vision are also under development, as is a new wayfinding strategy for the town centre and parts of the parklands.

7 TRANSPORT

The Authority seeks to maximise use of public transport by people visiting, living, working and studying at the Park, and works collaboratively with Transport for NSW in reviewing and improving services.

The Park is serviced by train, bus, and ferry networks, with additional services provided during major events. An integrated ticketing system operates during certain major events that attract large numbers of people so that patrons can catch public transport as part of their event ticket.

Authority staff are encouraged to use public transport when travelling to off-site meetings.

There are 35 kilometres of shared bike paths and cycleways in the Park, with connections to regional bike routes.

Bike racks are provided throughout the Park to support Active Transport. RMS and accident data are continuously monitored to identify locations that require traffic improvement works.

Sydney Olympic Park has been selected by the NSW Government as a nominated station location in the Sydney Metro West project, and potential Stage 2 of the Parramatta Light Rail project. The Authority has been working closely with project delivery teams, community groups and stakeholders to ensure the best possible outcomes for Sydney Olympic Park customers.

Transport 2019–20

Achievements	The State Government formally committed to the Metro West with a stop at Sydney Olympic Park on 18 October 2019.
Public transport	Buses regularly service Sydney Olympic Park, providing connections to Newington, Burwood, Strathfield, Parramatta, Rhodes, Top Ryde and Chatswood. Ferries operate between the Sydney Olympic Park Ferry Wharf, the City and Parramatta. Trains run between Sydney Olympic Park Station and Lidcombe Station every ten minutes on weekdays.
Mass transit	Integrated ticketing (train and bus travel) was included in all major events. Integrated ticketing for rail only was also implemented for some of the NRL club games. Due to COVID-19 restrictions there was a total of 4 major events in this reporting period; 62% of 289,165 patrons travelled to major events by public transport or charter bus.
Cyclists	The number of cyclists visiting the Parklands continues to grow, with over 1.2 million cyclists in 2019–20, the highest number since records began in 2005–06. This is an increase of 18% on the previous year, likely due to high numbers of people using open spaces to exercise during the COVID-19 restrictions.

Traffic management initiatives and improvements

Master Plan 2030 (2018 Review) is underpinned by a Traffic and Transport Strategy focused on achieving a non-car mode share of 40% by 2030 and a higher target of 60% if supported by major public transport and demand management initiatives. Planning instruments to improve public transport include

- designing street upgrades with adequate future transit opportunities;
- designing a street network that supports bicycle, vehicle and pedestrian use;
- developing a local bus network;
- mandating bicycle access and servicing controls including bike parking facilities, bike lanes, and minimum bicycle parking rates per development;
- mandating a Work Place Travel Plan that comply with Master Plan strategies and targets for non-residential developments in the town centre; and
- provisions for a future Metro station.

The Authority continued trials for the driverless shuttle bus in partnership with Telstra, NRMA, IAG, HMI Technologies and the NSW Government, operating on live roads until COVID-19 restrictions were introduced in March 2020.

The Major Event Traffic Management Plan was reviewed and the Authority is investigating a number of short term and long term options.

8 AUTHORITY OPERATIONS

The Authority seeks to integrate environmental sustainability with its administrative and Park management operations.

The Authority relocated to a new head office at 5 Olympic Boulevard in 2018–19. The office is registered for a 6 Star Green Star interiors rating from the Green Building Council of Australia, and includes energy efficient, sustainable design features such as a high thermal performance glazing façade, furniture with third party Green Certification, and a 123 kilowatt photovoltaic solar panel system installed in 2019–20. The Authority's head office is expected to provide a significant reduction on cumulative environmental impacts compared to a standard office fit-out.

The Authority's corporate passenger fleet has a high proportion of small vehicles with high fuel efficiency, and includes a petrol/electric hybrid vehicle. All petrol-fuelled vehicles can use E10 fuel blends. Alternative transport is offered to Authority staff to minimise vehicle use and includes golf buggies, a Gator Utility Vehicle, bicycles and Opal cards. The Authority's office building offers end-of-trip bicycle racks and shower facilities for staff use.

Electronic office equipment is purchased through NSW Government contract and meets mandatory energy efficiency ratings. An increasing proportion of paper used for print and copying tasks are made with recycled content and/or certified as sustainable products through the Forestry Stewardship Council or the Programme for the

Endorsement of Forest Certification. Ink and toner cartridges, used office paper, obsolete and redundant electronic equipment are recycled. Externally printed documents and marketing materials are printed on recycled paper using vegetable-based inks where possible. Electronic, rather than printed media is increasingly being used for these documents.

Contractors play a key role in the operation and maintenance of Sydney Olympic Park. Over forty service contracts deliver works including landscape maintenance; waste management; cleaning; bush regeneration; building and infrastructure management; feral animal management; tree services; irrigation; and road maintenance. Works specifications define contract environmental management responsibilities, and environmental performance is considered in tender assessment. Contractors must conduct an environmental risk assessment prior to commencing works and undertake an environmental induction if working in natural areas. Performance is assessed throughout the contract term to promote high standards and continual improvement.

The Authority conducts extensive environmental education, induction and training programs that target students and adults, along with Authority staff and contractors.

Authority Operations 2019–20

Fleet vehicles	<p>Approximately 60,705 kilometres were travelled by Authority staff for business purposes, 6,774 kilometres less than 2018–19. The Authority maintained a fleet of 10 passenger and light commercial vehicles, similar to previous years.</p> <p>The Authority's security contractor travelled 215,491 kilometres, including 4,015 kilometres travelled by two electric bicycles and one electric buggy.</p>
Office supplies and publications	<p>665 reams of white A4 paper were purchased for the Authority's head office, a decrease from 915 reams in 2018–19 (5.16 reams per FTE per year, a decrease from 7.15 reams in 2018–19). Paper with recycled content made up 78% of total paper purchased (71% with 100% recycled content, 7% with 20% recycled content), down from 85% in 2018–19. For the second year, 100% of all paper purchased (682 reams) were sourced from a product range of environmentally preferable products. Procurement of office supplies identified as environmentally preferable products by the supplier increased from 12% in 2018–19 to 19%. Over 300 surplus and obsolete office equipment (including desk phones, computers, monitors and keyboards) were collected for recycling or resell. \$82.67 donation was made to Westmead Children's Hospital from the recycling of non- working mobile phones.</p> <p>Toner and cartridges are recycled through the Cartridges 4 Planet Ark program. 15.96 kilograms of ink and toner were recovered from the inaugural collection from the head office; 13.9 kilograms of toner cartridges was recovered from the Aquatic Centre, which have been a program participant since 2001 and have recycled 25,472,362 kilograms of cartridge to date.</p>
Staff engagement	<p>The Authority participated in the Plastic Free July movement for the second time. A presentation and plastic-free morning tea was delivered to staff to raise awareness of the detrimental impact of plastic in the environment. Over 75 staff chose to refuse 1,765 single-use plastic items over the month.</p>
Contractors	<p>New environmental monitoring and maintenance services contracts developed, tendered and awarded:</p> <ul style="list-style-type: none">• Remediated Lands – Environmental Monitoring Services Remediated Lands – Instrument Service and Calibration• Feral animal management <p>167 contractors working at the Park received environmental induction training in compliance and best practice environment management. Annual environmental inductions of Park contractors was postponed from March due to COVID-19 restrictions. A new Green Guide pocket induction handout was developed to support environmental induction training provided to all Park contractors.</p> <p>224 contractors, staff, researchers and visitors received site or project specific induction training.</p> <p>156 Work Permit applications for various development and maintenance works around the Park were formally risk assessed and approved.</p>

Environmental Education and Training Programs

Environmental Education programs were delivered to 15,420 Primary and Secondary school students across the Park, with 4,350 students visiting the Waterbird Refuge. This represents a decrease from 23,850 in 2018–19 due to COVID-19 restrictions and programs being moved online as virtual excursions.

The 2019 Youth Eco Summit events, held over a three-day period, showcased “sustainability in action” to 3,550 Primary and Secondary school students across the Sydney Metropolitan area.

The Murama Indigenous Youth Summit brought 100 Indigenous youth, Community leaders and Elders together to share Connection to Country activities with 3,000 Primary School students.

The Wetland and Education Training (WET) Program delivered a workshop on construction and management of urban wetlands to 21 participants, and ten webinars on various wetland topics to 807 registrants from 23 nations. The WET program also jointly hosted a special international workshop on rapid assessment of the ecological character of wetlands in September 2019.

An international research collaboration on carbon storage by coastal wetlands that involves the Park’s estuarine wetlands over 20 years has won the NSW Environment, Energy and Science (DPIE) Eureka Prize for Environmental Research. The research was published in the prestigious science journal Nature.

Refresher training in biodiversity-sensitive work practices was provided to Authority operational staff who are authorised to act under regulatory licences issued under the NSW Biodiversity Conservation Act and NSW Fisheries Management Act.

9 PARK DEVELOPMENT

Venues and facilities built for the Sydney 2000 Olympic and Paralympic Games were designed with a strong focus on ecologically sustainable development principles, with particular emphasis on energy and water conservation features and sustainable material selection. These principles inform new developments built under the Sydney Olympic Park Master Plan 2030.

New development is subject to precinct wide planning principles established by State Environmental Planning Policy (State Significant Precincts) 2005, the Authority's Environmental Guidelines for Sydney Olympic Park 2008, and the Master Plan 2030 (2018 Review). The Sydney Olympic Park Master Plan 2030 (2018 Review) outlines 'a vision for the sustainable development of Sydney Olympic Park'. This plan establishes first-in-class environmental ratings for all new buildings, with minimum performance requirements (e.g. BASIX Energy scores and NABERS Energy commitments) mandated for key development types. New developments are connected to the Park's recycled water system, thereby reducing potable water demand.

- There are currently 44 design excellence sites nominated in Master Plan 2030 (2018 Review). Design excellence sites are required to achieve a 6 Star Green Star rating under the Master Plan.
- Development consent for 293 residential apartments at 1 & 2 Murray Rose Avenue was issued in August 2019. This project is on track to be the first 6 Star Green Star high density residential development in New South Wales.
- The Authority has updated its procurement procedures for construction materials to require that primary materials are responsibly sourced in accordance with the Green Star Communities guidelines, resulting in construction materials with significantly reduced embodied energy.
- Development projects planned on or in close proximity to remediated lands include:
 - GWS Giants construction of additional player training facilities
 - Cricket NSW redevelopment of Wilson Park
 - UrbnSurf at Pod B, P5 Car Park
- Enhanced public transport systems such as Sydney Metro West and the potential for a Parramatta Light Rail Stage 2 will support the vision of the Park as a world-leading sports, entertainment, events and recreation destination; drive economic and activation benefits through an increased number of events and visitation; support the delivery of sustainable residential and commercial developments; and to improve access to diverse parklands for recreation and education.

The Authority is continuing to work closely with the Sydney Metro Team to develop the detailed design for the Metro station and town centre that will deliver the best place outcome. The Authority's vision is for a vibrant, activated mixed use town centre and Metro station that supports significant growth and continues to support the Park's role as the premier major event precinct and regional destination

These works are being planned in close consultation with the Authority and in compliance with regulatory requirements under the NSW Contaminated Lands Act 1997.

Sydney Olympic Park Authority

Annual Report 2019-20

- Financial statements for the year ended 30 June 2019



INDEPENDENT AUDITOR'S REPORT

Sydney Olympic Park Authority

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Sydney Olympic Park Authority (the Authority), which comprise the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015

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

Basis for Opinion

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

I am independent of the 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.

Other Information

The Authority's annual report for the year ended 30 June 2020 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 statement pursuant to section 41C of the PF&A Act.

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

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

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

I have nothing to report in this regard.

The 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 and the PF&A Act, and for 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 assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Lawrissa Chan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 October 2020
SYDNEY

Sydney Olympic Park Authority

Financial Statements

For the Year Ended 30 June 2020

Statement by Chief Executive

Pursuant to Section 41C of the Public Finance and Audit Act 1983, and in my capacity as Chief Executive of the Sydney Olympic Park Authority, I declare that in my opinion:

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

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

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



Sam Romaniuk
Chief Executive Officer
Sydney Olympic Park Authority
Date: 13 October 2020

SYDNEY OLYMPIC PARK AUTHORITY
Statement of comprehensive income for the year ended 30 June 2020

	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Restated Actual 2019 \$'000
Revenue				
Sale of goods and services	C1	32,946	44,943	45,920
Investment revenue	C1	9,237	11,019	20,357
Retained taxes, fees and fines	C1	537	599	795
Grants and contributions	C1	50,917	35,242	99,969
Other income	C1	10,360	2,491	8,391
Total Revenue		103,997	94,294	175,432
Expenses excluding losses				
Operating expenses				
Personnel services	C3	30,237	20,858	31,403
Other operating expenses	C4	49,115	46,033	54,844
Depreciation and amortisation	C5	93,988	61,939	89,665
Grants and subsidies	C6	25,501	25,500	9,000
Finance costs	C7	65	77	55
Total Expenses excluding losses		198,906	154,407	184,967
Operating Result		(94,909)	(60,113)	(9,535)
Gains/(losses) on disposal	C2	(121)	11,500	(154)
Other gains/losses	C2	9,693	44,345	9,541
Net result		(85,337)	(4,268)	(148)
Other comprehensive income				
Net increase in property, plant and equipment asset revaluation surplus	D7	41,644	-	189,644
Total other comprehensive income		41,644	-	189,644
TOTAL COMPREHENSIVE INCOME		(43,693)	(4,268)	189,496

The accompanying notes form part of these financial statements.

SYDNEY OLYMPIC PARK AUTHORITY

Statement of financial position as at 30 June 2020

	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Restated Actual 2019 \$'000	Restated Actual 1 July 2018 \$'000
ASSETS					
Current Assets					
Cash and cash equivalents	D1	72,349	117,776	75,317	115,920
Receivables	D2	5,557	15,651	58,995	10,742
Inventories	D3	63	90	59	45
Other financial assets	D5 (a)	1,340	-	236	231
Prepayments - Qudos Bank Arena	D4 (a)	4,399	6,781	4,399	4,399
Total Current Assets		83,708	140,298	139,006	131,337
Non-Current Assets					
Prepayments - Qudos Bank Arena	D4 (a)	42,169	65,008	46,568	50,966
Financial assets at fair value	D6	66,276	-	94,025	87,419
Other financial assets	D5 (b)	13,683	-	5,352	5,281
Property, plant and equipment					
-Land and buildings		2,102,273	1,338,529	2,055,500	1,903,918
-Plant and equipment		140,473	52,063	134,268	119,985
-Infrastructure systems		383,791	397,367	413,662	414,778
Total property, plant and equipment	D7	2,626,537	1,787,959	2,603,430	2,438,681
Right of use assets	D8	1,011	-	-	-
Right to receive	D4 (b)	115,170	556,726	105,440	95,898
Total Non-Current Assets		2,864,846	2,409,693	2,854,815	2,678,245
Total Assets		2,948,554	2,549,991	2,993,821	2,809,582
LIABILITIES					
Current Liabilities					
Payables	E1	14,881	12,662	16,811	21,902
Borrowings	E2 (a)	72	127	54	55
Provisions	E3	3,526	3,225	3,233	3,315
Other current liabilities	E4	4,099	2,645	4,098	4,185
Total Current Liabilities		22,578	18,659	24,196	29,457
Non-Current Liabilities					
Borrowings	E2 (b)	1,208	1,960	1,518	1,530
Provisions	E3	456	79	102	86
Other non-current liabilities		-	1,616	-	-
Total Non-Current Liabilities		1,664	3,655	1,620	1,616
Total Liabilities		24,242	22,314	25,816	31,073
Net Assets		2,924,312	2,527,677	2,968,005	2,778,509
EQUITY					
Reserves	F3	1,330,422	1,176,697	1,290,676	1,102,196
Accumulated funds		1,593,890	1,350,980	1,677,329	1,676,313
Total Equity		2,924,312	2,527,677	2,968,005	2,778,509

The accompanying notes form part of these financial statements.

Sydney Olympic Park Authority
Statement of changes in equity for the year ended 30 June 2020

	Accumulated Funds S'000	Asset Revaluation Surplus S'000	Total S'000
Balance as at 1 July 2019	1,383,420	1,162,895	2,546,315
Correction of errors - ANZ stadium	293,909	127,781	421,690
Restated total equity at 1 July 2019	<u>1,677,329</u>	<u>1,290,676</u>	<u>2,968,005</u>
Net result for the year	(85,337)	-	(85,337)
Other comprehensive income			
Net change in revaluation surplus of property, plant and equipment	D7 -	41,644	41,644
Asset Revaluation Surplus transferred to Accumulated Funds resulting from assets retirement	1,898	(1,898)	-
Total other comprehensive income	1,898	39,746	41,644
Total comprehensive income for the year	(83,439)	39,746	(43,693)
Balance at 30 June 2020	<u>1,593,890</u>	<u>1,330,422</u>	<u>2,924,312</u>
Balance as at 1 July 2018	1,321,441	1,102,196	2,423,637
Correction of errors	33	-	33
Changes in accounting policy	(16)	-	(16)
Correction of errors - ANZ stadium	354,855	-	354,855
Restated total equity at 1 July 2018	<u>1,676,313</u>	<u>1,102,196</u>	<u>2,778,509</u>
Restated Net result for the year	(148)	-	(148)
Other comprehensive income			
Restated Net change in revaluation surplus of property, plant and equipment	D7 -	189,644	189,644
Asset Revaluation Surplus transferred to Accumulated Funds resulting from assets retirement	1,164	(1,164)	-
Total other comprehensive income	1,164	188,480	189,644
Total comprehensive income for the year	1,016	188,480	189,496
Restated Balance at 30 June 2019	<u>1,677,329</u>	<u>1,290,676</u>	<u>2,968,005</u>

The accompanying notes form part of these financial statements.

SYDNEY OLYMPIC PARK AUTHORITY

Statement of cash flows for the year ended 30 June 2020

	Notes	Actual 2020 \$'000	Budget 2020 \$'000	Actual 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Personnel services		(28,943)	(20,858)	(28,852)
Grants and subsidies		(25,501)	(25,500)	(9,000)
Finance Costs		-	(77)	-
Other		(26,797)	(56,063)	(97,801)
Total Payments		(81,241)	(102,498)	(135,653)
Receipts				
Sale of goods and services		40,457	54,110	56,861
Retained taxes, fees and fines		537	615	795
Interest received		1,289	1,345	2,729
Grants and contributions		37,606	18,151	56,094
Other		35,916	12,524	44,873
Total Receipts		115,805	86,745	161,352
NET CASH FROM OPERATING ACTIVITIES	D1.1	34,564	(15,753)	25,699
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment and infrastructure systems	C2 (a)	-	11,500	34
Purchases of property, plant and equipment and infrastructure systems		(58,904)	(23,587)	(16,015)
Capital payment to Tennis NSW roof and improvements		-	-	(50,500)
Advance made		(7,000)	-	-
Redemption of financial assets		28,050	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(37,854)	(12,087)	(66,481)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from finance leases		316	-	247
Repayment of borrowings and advances		6	(52)	(68)
NET CASH FLOWS FROM FINANCING ACTIVITIES		322	(52)	179
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT		(2,968)	(27,892)	(40,603)
Opening cash and cash equivalents		75,317	56,762	115,920
CLOSING CASH AND CASH EQUIVALENTS	D1	72,349	28,870	75,317

The accompanying notes form part of these financial statements.

SECTION 1: Basis of preparation and significant changes
Notes to and forming part of the financial statements for the year ended 30 June 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A1. Entity information

Sydney Olympic Park Authority (SOPA or the Authority) was established in 2001 and took over the previous responsibilities of the Olympic Co-ordination Authority (OCA). The Authority is a not-for-profit entity with no cash generating units. It is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent. The Authority's financial statements are consolidated as part of the NSW Total State sector accounts.

Machinery of Government Changes

Pursuant to Administrative Arrangements (Administrative Changes-Miscellaneous Agencies) Order 2014 which was effective from 1 July 2014, the Authority was a reporting entity within the Premier & Cabinet cluster.

Under the recent Machinery of Government change, the Administrative Arrangements (Administrative Changes – Public Service Agencies) Order 2019, effective on 1 July 2019 created the Department of Planning, Industry and Environment (DPIE). The Authority's functions and assets have been brought under the governance of the Board of Place Management NSW within DPIE.

The Authority's Board dissolved and the Chief Executive Officer (CEO) ceased employment on 14 February 2020. The CEO of Place Management NSW is also the CEO of the Authority and the new board was formed on 13 March 2020.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the Audit Risk & Compliance Committee on 13 October 2020.

A2. Basis of preparation

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and Treasury Directions issued under the Act.

Property, plant and equipment and financial assets at fair value through profit and loss are measured at fair value. Other financial statements items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations made by management are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest one thousand dollars and expressed in Australian currency which is the entity's presentation and functional currency.

A3. Statement of compliance

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

A4. Comparative information

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

A5. Accounting for goods and services tax (GST)

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

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

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

A6. Program activities of the Authority

(a) Precinct Management and Development Program

This program contributes to the development of a high quality living and working environment and providing venues for sporting, leisure, artistic and cultural activities by working towards a range of intermediate results that include the following:

SECTION 1: Basis of preparation and significant changes

Notes to and forming part of the financial statements for the year ended 30 June 2020

- increasing visits to Sydney Olympic Park
- achieving sustainable urban development outcomes
- accommodating new jobs closer to home
- maintaining Sydney Olympic Park as a major events precinct and
- improving the Government's return on investment in Sydney Olympic Park

Description:

This program covers the promotion, development and management of the Sydney Olympic Park precinct.

(b) Program statement

The Authority operates as one program. The expenses and revenues of this group are as reflected in the Statement of Comprehensive Income and assets and liabilities in the Statement of Financial Position.

A7. New Australian accounting standards

(i) Effective for the first time in 2019-20:

The entity applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in FY2019-20, but do not have a material impact on the financial statements of the entity.

AASB 15 Revenue from Contracts with Customers

- AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.
- AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

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

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

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

The effect of adopting AASB 15 is as follows:

Impact on the Statement of Comprehensive Income (increase/(decrease)):

	Notes	30 Jun 2020	30 Jun 2020	30 Jun 2020
		\$'000	without	Impact of
		AASB 15	adoption	AASB 15
Revenue				
Sale of goods & services	C1	32,946	33,133	(187)
Grants and contributions	C1	50,917	50,937	(20)
Operating result		<u>(94,909)</u>	<u>(94,702)</u>	<u>(207)</u>
Net result		(85,337)	(85,130)	(207)

SECTION 1: Basis of preparation and significant changes
Notes to and forming part of the financial statements for the year ended 30 June 2020

Impact on Financial Position (Increase/(decrease)):

	Notes	30 Jun 2020	30 Jun 2020	31 Jun 2020
		\$'000	without adoption	Impact of
		AASB 15	AASB 15	AASB 15
Assets		-	-	-
Liabilities	E4	4,099	3,892	207
Total adjustment to equity		4,099	3,892	207

The adoption of AASB 15 did not have an impact on Other Comprehensive Income and the Statement of Cash Flows for the financial year.

The nature of these adjustments are described below:

The adjustment in sales of goods and services relates to mainly car parking income and monies received from on-line court hire bookings deferred as at reporting date. The car parking income was recognised as income in previous years as it was non-refundable and the court hire income was recognised upon receipt of cash. With AASB 15 becoming effective, the performance obligation criteria of income has not been met which is now deferred. The adjustment in Grants and contributions of \$20k relates to government grant income - Innovative Games deferred. The income is only recognised when the game is held.

AASB 1058 Income of Not-for-Profit Entities

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

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

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

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

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

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

The effect of adopting AASB 1058 is as follows:

Impact on Statement of Comprehensive Income (increase/(decrease)):

	Notes	30 Jun 2020	30 Jun 2020	30 Jun 2020
		\$'000	without adoption	Impact of
		AASB 1058	AASB 1058	AASB 1058
Revenue				
Other revenue	C1	10,360	10,300	60
Operating result		(94,909)	(94,969)	60
Net result		(85,337)	(85,397)	60

There is no impact on Statement of Financial Position.

SECTION 1: Basis of preparation and significant changes
Notes to and forming part of the financial statements for the year ended 30 June 2020

Based on the above, the adoption of AASB 1058 did not have a material impact on Other Comprehensive Income and the Statement of Cash Flows for the financial year.

The nature of these adjustments is described below:

The Authority receives volunteer services (\$60k) to carry out various surveys for the purpose of environmental monitoring of birds, reptiles and frogs etc. The Authority recognises these services when the amount is reliably measured and would have been purchased if not provided by the volunteers.

Beside the volunteer services recognised, the Authority also receives volunteer services of litter collection from various business groups and community members. Receipt of these services is not recognised because the services would not have been purchased if not donated.

AASB 16 Leases

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

Lessor accounting

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

Lessee accounting

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

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

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application if the interest rate implicit in the lease cannot be readily determined.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.

For leases previously classified as finance leases the Authority recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

The Authority elected to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

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

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

SECTION 1: Basis of preparation and significant changes**Notes to and forming part of the financial statements for the year ended 30 June 2020**

- excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The effect of adoption AASB 16 as at 1 July 2019 increase/(decrease) is, as follows:

	\$'000
Assets	
Right-of-use assets	38
Total assets	38
Liabilities	
Borrowings	38
Total liabilities	38
Equity	
Accumulated funds	-

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019 (GST included)	96
(Less): GST included in operating lease commitments	9
Operating lease commitments as at 30 June 2019 (GST excluded)	87
Weighted average incremental borrowing rate as at 1 July 2019	1.42%
Discounted operating lease commitments as at 1 July 2019	76
Add: commitments relating to leases previously classified as finance leases (GST excluded)	1,572
(Less): commitments relating to short-term leases	(6)
(Less): commitments relating to leases of low-value assets	-
Add/(less): contracts re-assessed as lease contracts	-
(Less): commitments for leases from hold over to new leases	(32)
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liabilities as at 1 July 2019	1,610

AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions

This standard amends AASB 16 Leases as a consequence of the issuance of International Financial Reporting Standard Covid-19 related Rent Concessions. It applies to annual periods beginning on or after 1 June 2020.

As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

The Authority as a lessee, was not impacted from lease modifications due to Covid19. No change is noted.

(ii) Issued but not yet effective:

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

SECTION 1: Basis of preparation and significant changes
Notes to and forming part of the financial statements for the year ended 30 June 2020

The following new accounting standards have not been applied and are not yet effective. It is expected that the impact of the application of the new Standards on the Authority's financial statement in the period of initial application will not be significant.:

- AASB 17 Insurance Contracts
- AASB 1059 Service Concession Arrangements : Grantors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059
- AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework
- AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform
- AASB 2019-7 Amendments to Australian Accounting Standards - Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

A8. Appropriations

The Authority receives its funding under grant funding received from Department of Planning, Industry & Environment (DPIE) which receives appropriations from the Consolidated Fund. Appropriations from each financial year are set out in the Appropriation for that year. Deemed appropriations is a new concept introduced by the Government Sector Finance Act 2018. (GSF) Deemed appropriation money is government money that a GSF agency receives or recovers (including from the Commonwealth or another entity) of a kind prescribed by the regulations that:

- (a) forms part of the Consolidated Fund, and
- (b) is not appropriated under the authority of an Act.

Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed and is anticipated to be tabled in Parliament in November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specified amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the earlier of 31 December 2020 (or another day prescribed by the regulations) or enactment of the 2020-21 Annual Appropriation Act. It is appropriate for the 2019-20 Financial Statements to be prepared under going concern basis.

Movement of Section 4.7 GSF Act - deemed appropriations:	2020 \$'000	2019 \$'000
Opening balance	-	-
Add: Adjustment for appropriation deemed on Commencement of S4.7	8,799	-
Add: additions of deemed appropriations	76,138	71,574
Less: expenditure charged against deemed appropriations	(77,085)	(71,574)
Closing balance	<u>7,852</u>	<u>-</u>

The accompanying notes form part of these financial statements.

SECTION 2: Budget review

Notes to and forming part of the financial statements for the year ended 30 June 2020

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament. Subsequent amendments made to the budget are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained below.

BI. BUDGET REVIEW

(a) Net Result

The actual net result (deficit) was \$81.1 million worse than budget. The main variances were:

- * lower sale of goods and services of \$12.0 million which is mainly in car parking income due to Covid.
- * higher grants and contributions of \$15.7 million relates to an additional \$5 million in grants received from Department of Planning, Industry & Environment for increase to the Authority's cash buffer and lease holders rent relief for Covid. An additional \$4.7 million was also received in developer contribution for site 2A/2B.
- * higher other income of \$7.9 million is mainly due to insurance receipts for Covid.
- * higher personnel services of \$9.4m relates to the late transfer of SOPA Venues personnel to the Authority due to machinery of government changes which is not reflected in the original budget.
- * higher other operating expenses of \$3.1 million relates mainly to payments to the Royal Agricultural Society from their major repairs fund.
- * higher depreciation and amortisation costs of \$32.0 million resulting from the prior year adjustment to reflect the Stadium ownership reverting to the Authority as at 1 July 2016.
- * lower gain in Gain/(losses) on disposal of \$11.6m relates to developer for site 2A/2B not being able to meet the developer approval date.
- * lower gain in Other gain/(losses) of \$34.7m relates to right to receive assets for ANZ Stadium not applicable after the prior year adjustment to reflect the Stadium ownership reverting to the Authority as at 1 July 2016.

(b) Assets and Liabilities

Total assets were \$398.6 million above budget. The material variances were:

- * lower cash balances of \$45.4 million relates to the investment of monies in T-Corp Investment Funds transferred to medium and long term investments (financial assets at fair value).
- * lower receivables of \$10.1 million which relates to lower accruals for Royal Agricultural Society rental and lower GST recoverable.
- * lower current and non current prepayments of \$25.2 million which relates the transfer of the ANZ Stadium prepayment to land and buildings after the prior year adjustment to reflect the Stadium ownership reverting to the Authority as at 1 July 2016.
- * higher financial assets of \$66.3 million which relates to transfers from cash and cash equivalents and lower developer funded spending.
- * unbudgeted current and non current other financial assets of \$15.0 million which relate mainly to a \$7.0 million advance made to the Royal Agricultural Society from their major repair investment fund.
- * increase in property, plant and equipment value of \$838.6 million which relates recognition of ANZ Stadium asset after the prior year adjustment to reflect the Stadium ownership reverting to the Authority as at 1 July 2016.
- * decrease in right to receive of \$441.6 million of ANZ Stadium transferred to property, plant and equipment asset after the prior year adjustment to reflect the Stadium ownership reverting to the Authority as at 1 July 2016.

Total liabilities higher than budget by \$1.9 million. The material variances were higher payables of \$2.2 million includes additional accrued expenditure.

(c) Cash Flows

Net cash flows from operating activities was \$50.3 million better than budget. The material variances were:

- * higher personnel services of \$8.1m relates to the late transfer of SOPA Venues personnel to the Authority due to machinery of government changes which is not reflected in the original budget.
- * lower other payments of \$29.3 million which relates mainly to lower GST payments recoverable from the ATO.
- * lower sale of goods and services of \$13.7 million relates mainly to reduced car parking income due to Covid.
- * higher grants and contributions of \$19.5 million which relates to additional grants received from Department of Planning, Industry & Environment for late transfer of SOPA Venues personnel to the Authority due to machinery of government changes, increase to the Authority's cash buffer and lease holders rent relief for Covid.
- * higher other receipts of \$23.4 million which is mainly GST income payable to the ATO for developments under a Project Delivery Agreement.

SECTION 3: Our financial performance

Notes to and forming part of the financial statements for the year ended 30 June 2020

	2020 \$'000	2019 \$'000
C1. REVENUE		
(a) Sale of Goods and Services		
Estate levies	4,632	4,951
Car parking	14,780	22,841
Aquatic and Athletic Centres income	9,653	13,380
Retail sales	556	637
WRAMS water sales	1,907	1,688
Other	1,418	2,423
	<u>32,946</u>	<u>45,920</u>
(b) Investment Revenue		
Interest on bank and short term deposits	1,214	2,554
Rental income	7,348	10,873
Interest on finance lease	374	323
Financial assets fair value through profit/(loss)	301	6,607
	<u>9,237</u>	<u>20,357</u>
(c) Retained Taxes, Fees and Fines		
Parking infringements	<u>537</u>	<u>795</u>
(d) Grants and Contributions		
Recurrent grant (Department of Planning Industry & Environment)	24,594	24,298
Capital grant (Department of Planning Industry & Environment)	8,055	8,025
Capital grant (Department of Industry) - Tennis NSW roof and improvements	-	23,000
Developer and other contributions **	18,248	44,496
Other grant	20	150
	<u>50,917</u>	<u>99,969</u>
** The Authority has entered into land development agreements on the condition that a component of proceeds will be attributed to the provision of public infrastructure. The nature of this infrastructure is detailed in the Authority's Infrastructure Contribution Funding Plan.		
(e) Other Revenue		
Resources received free of charge	1,395	2,121
Sponsorships and contributions	1,117	2,161
Utility costs recovery	33	70
Insurance recovery	7,037	3,238
Insurance hindsight adjustments received	-	96
WRAMS profit sharing	292	257
Other	486	448
	<u>10,360</u>	<u>8,391</u>

SECTION 3: Our financial performance

Notes to and forming part of the financial statements for the year ended 30 June 2020

		2020	2019
		\$'000	\$'000
C2. OTHER GAIN/(LOSSES)			
(a) Gains/(losses) on disposal			
Gain/(loss) on disposal of land and building		2,400	-
Net investment receivable from finance lease			
Written down value of assets disposed	D7	(1,557)	(84)
Net gain/(loss) on disposal of land and building		<u>843</u>	<u>(84)</u>
Gain/(loss) on disposal of plant and equipment			
Proceeds from disposal		-	34
Written down value of assets disposed	D7	(750)	(15)
Net gain/(loss) on disposal of plant and equipment		<u>(750)</u>	<u>19</u>
Gain/(loss) on disposal of infrastructure systems			
Proceeds from disposal		-	-
Written down value of assets disposed	D7	(214)	(89)
Net gain/(loss) on disposal of infrastructure systems		<u>(214)</u>	<u>(89)</u>
Total Gain/(loss) on disposal		<u>(121)</u>	<u>(154)</u>
(b) Other gain/(losses)			Restated
		2020	2019
		\$'000	\$'000
Right to receive	D4	9,730	9,541
Allowance for impairment - receivables other		(9)	-
Gain/loss - lease remeasurements		(28)	-
Total Other Gain/(loss)		<u>9,693</u>	<u>9,541</u>

Recognition and measurement

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

Until 30 June 2019

(i) Sale of goods

Revenue from the sale of goods is recognised as revenue when the Authority transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

(ii) Rendering of Services

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

From 1 July 2019

(i) Sale of goods

Revenue from sale of goods is recognised as when the Authority satisfies a performance obligation by transferring the promised goods. The entity typically satisfies its performance obligations when the control of the goods is transferred to the customers, and disclose the significant judgements made in evaluating when a customer obtains control of promised goods. The payments are typically due on a normal 30 days term.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

(ii) Rendering of Services

Revenue from rendering of services is recognised when the Authority satisfies the performance obligation by transferring the promised services. The Authority typically satisfies its performance obligations when the control of the goods is transferred to the customers, and disclose the significant judgements made in evaluating when a customer obtains control of promised goods for performance obligations satisfied at a point in time. The payments are typically due within the specified payment terms. The revenue is measured at the transaction price agreed under the contract. No element of financing is deemed present as payments are due when service is provided.

SECTION 3: Our financial performance

Notes to and forming part of the financial statements for the year ended 30 June 2020

(iii) Investment Revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired, which the effective interest rate is applied to the amortised cost of financial asset (i.e. after deducting the loss allowance for expected credit losses).

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

(iv) Grants and Contributions

Until 30 June 2019

Income from grants (other than contribution by owners) is recognised when the Authority obtains control over the contribution. The Authority is deemed to have assumed control when the grant is received or receivable. Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

As required by the master plan, developers are required to contribute affordable housing units for residential developments, these assets are recognised as income at practical completion.

The Authority's recurrent and capital appropriation funding is received as grant income from the Department of Planning Industry and Environment. Both recurrent and capital grant funding are recognised as income in full for meeting the service delivery requirements.

From 1 July 2019

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Authority is recognised when the Authority satisfies its obligations under the transfer. The Authority satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress to completion.

Revenue from grants with sufficiently specific performance obligations is recognised as when the Authority satisfies a performance obligation by transferring the promised goods. The Authority typically satisfies its performance obligations when the asset to construct and the expense to occur, have been delivered. The payments are typically due within the specified payment terms.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Income from grants without sufficiently specific performance obligations is recognised when the Authority obtains control over the granted assets (e.g. cash).

Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated. Volunteer services measured at fair value.

(v) Other gains/(losses)

Other gains/(losses) include disposal of assets and the recognition of the reversionary interest in the right to receive of the Qudos Bank Arena asset.

(vi) Impairment of financial assets

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. For trade receivables, the Authority applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date. A provision matrix has been established based on its historical credit loss experience for trade receivables, adjusted for forward looking factors specific to the receivable if applicable.

SECTION 3: Our financial performance

Notes to and forming part of the financial statements for the year ended 30 June 2020

C3. PERSONNEL SERVICES

	2020	2019
	\$'000	\$'000
Salary & wages (including annual leave) **	24,955	25,187
Superannuation - Defined benefit plans	154	203
Superannuation - Defined contribution plans	2,056	2,080
Long service leave - Defined benefit plans	1,233	1,907
Long service leave - Defined contribution plans	44	112
Payroll tax - Defined benefit plans	8	11
Payroll tax - Defined contribution plans	1,552	1,590
Workers compensation insurance	178	240
Fringe benefit tax	57	73
	<u>30,237</u>	<u>31,403</u>

**Personnel services of \$487,000 have been capitalised in particular property, plant and equipment and therefore excluded from the above.
(2019 \$ 292k)

Recognition and measurement

- (i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

The Authority does not directly employ staff. Personnel services are provided to the Authority by Department of Planning Industry & Environment (DPIE) as part of the Machinery of Government Changes. See Note 1 - A1.

C4. OTHER OPERATING EXPENSES

Auditors remuneration	136	187
Cost of sales	14	25
Asset management	4,245	4,029
Operating lease rental expense	1	800
Administration	2,805	4,393
Advertising and promotion	1,359	2,124
Activity and entertainment	466	1,138
Maintenance *	18,706	18,307
Insurance	1,130	1,058
Site Services	12,532	13,849
Utilities	4,498	5,306
Information technology	1,249	1,075
Other	1,974	2,553
	<u>49,115</u>	<u>54,844</u>
Reconciliation - Total maintenance		
Maintenance expense - contracted labour and other (non-employee related), included in Note C4	18,706	18,307
Personnel services related maintenance expense included in Note C3	3,093	3,158
Total maintenance expenses	<u>21,799</u>	<u>21,465</u>

Recognition and measurement

- (i) Maintenance

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

- (ii) Insurance

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

There is one minor commercial insurance policy in place for risks that, for commercial reasons, the Authority has had to accept but for which the TMF is unable to provide protection.

SECTION 3: Our financial performance

Notes to and forming part of the financial statements for the year ended 30 June 2020

(iii) Leases

Lease expense (Up to 30 June 2019)

Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

Lease expense (from 1 July 2019)

From 1 July 2019, the Authority recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term, i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

Operating Lease Commitments	2020	2019
	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable:		
Not later than one year	-	43
Later than one year and not later than 5 years	-	53
Later than 5 years	-	-
Total (including GST)	-	96

The above commitments relate to motor vehicles leases that will expire in the next 5 years. These leases are no longer classified as operating leases as they are now recognised as right of use assets in accordance with AASB 16 *Leases* in the 2019-20 financial year. The total expenditure commitments above include input tax credits of \$0 in 2020 (\$9,000 in 2019) which was recovered from the Australian Taxation Office.

Right of use assets under leases

The right-of-use assets are disclosed in Note D8.

	2020	Restated
	\$'000	2019
		\$'000
C5. DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation - buildings	35,439	33,446
Depreciation - plant & equipment	17,605	16,909
Depreciation - infrastructure systems	36,476	34,880
Amortisation - Right of use assets	69	31
Amortisation - right to receive assets prepayments	4,399	4,399
Total	93,988	89,665

See note D7 Non current assets - Property plant & equipment.

C6. GRANT AND SUBSIDIES

Cricket NSW - Centre of Excellence	25,500	4,500
Western Sydney Football Club Ltd - facility upgrades	-	4,500
Other	1	-
	25,501	9,000

C7. FINANCE COSTS

Finance costs	65	55
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Finance costs relate to interest costs on the right-of-use assets. The right-of-use assets and lease liabilities are separately disclosed in note D8.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
D1. CURRENT ASSETS - CASH & CASH EQUIVALENTS		
Cash at bank and on hand	5,777	2,966
Short term deposits	66,572	72,351
F.1	<u>72,349</u>	<u>75,317</u>

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and short term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW TCorp 11.00am unofficial cash rate adjusted for a management fee to NSW Treasury. The restricted cash is held through TCorp in short term deposits with major banks that are rated 'A1+' and 'A2' by Standard and Poor's. A1+ denotes highest credit quality with virtually no risk of default. A2 denotes adequate capacity to meet financial commitments, many positive investment attributes but also elements susceptible to adverse effects of changes in economic conditions. The interest rate on these term deposits are subject to fluctuations under market conditions and the returns on term deposits are guaranteed return from the major banks at maturity dates. The term deposits for the year earned an average interest rate of 1.72%.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per Statement of financial position)	<u>72,349</u>	<u>75,317</u>
Closing cash and cash equivalents (per Statement of cash flows)	<u>72,349</u>	<u>75,317</u>
Restricted cash comprises of the following:		
Major repairs fund * – Royal Agricultural Society	7,529	15,548
Major repairs fund * – Sydney Olympic Park Sports Venues	2,075	4,879
Developer contributions and proceeds of development right	50,706	46,436
Australia Tower GST on Margin Scheme withheld	6,262	5,488
	<u>66,572</u>	<u>72,351</u>

* Major repairs fund

Under the terms of the lease between the Authority and the Royal Agricultural Society of New South Wales (RAS), the Authority is required to maintain a Major Repairs Fund (MRF). The MRF is to be used for major repairs undertaken to preserve and prolong the useful, economic life span of the Sydney Showground during the lease term.

NSW Treasury provides the Authority with funding for major repairs of the Sydney Olympic Park Sports Venues. This MRF is to be used for major repairs undertaken to preserve and prolong the useful, economic life span of the Sydney Olympic Park Sports Venues.

The developer contributions and proceeds of development right received are restricted for use in the development of the Sydney Olympic Park precinct.

Risk

Market risk

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

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

Interest rate risk

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

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

	Carrying amount	-1% Profit	-1% Equity	1% Profit	1% Equity
2020					
Financial assets					
Cash and cash equivalents *	5,777	(58)	(58)	58	58
2019					
Financial assets					
Cash and cash equivalents *	2,966	(30)	(30)	30	30

* This balance excludes short-term deposits held at fixed interest rate.

	2020	2019
	\$'000	\$'000
D1.1 Reconciliation of cash flows from operating activities to net result		
Net Cash Used on Operating Activities	34,564	25,699
Depreciation and amortisation	C5 (93,988)	(89,665)
Impairment of receivables	D2 13	1
Net gain/(loss) on disposal	C2(a) (121)	(154)
Other gain/(loss)	C2(b) 9,693	9,541
Fair value through profit and loss	C1(b) 301	6,607
Private sector non cash contributions	13,161	43,875
Interests from finance lease as lessee	(64)	(55)
Interests from finance leases as lessor	374	323
Increase/(decrease) in receivables	(53,573)	817
Decrease/(increase) in payables	4,581	2,694
Decrease/(increase) in personnel services provisions	(273)	(355)
Decrease/(increase) in other current liabilities	(5)	525
Net Result	(85,337)	(147)

D2. CURRENT ASSET - RECEIVABLES

Current Receivables

Sale of goods & services	729	1,081
Less: Allowance for expected credit losses	(18)	(5)
Interest receivable	48	124
GST receivable	2,005	4,510
Prepayments	623	48,045
Accrued income	1,187	4,538
Other	983	702
	5,557	58,995

Movement in the allowance for expected credit losses

Balance at 1 July 2019	5	4
Amounts written off during the year	-	-
Increase/(decrease) in allowance recognised in net result	13	1
Balance at 30 June 2020	18	5

Recognition and measurement

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

Receivables, including trade receivables, prepayments etc. are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

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

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Impairment

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. For Trade receivables, the Authority applies the AASB 9 simplified approach in calculating ECLs. The Authority recognises a loss allowance based on lifetime ECLs at each reporting date. Trade debtors are written off when there is no reasonable expectation of recovery.

Risk

Credit risk

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

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

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits are held in short term deposit accounts through TCorp with major banks including Commonwealth Bank of Australia, National Australia Bank and Bankwest which have a credit rating of A1+. A1+ denotes highest credit quality with virtually no risk of default under Standard & Poor's rating.

Receivables - Trade Debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. The Authority applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

The expected loss rates are based on lifetime ECLs adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Trade debtors are written off when there is no reasonable expectation of recovery. The current ECL percentage is 5% under the current economic environment including the impacts of Covid19. The Authority applied the ECL independently for trade receivables and lease receivables.

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors and has policies and procedures in place to guide debt recovery. Based on past experience, debtors that are less than 3 months past due (2020: \$0.42 million; 2019: \$1.0 million) are not considered impaired and together these represent 58% of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due but not impaired are 'trade debtors' in the 'receivables' category of the Statement of Financial Position.

	\$'000	\$'000
	Total 1,2	Past due but not impaired 1,2
2020		
< 3 months overdue	425	425
3 months - 6 months overdue	304	304
> 6 months overdue	-	-
2019		
< 3 months overdue	1,003	1,003
3 months - 6 months overdue	78	78
> 6 months overdue	-	-

Notes

1. Each column in the table reports 'gross receivables'.
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

D3. CURRENT ASSETS - INVENTORIES	2020 \$'000	2019 \$'000
Current Inventories - held for resale		
Stock at cost	63	59
	<u>63</u>	<u>59</u>

Recognition and measurement

Inventories

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost the Authority would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

D4. PRIVATELY FINANCED PROJECTS	2020 \$'000	Restated 2019 \$'000
(a) Prepayments - Qudos Bank Arena		
Prepayments (current)	4,399	4,399
Prepayments (non current)	42,169	46,568
	<u>46,568</u>	<u>50,967</u>
	F6	
(b) Right to receive - Qudos Bank Arena		
Carrying amount at 1 July	105,440	95,899
Gain/(loss) for the year	9,730	9,541
Carrying amount at 30 June	<u>115,170</u>	<u>105,440</u>
	F6	

Recognition and measurement

Privately Financed Projects

Qudos Bank Arena facility was funded, developed and managed by the private sector. The Authority has adopted Treasury Policy and Guidelines Paper TPP 06-8 *Accounting for Privately Financed Projects*. The prepaid upfront contribution paid is recognised progressively over the concession period and the share of reversionary interest in the Qudos Bank Arena is recognised as revenue and a non-current asset whose value emerges during the lease period. The value is allocated during the lease period as if it were the compound value of an annuity discounted at the NSW Government bond rate of 6.66% at the commencement of the lease period.

Practical completion dates of the Qudos Bank Arena occurred on 1 March 1999. The venues will revert to the Authority on expiry of the respective leases in 2031. During the lease period, if the fair value of the right to receive increases or decreases, the movement is recognised in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment* as if the right is an item of property to which that standard applies.

In prior years, the Authority was also recognising the carrying amounts of the right to receive asset and prepayment for the ANZ Stadium. On 1 July 2016, the NSW Government acquired 100% of the shares in Stadium Holdings Pty Ltd (SHPL), the company holding the operating lease for the stadium. Subsequent to the acquisition through State Sporting Venues Authority (SSVA), the remaining assets and liabilities were transferred to Venues NSW by authority of the Sporting Venues Authorities Amendment Bill 2017. The accounting treatment of the Stadium was revisited and has been brought into the balance sheet as a fully owned asset and classified as an operating lease as at 1 July 2016. As a result of this, the right to receive asset and its prepayments has been derecognised. A prior year error adjustment has been made in this financial year. See Note F6.

The Qudos Bank Arena has been accounted for under TPP 06-8 *Accounting for Privately Finance Projects*. This policy will be repealed in 2021 financial year when the new Australian Accounting Standard AASB 1059 *Service Concession Arrangements: Grantors* becomes effective.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
D5. OTHER FINANCIAL ASSETS		
(a) Current financial asset		
Finance lease receivables	351	252
Less: Allowance for expected credit losses	<u>(11)</u>	<u>(16)</u>
	340	236
Royal Agricultural Society MRF advance receivable	<u>1,000</u>	<u>-</u>
	1,340	236
(b) Non-current financial asset		
Finance lease receivables	7,683	5,352
Royal Agricultural Society MRF advance receivable	<u>6,000</u>	<u>-</u>
	13,683	5,352
Movement in the allowance for expected credit losses		
Balance at 1 July 2019	16	16
Amounts written off during the year	-	-
Increase/(decrease) in allowance recognised in net result	<u>(5)</u>	<u>-</u>
Balance at 30 June 2020	<u>11</u>	<u>16</u>

Recognition and measurement

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

Other financial assets are initially measured at fair value plus any transaction cost.

Other financial assets are classified and subsequently measured at amortised cost as they are held for collection of contractual cash flows solely representing payments of principal and interest. Impairment losses are presented as separate line item in the statement of comprehensive income. Any gain or loss arising on derecognition is recognised directly in net results and presented in other gains/(losses) together with foreign exchange gains and losses.

Amounts due from lessees under finance leases are classified at amortised cost and recognised at the amount of the entity's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the entity's net investment outstanding in respect of the leases

Impairment

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

ECLs are recognised in two stages. For credit exposures where there has not been a significant increase in credit risk since initial recognition, ECLs are based on default events possible within the next 12-months (i.e. a 12-month ECL). If there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (i.e. a lifetime ECL). In addition, the Authority considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

For lease receivables, the entity applies the simplified approach permitted by AASB 9, where the loss allowance is based on lifetime ECLs.

	2020	2019
	\$'000	\$'000
D6. NON CURRENT ASSET - FINANCIAL ASSETS AT FAIR VALUE		
Non current financial assets at fair value **		
TCorp IM Funds - Medium term growth	22,463	50,279
TCorp IM Funds - Long term growth	<u>43,813</u>	<u>43,746</u>
	66,276	94,025

** Developer contributions were transferred to TCorp Funds for the year as part of the Authority's investment strategy accordance with Treasury Management Policy, to ensure that returns are maximised for the precinct's future developments.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Recognition and measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year.

The TCorp IM Funds are designated at fair value through profit or loss as these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the Authority's key management personnel. The movement in the fair value of the TCorp IM Funds incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'investment revenue'.

The Authority's Treasury Management Policy establishes a prudential framework covering policies, best practice internal controls and reporting systems for the management of treasury risks. The primary objectives of the policy is to maximise the Authority's return within a conservative risk profile, contain investments within a set risk framework, maintain investments within the framework of the Public Authorities (Financial Arrangements) Act 1987 (PAFA) and to develop and maintain effective reporting and disclosure of investment risks.

The Treasury Management Policy also sets out 'Permitted Investment Instruments Policy' which describes the instruments which can be transacted having regard to legislative requirements under PAFA. These currently include deposits with a bank and investments in a TCorp IM Fund facilities including short term, medium term and long term fund. Investment performance is to be benchmarked in accordance with TC 17/02 "*Guidelines on reporting of investment and liability management performance*".

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

D7. NON CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

(a) Total property, plant and equipment

	Notes	Restated Land and Buildings \$'000	Restated Plant and Equipment \$'000	Infrastructure Systems \$'000	Asset Under Construction \$'000	Total \$'000
2020						
At 1 July 2019 - fair value						
Gross carrying amount		2,562,130	357,624	1,041,375	19,733	3,980,862
Accumulated depreciation and impairment		(506,630)	(223,356)	(647,446)	-	(1,377,432)
Net Carrying Amount		<u>2,055,500</u>	<u>134,268</u>	<u>393,929</u>	<u>19,733</u>	<u>2,603,430</u>
At 30 June 2020 - fair value						
Gross carrying amount		2,659,265	386,435	1,060,101	14,374	4,120,175
Accumulated depreciation and impairment		(556,992)	(245,962)	(690,684)	-	(1,493,638)
Net Carrying Amount		<u>2,102,273</u>	<u>140,473</u>	<u>369,417</u>	<u>14,374</u>	<u>2,626,537</u>

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

Year ended 30 June 2020

Net carrying amount at start of year		2,055,500	134,268	393,929	19,733	2,603,430
Derecognition of finance lease asset on initial application of AASB 16*		(981)	-	-	-	(981)
Additions		-	-	-	61,324	61,324
Transfer from asset under construction		37,983	20,374	8,326	(66,683)	-
Assets transferred in from Non owner contribution		12,497	664	-	-	13,161
Disposals	C2	(1,557)	(750)	(214)	-	(2,521)
Net revaluation increment less revaluation decrements		34,270	3,522	3,852	-	41,644
Depreciation expense	C5	(35,439)	(17,605)	(36,476)	-	(89,520)
Net carrying amount at end of year		<u>2,102,273</u>	<u>140,473</u>	<u>369,417</u>	<u>14,374</u>	<u>2,626,537</u>

2019

At 1 July 2018 - fair value

Gross carrying amount		2,380,352	325,954	983,996	20,801	3,711,103
Accumulated depreciation and impairment		(476,434)	(205,969)	(590,019)	-	(1,272,422)
Net Carrying Amount		<u>1,903,918</u>	<u>119,985</u>	<u>393,977</u>	<u>20,801</u>	<u>2,438,681</u>
At 30 June 2019 - fair value						
Gross carrying amount		2,562,130	357,624	1,041,375	19,733	3,980,862
Accumulated depreciation and impairment		(506,630)	(223,356)	(647,446)	-	(1,377,432)
Net Carrying Amount		<u>2,055,500</u>	<u>134,268</u>	<u>393,929</u>	<u>19,733</u>	<u>2,603,430</u>

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

Year ended 30 June 2019

Net carrying amount at start of year		1,903,918	119,985	393,977	20,801	2,438,681
Additions		-	-	-	16,686	16,686
Assets transfers from revaluation		413	(413)	-	-	-
Transfer from asset under construction		5,020	3,748	8,986	(17,754)	-
Assets transferred in from Non owner contribution		32,223	-	11,650	-	43,873
Disposals	C2	(84)	(15)	(89)	-	(188)
Net revaluation increment less revaluation decrements		147,487	27,872	14,285	-	189,644
Depreciation expense	C5	(33,477)	(16,909)	(34,880)	-	(85,266)
Net carrying amount at end of year		<u>2,055,500</u>	<u>134,268</u>	<u>393,929</u>	<u>19,733</u>	<u>2,603,430</u>

* With application of AASB 16 Leases effective from 1 July 2019, the right-of-use assets are disclosed separately in D8.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

(b) Property, plant and equipment held and used by the Authority

	Notes	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Asset Under Construction \$'000	Total \$'000
2020						
At 1 July 2019 - fair value						
Gross carrying amount		1,290,171	147,817	1,036,216	16,482	2,490,686
Accumulated depreciation and impairment		(217,653)	(90,224)	(647,256)	-	(955,133)
Net Carrying Amount		<u>1,072,518</u>	<u>57,593</u>	<u>388,960</u>	<u>16,482</u>	<u>1,535,553</u>
At 30 June 2020 - fair value						
Gross carrying amount		1,306,879	154,658	1,054,888	14,374	2,530,799
Accumulated depreciation and impairment		(236,491)	(98,129)	(690,204)	-	(1,024,824)
Net Carrying Amount		<u>1,070,388</u>	<u>56,529</u>	<u>364,684</u>	<u>14,374</u>	<u>1,505,975</u>

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

Year ended 30 June 2020

Net carrying amount at start of year		1,072,518	57,593	388,960	16,482	1,535,553
Derecognition of finance lease asset on initial application of AASB 16*		(981)	-	-	-	(981)
Additions		-	-	-	14,075	14,075
Assets transfers from revaluation		-	-	-	-	-
Transfer from asset under construction		2,507	5,350	8,326	(16,183)	-
Assets transferred in from Non owner contribution		-	-	-	-	-
Disposals		(830)	(748)	(214)	-	(1,792)
Net revaluation increment less revaluation decrements		9,898	1,450	3,802	-	15,150
Impairment losses		-	-	-	-	-
Depreciation expense		(12,724)	(7,116)	(36,190)	-	(56,030)
Net carrying amount at end of year		<u>1,070,388</u>	<u>56,529</u>	<u>364,684</u>	<u>14,374</u>	<u>1,505,975</u>

(c) Property, plant and equipment where the Authority is lessor under operating leases

	Notes	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Asset Under Construction \$'000	Total \$'000
2020						
At 1 July 2019 - fair value						
Gross carrying amount		1,271,959	209,807	5,159	3,251	1,490,176
Accumulated depreciation and impairment		(288,977)	(133,132)	(190)	-	(422,299)
Net Carrying Amount		<u>982,982</u>	<u>76,675</u>	<u>4,969</u>	<u>3,251</u>	<u>1,067,877</u>
At 30 June 2020 - fair value						
Gross carrying amount		1,352,386	231,777	5,213	-	1,589,376
Accumulated depreciation and impairment		(320,501)	(147,833)	(480)	-	(468,814)
Net Carrying Amount		<u>1,031,885</u>	<u>83,944</u>	<u>4,733</u>	<u>-</u>	<u>1,120,562</u>

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

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Notes	Land and Buildings \$'000	Plant and Equipment \$'000	Infrastructure Systems \$'000	Asset Under Construction \$'000	Total \$'000
Year ended 30 June 2020					
Net carrying amount at start of year	982,982	76,675	4,969	3,251	1,067,877
Additions	-	-	-	47,249	47,249
Transfer from asset under construction	35,476	15,024	-	(50,500)	-
Assets transferred in from Non owner contribution	12,497	664	-	-	13,161
Disposals	(727)	(2)	-	-	(729)
Net revaluation increment less revaluation decrements	24,372	2,072	50	-	26,494
Depreciation expense	(22,715)	(10,489)	(286)	-	(33,490)
Net carrying amount at end of year	1,031,885	83,944	4,733	-	1,120,562

Recognition and measurement

Acquisition of Property, Plant and Equipment

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards. The capitalisation threshold for property, plant and equipment assets is \$30,000 (inclusive of GST).

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Asset transfers arising from administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. All other equity transfers are recognised at fair value, except for intangibles.

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

Revaluation

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

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any 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, plant and equipment is based on a market participants' perspective, using valuation techniques including market approach, cost approach and income approach that maximise relevant observable inputs and minimise unobservable inputs. Refer to D7.1 for further information regarding fair value.

The Authority revalues land and buildings and associated plant and equipment assets every three years, infrastructure assets every five years and 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. Property NSW on behalf of the Authority completed a full revaluation on land and building and associated plant & equipment assets as at 1 July 2018. The recent full revaluation on infrastructure system assets was performed by Altus Group Consulting Pty Ltd as at 1 July 2017.

In the intervening years, the fair value of property plant and equipment is assessed by Government Property NSW and Altus Group Consulting Pty Ltd. An index is applied to ensure assets are held at fair value in accordance with AASB 13 *Fair Value Measurement* and TPP14-01 *Valuation of Physical Non-Current Assets at Fair Value Guidelines Paper*.

Non-specialised assets with short useful lives are measured at depreciated historical cost as a surrogate for fair value. The Authority has assessed any difference between fair value and depreciated historical cost is unlikely to be material.

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

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

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Revaluation increments are recognised in Other Comprehensive Income and credited directly to the asset revaluation surplus. However, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as a loss in the net result for the year, the increment is recognised immediately as a gain in the net result for the year.

Revaluation decrements are recognised immediately as a loss in the net result for the year, except that, to the extent that it offsets the asset revaluation surplus on the same class of assets, in which case the decrement is debited directly to the asset revaluation surplus.

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

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

Impairment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not-for-profit entities given that AASB 136 modifies the recoverable amount test where the recoverable amount is less than the carrying value, the entity must write down the asset or cash generating unit to recoverable amount. Recoverable amount is defined as the higher of fair value less costs of disposal and value in use. The Authority assesses at reporting date whether there is any indication the 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.

Depreciation

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

All material, separately-identifiable, component assets are recognised and depreciated over their useful lives.

Land is not a depreciable asset.

Depreciation rates for these asset categories are:

- buildings including facilities and sporting venues	1.3% - 20% per annum
- computer equipment	20% - 33% per annum
- office equipment	20% - 33% per annum
- leasehold improvements	period of lease
- infrastructure	1.25% - 33% per annum
- other plant and equipment	1.5% - 33% per annum

Land under roads

Land under roads are recognised at existing use fair value in accordance with AASB 1051 Land under Roads and TPP14-1 Valuation of Physical Non current assets at Fair Value. Post 1 July 2008, the land under roads is recognised in accordance with AASB 116 Property, Plant and Equipment. The discount rate applied in the comprehensive revaluation is 90%.

Other assets

Other assets are generally recognised at historic cost.

Finance leases acquired by lessees (under AASB 117 until 30 June 2019)

Until 30 June 2019, AASB 117 Leases (AASB 117) distinguished between finance leases that effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and rewards.

Property, plant and equipment at 30 June 2019 includes non-current assets acquired under finance leases only. The assets are recognised at fair value or, if lower, the present value of the minimum lease payments, at the inception of the lease. Property, plant and equipment does not include amounts in respect of operating leases.

Property, plant and equipment acquired under finance leases are depreciated over the asset's useful life. However, if there is no reasonable certainty that the lessee entity will obtain ownership at the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Right-of-use Assets acquired by lessees (under AASB 16 from 1 July 2019)

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. The right-of-use asset and corresponding liability are initially measured at the present value of the future lease payments.

Therefore, at that date property, plant and equipment includes amounts for right-of-use assets in respect of leases previously treated as operating leases under AASB 117, as well as any arrangements that are assessed as leases under AASB 16 that were not leases under AASB 117.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the entity obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Further information on leases is contained at Note D8.

D7.1 FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair value measurement and hierarchy

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

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 entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- * Level 1 - quoted (unadjusted) prices in active markets for identical assets/liabilities that the entity 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.

(a) Fair value hierarchy

2020

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Recurring				
Property, plant and equipment				
Land & buildings	-	897,535	1,204,738	2,102,273
Plant & equipment	-	-	134,279	134,279
Infrastructure systems	-	-	369,416	369,416
	-	897,535	1,708,433	2,605,968

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

2019

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Restated Total fair value \$'000
Recurring				
Property, plant and equipment				
Land & buildings	-	888,376	1,167,124	2,055,500
Plant & equipment	-	-	129,006	129,006
Infrastructure systems	-	-	393,929	393,929
	-	888,376	1,690,059	2,578,435

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

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

(b) Valuation techniques, inputs and processes

Valuation techniques used are as follows:

Land & Buildings - level 2

Land is valued using observable valuation input (market evidence) available to provide a reasonable guide to the value of the land. Valuers have also relied on market evidence of similar assets such as open space, industrial and commercial sales with adjustment for size, condition, location, comparability, zoning to determine its fair values.

Buildings are valued using observable valuation input (market evidence) available to provide a reasonable guide to the value of the buildings. Valuers have also relied on market evidence of similar residential market and rental values, with adjustment for size, condition, location, comparability, zoning to determine its fair values.

Buildings - level 3

Buildings are mostly specialised buildings with unobservable input hierarchy due to lack of market evidence. These buildings include various sporting venues, amenities and other specialised buildings in the precinct whereby the current market buying price cannot be observed, examples include Aquatic and Athletic Centres, Waste Water Plant and Bi-park Education Centre. Depreciated replacement cost (DRC) was used to value these assets. When DRC is used, they are classified as level 3 input. With non-specialised buildings, they are likely to be assessed at level 2 or 3 of fair value hierarchy, depending on market conditions. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorised within level 3 of the fair value hierarchy. As DRC was used as basis of valuation for specialised buildings, they are classified as level 3 input.

Plant & equipment - level 3

Plant & equipment that are non specialised assets with short useful lives are measured using the depreciated historical cost as surrogate for fair values. They are not subject to fair value disclosure as they are measured using depreciated historical cost. Plant & equipment which forms part of buildings that are measured using DRC approach due to lack of market evidence are classified as level 3 input. This is consistent with valuation techniques for buildings due to their specialised nature.

Infrastructure systems - level 3

Infrastructure system assets are measured using DRC approach due to their specialised nature with no market based evidence for fair value. All infrastructure assets are classified as level 3 input.

Level 3 measurement additional disclosure

Due to the uniqueness and specialised nature of these assets, valuers have applied a cost approach using the depreciated replacement cost method. Most of these assets do not generally have an active market to determine the fair values. With lack of market evidence and observable inputs, and with no significant changes to the unobservable inputs to allow its classification to change from level 3 to level 1 or 2, these assets are classified as level 3 input.

(c) Reconciliation of recurring Level 3 fair value measurements

2020	Level 3			Restated Total Recurring Level 3 Fair value
	Land & Buildings	Plant & Equipment	Infrastructure Systems	
	\$'000	\$'000	\$'000	\$'000
Fair value as at 1 July 2019	1,167,124	129,006	393,929	1,690,059
Additions	37,983	18,303	8,326	64,612
Assets transferred in from non-owner contribution	-	-	-	-
Revaluation increment/(decrements) recognised in other comprehensive income - included in line item/net increase/(decrease) in property, plant and equipment revaluation surplus	34,271	3,522	3,852	41,645
Reclassification from other plant & equipment	-	-	-	-
Transfers to other levels	-	-	-	-
Disposals	(737)	(750)	(214)	(1,701)
Impairment losses recognised in other gains/losses	-	-	-	-
Depreciation	(33,903)	(15,802)	(36,477)	(86,182)
Fair value as at 30 June 2020	<u>1,204,738</u>	<u>134,279</u>	<u>369,416</u>	<u>1,708,433</u>

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

2019

	Level 3			
	Land & Buildings	Plant & Equipment	Infrastructure Systems	Recurring Level 3 Fair
	\$'000	\$'000	\$'000	\$'000
Fair value as at 1 July 2018	1,057,069	114,975	393,977	1,566,021
Additions	5,020	1,846	8,986	15,852
Assets transferred in from non-owner contribution	-	-	11,650	11,650
Revaluation increment/(decrements) recognised in other comprehensive income - included in line item/net increase/(decrease) in property, plant and equipment revaluation surplus	138,878	27,872	14,285	181,035
Reclassification from other plant & equipment	(1,521)	(669)	-	(2,190)
Disposals	(84)	(15)	(89)	(188)
Impairment losses recognised in other gains/losses	-	-	-	-
Depreciation	(32,238)	(15,003)	(34,880)	(82,121)
Fair value as at 30 June 2019	<u>1,167,124</u>	<u>129,006</u>	<u>393,929</u>	<u>1,690,059</u>

* Total fair value disclosure does not include asset under construction of \$14.4m and plant & equipment assets of \$6.2m that are valued at depreciated historical cost.

D8. LEASES

The Authority as a leasee

The Authority leases property and motor vehicles during the financial year. Lease contracts are typically made for fixed periods of two to five years for motor vehicles and a longer term for property, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Authority does not provide residual value guarantees in relation to leases.

Extension and termination options are included in the property and motor vehicle leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Authority and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows of \$197,000 have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$194,000.

The Authority has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly motor vehicle leases which have a lease term of 12 months or less.

Right-of-use assets under leases

The following table presents right-of-use assets under various classes:

	Land and Buildings	Plant and Equipment	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2019	981	38	1,019
Additions	-	87	87
Depreciation expense	(31)	(38)	(69)
Lease remeasurements	(26)	-	(26)
Balance as at 30 June 2020	<u>924</u>	<u>87</u>	<u>1,011</u>

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Lease liabilities

The following table presents liabilities under leases.

	Lease liabilities
	\$'000
Balance as at 1 July 2019	1,572
Initial recognition on application of AASB 16 as at 1 July 2019	38
Additions	87
Interest expenses	58
Payments	(106)
Lease remeasurements	(20)
Balance as at 30 June 2020	1,629

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where the entity is the lessee:

	\$'000
Depreciation expense of right-of-use assets	69
Interest expense on lease liabilities	64
Expense relating to short term leases	7
Expense relating to leases of low value assets	-
Variable lease payment, not included in the measurement of lease liabilities	-
Total amount recognised in the statement of comprehensive income	140

The Authority had total cash outflows for leases of \$106,000 in FY 2019-20.

Right-of-use assets lease commitments

	2020	2020	2019	2019
	Undiscounted	Discounted	Undiscounted	Discounted
	\$'000	\$'000	\$'000	\$'000
(a) Future minimum lease rentals payable not recognised in the financial statements are as follows:				
Not later than one year	114	114	75	74
Later than one year and not later than 5 years	357	317	306	269
Later than 5 years	1,789	978	2,565	1,386
Total (including GST)	2,260	1,409	2,946	1,729

2020	2019
\$'000	\$'000

(b) Reconciliation for future minimum lease rentals payable and present values

Total future minimum lease payments (undiscounted)	2,260	2,946
Future finance charges	(852)	(1,217)
Total future minimum lease payments (discounted)	1,408	1,729

The above commitment relates to Right-of-use assets for a land lease arrangement with Waste Recycling & Processing Services and a number of motor vehicles leases. The future minimum lease payments are discounted based on incremental borrowing rate and Treasury guidelines. The above commitments included long term land lease classified as a finance lease derecognised this year and recognised as right of use asset and motor vehicles recognised as right-of-use assets recognised per AASB 16 *Leases*. There is no contingent rent expense applicable in the leases and the GST included in the above is \$205,000 (undiscounted), \$128,000 (discounted). (\$268,000 (undiscounted); \$157,000 (discounted) in 2019)

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Recognition and measurement (under AASB 16 from 1 July 2019)

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right-to-use the underlying assets, except for short-term leases and leases of low-value assets.

Leases that the Authority transfers substantially all the risks and rewards incidental to ownership of an asset are classified as finance leases. From 1 July 2019, subleases are classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

At the lease commencement date, the Authority recognises a receivable for assets held under a finance lease in its statement of financial position at an amount equal to the net investment in the lease. The net investment in leases is classified as financial assets amortised cost and equals the lease payments receivable by a lessor and the unguaranteed residual value, plus initial direct costs, discounted using the interest rate implicit in the lease Initial direct costs.

Finance income arising from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

i. Right-of-use assets

The Authority recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings 25 to 50 years
- Motor vehicles and other equipment 2 to 5 years

If ownership of the leased asset transfers to the entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. 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. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

ii. Lease liabilities

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the entity; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Authority's leases, the lessee's incremental borrowing rate is used, being the rate that the Authority would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Authority's lease liabilities are included in borrowings.

iii. Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term

Recognition and measurement (under AASB 16 until 30 June 2019)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right-of-use of the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to the entity was classified as a finance lease.

Where a non-current asset was acquired by means of a finance lease, at the commencement of the lease, the asset was recognised at its fair value or, if lower, at the present value of the minimum lease payments. The corresponding liability was established at the same amount. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of comprehensive income.

Property, plant and equipment acquired under finance leases was depreciated over the useful life of the asset. However, if there is no reasonable certainty that the entity will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments were recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

The Authority as a lessor

The Authority's properties are leased to tenants under finance leases and operating leases with rentals payable per agreed terms. The long term land leases including the prepaid leases have been recorded as finance leases in accordance with TPP 11-01 *Lessor classification of long-term land leases* and AASB 16 *Leases*. The prepaid leases as finance lease, are effectively accounted for as sales which the Authority will derecognise the land and recognise the associated gain or loss on disposal. Lease payments for some contracts include CPI increases but there are no other variable lease payments that depend on an index or rate.

Lessor for finance leases

Finance lease rentals receivable commitment

	2020	2020	2019	2019
	Undiscounted	Discounted	Undiscounted	Discounted
	\$'000	\$'000	\$'000	\$'000
(a) Future minimum rentals receivable under finance lease not recognised in the financial statements are as follows:				
Not later than one year	386	382	277	276
Later than one year and not later than 5 years	1,582	1,288	1,164	894
Later than 5 years	38,328	5,985	31,320	3,812
Total (including GST)	40,296	7,655	32,761	4,982

The accumulated allowance for uncollectible minimum payments receivable for finance leases as at 30 June 2020 is \$11,000 and \$16,000 for 30 June 2019.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

	2020	2019
	\$'000	\$'000
(b) Reconciliation for gross investment in the lease and its present value of rentals receivable		
Total gross investments in the lease (undiscounted)	40,296	32,761
Unearned finance income	(32,641)	(27,779)
Net investment in the lease (discounted)	<u>7,655</u>	<u>4,982</u>

The above commitment relates to finance leases under long term land lease arrangements for Lot 32 Hill Road & 15 Olympic Boulevard, Sydney Olympic Park. The future minimum rentals receivable are discounted based on the implicit rate of interest calculated per recent valuation of the land and a CPI factor. The unguaranteed residual values accruing to the Authority is \$210k for Lot 32 Hill Road & \$211k for 15 Olympic Boulevard at the expiry of the lease and \$1.07m for hotel leases. There is no contingent rent applicable in the leases. The GST included in the above is \$3,663,000 (undiscounted), \$696,000 (discounted). (\$2,978,000 (undiscounted), \$452,000 (discounted) in 2019).

Lessor for operating leases

	2020	2019
	\$'000	\$'000
(a) Future non-cancellable operating lease receivables not recognised in the financial statements are as follows:		
Not later than one year	4,632	5,696
Later than one year and not later than 5 years	12,155	6,378
Later than 5 years	3,424	2,706
Total (including GST)	<u><u>20,211</u></u>	<u><u>14,780</u></u>

The above commitments relate to operating lease receivables under various rental agreements. These are entered into at market rates and on commercial terms. Regular market reviews and tendering processes are carried out to ensure commercial arrangements are maintained. The total operating lease receivables above include input tax credits of \$1,837,000 (\$1,344,000 in 2019) which are expected to be payable to the Australian Taxation Office.

(b) Contingent rents recognised as income

Contingent rents recognised as income for the period	<u>1,435</u>	<u>1,248</u>
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The turnover rent is receivable in arrears.

Recognition and measurement lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

Risks

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk within the investment portfolio in TCorp IM funds. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

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

Interest rate risk

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

	\$'000			
	-1%	Equity		1%
	Net result	Net result	Net result	Equity
2020				
Financial assets				
Financial assets at fair value	(663)	(663)	663	663
2019				
Financial assets				
Financial assets at fair value	(940)	(940)	940	940

* This balance excludes short-term deposit held at fixed interest rate.

Other price risk – TCorp IM Funds

Exposure to 'other price risk' primarily arises through the investment in the TCorp IM Funds, which are held for strategic rather than trading purposes. The Authority has no direct equity investments. The Authority holds units in the following TCorp IM Funds trusts:

Facility	Investment Sectors	Investment Horizon	2020 \$'000	2019 \$'000
Medium-term growth facility	Cash, Australian shares, International shares, Listed property, Emerging market shares, Emerging markets debt, Bank loans, Inflation linked bonds, Fixed interest, Global credit, High yield, Multi-Asset	3 years to 7 years	22,463	50,279
Long-term growth facility	Cash, Australian shares, International shares, Listed property, Emerging market shares, Emerging markets debt, Bank loans, Fixed interest, Global credit, High yield, Multi-Asset	7 years and over	43,813	43,746

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

TCorp as trustee for each of the above facilities is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorp IM Funds facilities. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the TCorp IM Funds limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the Investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (i.e. 95% probability). The TCorpIM Funds are measured at fair value through profit or loss and therefore any change in unit price impacts directly on net results. A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from TCorpIM Funds statement).

SECTION 4: Our assets

Notes to and forming part of the financial statements for the year ended 30 June 2020

	Impact on net result		
	Change in unit price	2020 \$'000	2019 \$'000
TCorp IM Funds - Medium-term growth	+/- 10%	+/- 2,246	+/- 3,017
TCorp IM Funds - Long-term growth	+/- 10%	+/- 4,381	+/- 5,687

Fair value measurement

i) Fair value compared to carrying amount

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

TCorp IM Funds Facilities are measured at fair value. Management assessed that the carrying amount of all other financial instruments, except as specified below, approximate their fair values, largely due to the short-term maturities of these instruments. The following table details the financial instruments, by class, where the fair value differs from the carrying amount:

	2020		2019	
	Fair Value \$'000	Carrying amount \$'000	Fair Value \$'000	Carrying amount \$'000
Financial assets at fair value				
TCorp IM Funds Facilities	66,276	66,276	94,025	94,025

[The tables above include only financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.]

ii) Fair value recognised in the Statement of Financial Position

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 entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity 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 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. There were no transfers between level 2 to other levels during the year.

	2020			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value				
TCorp IM Funds	-	66,276	-	66,276

[The tables above include only financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.]

	2019			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value				
TCorp IM Funds	-	94,025	-	94,025

[The tables above include only financial assets, as no financial liabilities were measured at fair value in the Statement of Financial Position.]

The value of the TCorp IM Funds is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the TCorp IM Funds facilities are valued using 'redemption' pricing.

SECTION 5: Our liabilities

Notes to and forming part of the financial statements for the year ended 30 June 2020

E1. CURRENT LIABILITIES - PAYABLES	2020 \$'000	2019 \$'000
Accrued personnel services	419	842
Payables	14,462	15,969
	<u>14,881</u>	<u>16,811</u>

Recognition and measurement

Payables

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

Risk

Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made no later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 8.89%. (2019 - 9.96%).

The Authority's financial liabilities included in Note F1. will mature in less than 1 year. The Authority does not have any borrowings, bank overdraft or other loans hence maturity analysis is not performed.

Market risk

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

E2. BORROWINGS

(a) Current borrowings

Finance leases	<u>72</u>	<u>54</u>
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(b) Non-current borrowings

Finance leases	<u>1,208</u>	<u>1,518</u>
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Recognition and measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process

Finance lease liabilities are determined in accordance with AASB 117 until 30 June 2019, lease liabilities are determined in accordance with AASB 16.

SECTION 5: Our liabilities

Notes to and forming part of the financial statements for the year ended 30 June 2020

E3. CURRENT /NON-CURRENT LIABILITIES - PROVISIONS

	2020	2019
	\$'000	\$'000
Provisions		
Personnel services - current		
Annual leave & on-costs	2,302	2,072
Long service leave on-costs	<u>1,224</u>	<u>1,161</u>
	3,526	3,233
Personnel services - non current		
Long service leave on-costs	<u>107</u>	<u>102</u>
	<u>3,633</u>	<u>3,335</u>
Aggregate Personnel Services Costs		
Personnel services - current	3,526	3,233
Personnel services - non current	107	102
Accrued personnel services	E1 419	842
	<u>4,052</u>	<u>4,177</u>
Other Provisions		
Restoration costs - Waste Asset Management Lease	<u>349</u>	-
Total Provisions	<u>3,982</u>	<u>3,335</u>

Employee benefits and related on-costs (Personnel services)

The Authority's long service leave liability for defined benefit plan is assumed by the Crown per Treasury Circular TC 18/13 *Accounting for Long Service Leave and Annual Leave*. Long service leave on costs including superannuation on defined contribution, annual leave accrued while on long service leave taken in service, workers compensation insurance and payroll tax are not assumed by Crown. These are represented in the current and non-current liabilities of long service leave at 30 June 2020.

Recognition and measurement

- (i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

The Authority does not directly employ staff. Personnel services are provided to the Authority by Department of Planning Industry & Environment (DPIE).

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Where annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 7.9% of the nominal value of annual leave) (2019-7.9%) can be used to approximate the present value of the annual leave liability.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

- (ii) Long Service Leave and Superannuation

The Authority's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity through Department of Planning Industry & Environment (DPIE). The Authority accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Resources received free of charge'. Refer Note C1 (e).

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

SECTION 5: Our liabilities

Notes to and forming part of the financial statements for the year ended 30 June 2020

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions. This expense forms part of the Personnel Services costs.

(iii) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

(iv) Other provisions

Other provisions exist when the Authority has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The restoration costs provision represents the make good requirement at the lease expiry with Waste Recycling and Processing Service of NSW.

If the effect of the time value of money is material, provisions are discounted at the government bonds rate 0.87% (2019 1.32%), which is a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

E4. CURRENT/NON-CURRENT LIABILITIES - OTHER

	2020	2019
	\$'000	\$'000
Current Liabilities - Other		
Security deposits	632	360
Unearned revenue	3,097	3,352
Other	370	386
	<u>4,099</u>	<u>4,098</u>
Non Current Liabilities - Other	<u>-</u>	<u>-</u>

Recognition and measurement

Unearned income and other deferred income are monies received which are yet to be recognised as income. The Authority recognises income when the rendering of services is provided and it is probable that the economic benefits associated with the transaction will flow to the Authority. Unearned income mainly includes receipts from developers for the right to develop the land.

SECTION 6: Risk and other notes

Notes to and forming part of the financial statements for the year ended 30 June 2020

F1. FINANCIAL INSTRUMENTS

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

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

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

	Category	Notes	Carrying amount 2020 \$'000	Carrying amount 2019 \$'000
(a) Financial Instrument Category				
Financial Assets				
Cash and cash equivalents	At amortised cost	D1	72,349	75,317
Receivables ¹	Receivables (at amortised cost)	D2 & D5	17,952	12,028
Financial Assets at fair value	Financial assets at fair value through profit or loss - designated as such at initial recognition	D6	66,276	94,025
			<u>156,577</u>	<u>181,370</u>
Financial Liabilities				
Payables ²	Financial liabilities measured at amortised cost	E1 & E2	16,385	18,229
Other	Financial liabilities measured at amortised cost	E4	632	360
			<u>17,017</u>	<u>18,589</u>

Notes

1. Excludes statutory receivables and prepayments (not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (not within scope of AASB 7).

(b) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Authority transfers the financial asset where substantially all the risks and rewards have been transferred or where the Authority has not transferred substantially all the risks and rewards, if the Authority has not retained control. Where the Authority has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Authority's continuing involvement in the asset. A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

(c) Financial risks

The Authority's financial risks are discussed in relevant note D and E.

(d) Impairment of financial assets

The Authority recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. The Authority applied a simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors. The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Authority applied the ECL independently for trade receivables and lease receivables.

Trade debtors are written off when there is no reasonable expectation of recovery. The current ECL percentage is 5% for trade debtors and 0.13% for lease receivables.

The Authority's term deposits are issued by financial institutions that have strong credit ratings and therefore considered to be very low credit risk investments. A provision has not been made for these deposits. However, if there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

SECTION 6: Risk and other notes

Notes to and forming part of the financial statements for the year ended 30 June 2020

For lease receivables, the Authority applies the simplified approach permitted by AASB 9, where the loss allowance is based on lifetime ECLs.

F2. CAPITAL COMMITMENTS

	2020	2019
	\$'000	\$'000
Aggregate capital expenditure for the acquisition of property development services contracted for at balance date and not provided for:		
Not later than one year	81	43
Total (including GST)	<u>81</u>	<u>43</u>
Aggregate capital expenditure for the acquisition of other construction contracted for at balance date and not provided for:		
Not later than one year	387	2,795
Total (including GST)	<u>387</u>	<u>2,795</u>

F3. EQUITY

Recognition and measurement

(i) Asset Revaluation Surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the agency's policy on the revaluation of property, plant and equipment. Refer note D7.

(ii) Accumulated Funds

The category accumulated funds includes all current and prior period retained funds.

(iii) Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or Australian Accounting Standards (e.g. asset revaluation surplus).

(iv) Equity transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector agencies and 'equity appropriations' are designated or required by Accounting Standards to be treated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with AASB 1004 *Contributions* and Australian Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Transfers arising from an administrative restructure involving not-for-profit entities and for-profit government departments are recognised at the amount at which the asset was recognised by the transferor immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

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

F4. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority.

The Sydney Olympic Park Authority Act vests a number of remediated land fill sites with the Authority. The Authority is required to manage these remediated lands in accordance with a Maintenance Remediation Notice issued by the EPA under the Contaminated Land Management Act 1997. There is presently no known breach of conditions that require remedy.

On 24 December 2018 a significant structural defect was found in the Site 68 (Opal Tower) building that impacts on a number of units. As the Authority is a proprietor of the land until Practical Completion, and retains Affordable Housing units it may have obligations under the Home Building Act 1989.

The Project Delivery Agreement (PDA) between the Authority and Australia Ave Developments Pty Limited (Developer) provides that the Developer indemnifies the Authority in relation to the development. SOPA has the right to seek damages where the Developer has failed to comply with its obligations under the PDA. A liability cannot be accurately measured in respect to any potential claim. This matter is an insurable event covered under the Treasury Managed Fund (TMF).

SECTION 6: Risk and other notes

Notes to and forming part of the financial statements for the year ended 30 June 2020

On 14 June 2020 the Owners Corporation of Opal Tower commenced legal action against SOPA for payment of increased building insurance costs. Insurance costs were in the order of \$2.1m for the 2019/20 period. The builder of Opal Tower (Icon) paid in the order of \$1.8m in good faith on behalf of the Owners Corporation. For the 2020/21 insurance period, the insurance premium reduced to \$1.2m of which approximately \$1m would be payable by the Owners Corporation. The Owners Corporation would normally be required to pay the insurance premium for the building, however it is arguing it should not pay the current insurance premium as it is still above what would normally be paid in the absence of the structural defect. The builder has refused to pay the insurance premium due to alleged actions of the strata committee representing the Owners Corporation. SOPA has the right to seek damages where the Developer has failed to comply with its obligations under the PDA. This matter is an insurable event covered under the Treasury Managed Fund (TMF).

SOPA is the Head-Lessor of a number of sites that contain components of banned building cladding within Sydney Olympic Park. Banned cladding has been replaced by Head Lessees in accordance with the obligations of their lease with SOPA during the financial year. The obligations to replace cladding reside with the Lessees or developers of these sites. SOPA does not expect to incur a liability for cladding replacement, unless Lessees or developers default on their obligations to SOPA.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority.

The Authority assesses contingent assets continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. As at reporting date, there are outstanding insurance claims estimated at \$3.5m for consequential losses resulting from the Covid19 pandemic, recoveries are pending on the loss assessor's assessments.

F5. RELATED PARTY DISCLOSURES

The Authority does not directly employ staff. Personnel services are provided to the Authority by Department of Planning Industry & Environment (DPIE). During the year, the key management personnel compensation provided by DPIE are as follows:

	2020	2019
	\$'000	\$'000
Short-term employee benefits:		
Salaries	2,299	1,990
Other monetary allowances	-	20
Other long-term employee benefits	-	-
Termination benefits	-	-
Total remuneration	2,299	2,010

There were no transactions and outstanding balances with key management personnel apart from those disclosed in this note.

The Authority has incurred \$3.7m in operating expenditure with other NSW Government entities for the management of Sydney Olympic Park and has received \$5.5m in operating revenue.

The Authority has received grants from other NSW Government entities. Refer note C1.

F6. CHANGES IN ACCOUNTING POLICIES, CORRECTIONS OF ERRORS AND CHANGES IN ESTIMATES

Both ANZ Stadium & Qudos Bank Arena are accounted for as right to receive assets under TPP 06-8 Accounting for Privately Financed Projects. The prepaid upfront contribution paid is recognised progressively over the concession period and the share of reversionary interest in the ANZ Stadium and Qudos Bank Arena is recognised as revenue and a non-current asset whose value emerges during the lease period. On 1 July 2016, the NSW Government acquired 100% of the shares in Stadium Holdings Pty Ltd (SHPL), the company holding the operating lease for the stadium. Subsequent to the acquisition through State Sporting Venues Authority (SSVA), the remaining assets and liabilities were transferred to Venues NSW by authority of the Sporting Venues Authorities Amendment Act 2017. On 29 March 2018, the NSW Premier announced the Government will undertake a major refurbishment of the stadium however, the redevelopment plan has subsequently been withdrawn.

As a result of the government buyback, there is no longer a partnership between the public purchaser (the Authority) and the private entities. It is determined that TPP 06-8 should no longer be applicable. Prior year adjustment is made to reflect the Stadium ownership reverting to the Authority as at 1 July 2016 as an operating lease under AASB 16 Leases. Effectively, the Stadium has been recognised in the balance sheet as a fully owned operating lease asset as at 1 July 2016. The carrying amounts of the Right to Receive Asset - Stadium and Prepayments have been derecognised.

The impact of the prior year adjustment has resulted in derecognising the value of the emerging asset from 1 July 2016, amounting to \$409.2 million and the value of the previously recorded right-to-receive income for the financial years 2016-17 (\$29.3 million), 2017-18 (\$30.6 million) and 2018-19 (\$34.5 million). The carrying value of prepaid expenditure derecognised are \$27.6 million at 1 July 2016 and the annual prepayment amortisation for the financial years 2016-17 (\$2.4 million), 2017-18 (\$2.4 million) and 2018-19 (\$2.4 million). The Stadium was recognised at the fair value of \$858.4 million retrospectively.

SECTION 6: Risk and other notes

Notes to and forming part of the financial statements for the year ended 30 June 2020

Line Items	Notes	Balance 30 June 2019 Actual \$'000	Impact Increase/(Decrease) \$'000	Restated Balance 30 June 2019 Actual \$'000
Statement of Comprehensive Income				
Depreciation and amortisation	C5	63,254	26,411	89,665
Total expenses excluding losses		158,556	26,411	184,967
Other gains/losses	C2	44,076	(34,535)	9,541
Net result		60,798	(60,946)	(148)
Net increase in property, plant and equipment asset revaluation surplus		61,863	127,781	189,644
Total Comprehensive Income for the year		122,661	66,835	189,496

	Balance 30 June 2018 Actual \$'000	Impact Increase/(Decrease) \$'000	Restated Balance 30 June 2018 Actual \$'000	Balance 30 June 2019 Actual \$'000	Impact Increase/(Decrease) \$'000	Restated Balance 30 June 2019 Actual \$'000
Statement of Financial Position						
Assets						
Prepayment (current) - ANZ Stadium & Qudos Bank Arena	6,781	(2,382)	4,399	6,781	(2,382)	4,399
Prepayment(non current) - ANZ Stadium & Qudos Bank Arena	78,570	(27,604)	50,966	71,789	(25,221)	46,568
Land and buildings	1,209,973	693,945	1,903,918	1,271,094	784,406	2,055,500
Plant and equipment	54,445	65,540	119,985	60,203	74,065	134,268
Right to receive	470,542	(374,644)	95,898	514,618	(409,178)	105,440
Total Assets	2,454,727	354,855	2,809,582	2,572,131	421,690	2,993,821
Net Assets	2,423,654	354,855	2,778,509	2,546,315	421,690	2,968,005
Total Equity						
Reserves	1,102,196	-	1,102,196	1,162,895	127,781	1,290,676
Accumulated funds	1,321,458	354,855	1,676,313	1,383,420	293,909	1,677,329
Total Equity	2,423,654	354,855	2,778,509	2,546,315	421,690	2,968,005

F7. EVENTS AFTER THE REPORTING PERIOD

On 24 April 2020, New South Wales enacted the Retail and Other Commercial leases (Covid-19) Regulation 2020 ("the Regulation") to give effect to National Cabinet's Code of Conduct. The intent is to support commercial tenants in financial stress due to the Covid-19 pandemic by requiring landlords to share the economic impact of the virus. The Authority is applying the Code of Conduct and in continuous discussions with the tenants in providing necessary relief including waiver and deferral. These negotiations are ongoing beyond the reporting date and will have an impact to the Authority's rent and leases income. There are other loss of income incurred due to the Venues shut down and cancellation of various events. The Authority's loss of income is insured under consequential losses with Treasury Managed Fund (TMF). As at reporting date, there are pending claims of \$3.5m and further claims will be submitted as a result of the pandemic.

End of Audited Financial Statements