

# Place Management NSW

## Annual Report 2016-17 and Luna Park Reserve Trust Annual Report 2016-17

- Place Management NSW financial statements for the year ended 30 June 2017
- Luna Park Reserve Trust financial statements for the year ended 30 June 2017
- Statutory information for Place Management NSW and Luna Park Reserve Trust



**Property  
NSW**

Place Management NSW  
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The Hon Victor Dominello, MP  
Minister for Finance, Services and Property  
GPO Box, 5341  
SYDNEY NSW 2001

Dear Minister,

**Place Management NSW and Luna Park Reserve Trust Annual Report 2016-17**

I am pleased to submit the Annual Report for Place Management NSW and Luna Park Reserve Trust, for the year ended 30 June 2017, 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.

Regards,

Sam Romaniuk  
Chief Executive Officer  
Place Management NSW

Chief Executive Officer  
Place Management NSW for Luna Park Reserve Trust

# Place Management NSW

## Annual Report 2016-17

- Place Management NSW financial statements for the year ended 30 June 2017



## INDEPENDENT AUDITOR'S REPORT

### Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of Place Management NSW (PMNSW), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of PMNSW as at 30 June 2017, 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 PMNSW 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' (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.

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

The members of the Board/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 Board 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 members of the Board must assess PMNSW's ability to continue as a going concern except where PMNSW will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

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

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

- that PMNSW 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.



Weini Liao  
Director, Financial Audit Services

22 September 2017  
SYDNEY



Property  
NSW

## Place Management NSW

(Formerly Sydney Harbour Foreshore Authority)

### Financial Statements

For the Year Ended 30 June 2017

#### Statement by Members

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, on behalf of Place Management NSW (formerly Sydney Harbour Foreshore Authority), we declare that in our opinion:

- (a) The accompanying financial statements exhibit a true and fair view of Place Management NSW's financial performance for the financial year ended 30 June 2017 and financial position as at 30 June 2017; 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, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

**The Hon. Helen Coonan**  
Chair  
Place Management NSW

Date: 21 SEP 2017

**Sam Romaniuk**  
Chief Executive Officer  
Place Management NSW

Date: 21 SEP 2017

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Start of Audited Financial Statements**

**Statement of Comprehensive Income**

**For the Year Ended 30 June 2017**

	Notes	<b>Actual 2017 \$'000</b>	<b>Actual 2016 \$'000</b>
<b>Revenue</b>			
Revenue from continuing operations	3	123,607	92,150
Other revenue	4	80,584	34,216
<b>Total Revenue</b>		<b>204,191</b>	<b>126,366</b>
<b>Expenses</b>			
Property related expenses	5(a)	103,076	48,263
Personnel services expenses	5(b)	12,297	22,567
Depreciation and amortisation expense	5(c)	58,253	26,097
Finance costs	5(d)	66,968	-
Other expenses	5(e)	42,455	40,441
<b>Total Expenses</b>		<b>283,049</b>	<b>137,368</b>
<b>Gain on Disposal</b>	6	65	9,506
<b>Other Gains</b>	7	116,424	67,244
<b>Surplus Before Income Tax Equivalent</b>		<b>37,631</b>	<b>65,748</b>
<b>Income Tax Equivalent</b>	8	-	(288)
<b>Surplus for the Year After Income Tax Equivalent</b>		<b>37,631</b>	<b>65,460</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to surplus:			
Gain/(loss) on revaluation of property, plant and equipment		41,519	26,886
<b>Total Other Comprehensive Income for the Year</b>		<b>41,519</b>	<b>26,886</b>
<b>Total Comprehensive Income for the Year</b>		<b>79,150</b>	<b>92,346</b>

[The accompanying notes form part of these financial statements]

Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

Statement of Financial Position

As At 30 June 2017

	Notes	Actual 2017 \$'000	Actual 2016 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	9	212,072	65,842
Trade and other receivables	10	65,323	38,007
Inventories	11	587	-
Non-current assets held for sale	12	25,000	36,600
<b>Total Current Assets</b>		<b>302,982</b>	<b>140,449</b>
<b>Non-Current Assets</b>			
Trade and other receivables	10	154,922	269,307
Investment property	13	519,439	492,814
Property, plant and equipment	14	1,877,143	577,247
Intangible assets	15	2,279	3,160
<b>Total Non-Current Assets</b>		<b>2,553,783</b>	<b>1,342,528</b>
<b>TOTAL ASSETS</b>		<b>2,856,765</b>	<b>1,482,977</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	17	109,367	18,031
Lease receipts in advance	18	68	11,798
Borrowings	19	18,477	-
Provisions	20	7,840	9,252
Other liabilities	21	4,262	4,589
<b>Total Current Liabilities</b>		<b>140,014</b>	<b>43,670</b>
<b>Non-Current Liabilities</b>			
Lease receipts in advance	18	3,183	3,251
Borrowings	19	1,316,517	-
Provisions	20	-	301
Other liabilities	21	30,709	-
<b>Total Non-Current Liabilities</b>		<b>1,350,409</b>	<b>3,552</b>
<b>TOTAL LIABILITIES</b>		<b>1,490,423</b>	<b>47,222</b>
<b>NET ASSETS</b>		<b>1,366,342</b>	<b>1,435,755</b>
<b>EQUITY</b>			
Accumulated funds		1,240,413	1,277,000
Asset revaluation reserve		125,929	158,755
<b>TOTAL EQUITY</b>		<b>1,366,342</b>	<b>1,435,755</b>

[The accompanying notes form part of these financial statements]



**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Statement of Changes in Equity**

**For the Year Ended 30 June 2017**

<b>Notes</b>	<b>Asset</b>			<b>Asset</b>		
	<b>Accumulated</b>	<b>Revaluation</b>	<b>Total</b>	<b>Accumulated</b>	<b>Revaluation</b>	<b>Total</b>
	<b>Funds</b>	<b>Reserve</b>	<b>Equity</b>	<b>Funds</b>	<b>Reserve</b>	<b>Equity</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Opening Balance</b>	1,277,000	158,755	<b>1,435,755</b>	1,201,466	132,238	<b>1,333,704</b>
<b>Surplus for the Year</b>	37,631	-	<b>37,631</b>	65,460	-	<b>65,460</b>
Transfer of asset revaluation reserve on disposal	74,345	(74,345)	-	369	(369)	-
<b>Other Comprehensive Income</b>						
Net increase/(decrease) in revaluation of property, plant and equipment	-	41,519	<b>41,519</b>	-	26,886	<b>26,886</b>
<b>Total Comprehensive Income for the Year</b>	111,976	(32,826)	<b>79,150</b>	65,829	26,517	<b>92,345</b>
<b>Transactions with Owners as Owners</b>						
Contributions to New South Wales Government	(115,113)	-	<b>(115,113)</b>	-	-	-
Transfer of (assets)/liabilities to other NSW government agencies <sup>(1), (2)</sup>	(33,450)	-	<b>(33,450)</b>	9,705	-	<b>9,705</b>
<b>Total Transactions with Owners as Owners</b>	(148,563)	-	<b>(148,563)</b>	9,705	-	<b>9,705</b>
<b>Closing Balance</b>	1,240,413	125,929	<b>1,366,342</b>	1,277,000	158,755	<b>1,435,755</b>

<sup>(1)</sup> The balance in 2017 relates to the transfers of land to Urban Growth NSW and Roads and Maritime Services NSW.

<sup>(2)</sup> The balance in 2016 relates to the transfer of defined benefits superannuation liability to the Department of Finance, Services and Innovation on 1 July 2015.

[The accompanying notes form part of these financial statements]

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Statement of Cash Flows**

For the Year Ended 30 June 2017

	Notes	<b>Actual 2017 \$'000</b>	<b>Actual 2016 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		208,387	170,128
Payments to suppliers (inclusive of GST)		(143,419)	(177,362)
Grants paid		(3,200)	(100)
Interest received		2,734	449
Finance costs		(35,839)	-
Income tax equivalent paid		(288)	-
Security deposits and bonds		(874)	(251)
Forward deposits and retentions		26,190	(7,457)
Other		(4,895)	42,661
<b>NET CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES</b>	25(b)	<b>48,796</b>	<b>28,068</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(4,365)	(3,602)
Proceeds from sales of property, plant and equipment		65	13,617
Proceeds from sale of investment property		-	-
Proceeds from monetisation of finance lease receivable		188,489	-
Payments for intangible assets		-	(2,773)
<b>NET CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES</b>		<b>184,189</b>	<b>7,242</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of finance lease liabilities		(3,968)	-
Contributions to New South Wales Government paid		(115,113)	-
Proceeds from refinancing gain		32,326	-
<b>NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES</b>		<b>(86,755)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>146,230</b>	<b>35,310</b>
Opening cash and cash equivalents		65,842	30,532
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	9	<b>212,072</b>	<b>65,842</b>

[The accompanying notes form part of these financial statements]

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1. REPORTING ENTITY

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

An amendment to the *Sydney Harbour Foreshore Authority Act 1998* on 25 October 2016 changed the name of the Act to the *Place Management NSW Act 1998* (the Act) and also changed the name of the Sydney Harbour Foreshore Authority to Place Management NSW (PMNSW). PMNSW commenced operations on 1998 and is domiciled in Australia. Its principal business address is Foreshore House, 66 Harrington St, The Rocks, Sydney NSW 2000. PMNSW is consolidated as part of the NSW Total State Sector Accounts.

These financial statements have been authorised for issue by PMNSW's Board on 21 September 2017.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

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

- (i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- (ii) the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- (iii) the Financial Reporting Directions mandated by the Treasurer.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of Non-Current Assets Held for sale, certain classes of property, plant and equipment and investment property.

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

PMNSW has assessed its profit status for the financial year ended 30 June 2017 and determined its status as not-for-profit for financial reporting purposes, as profit is not its principle objective. All amounts are rounded to the nearest one thousand dollars (\$'000) and are expressed in Australian currency.

#### (b) Statement of Compliance

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

#### (c) Revenue Recognition

PMNSW recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of PMNSW's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. PMNSW bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Revenue Recognition (Continued)

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

##### (i) Sale of goods and services

Revenue is recognised when PMNSW transfers the significant risks and rewards of ownership of the assets and it is probable that the economic benefits associated with the transaction will flow to the entity.

Amounts received upfront for events held at major asset venues are recognised as deferred income. The revenue is then recognised as venue hire revenue after the event is held.

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

Marketing revenue mostly is recognised from venue hire and advertising revenue at the The Rocks and Darling Harbour precincts.

##### (ii) Grants and contributions

Contributions and grants are recognised as revenue when PMNSW obtains control over the asset comprising the contributions.

##### (iii) Lease revenue

Lease revenue from operating leases is recognised on straight-line basis over the lease term in accordance with AASB 117 *Leases*. Contingent rental income is recognised as income in the periods in which it is earned.

For a finance lease with fixed on-going rental return, a lease receivable is recognised at lease inception equal to the minimum lease payments plus any unguaranteed residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest rate implicit in the lease.

##### (iv) Interest revenue

Interest revenue is recognised on an accrual basis using the effective interest method as set out in AASB 139 "Financial Instruments: Recognition and Measurement".

#### (d) Personnel Services

Under its Act, PMNSW is unable to employ staff. However, to enable it to exercise its functions, PMNSW can obtain personnel services from Government agencies that are able to engage staff under Part 4 of the *Government Sector Employment Act 2013*.

Following the release of the *Administrative Arrangements (Administrative Changes- Public Service Agencies) Order 2015* on 2 April 2015, all PMNSW staff and their related obligations were transferred to the Department of Finance, Services and Innovation (DFSI), effective 1 July 2015. Under this arrangement, PMNSW received personnel services from DFSI. The DFSI is not a Special Purpose Service Entity and does not control PMNSW under this arrangement.

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Personnel Services (Continued)

From 1 July 2016 to 26 January 2017, personnel services were provided by DFSI. From 27 January 2017, all administrative and operational services (including personnel services) to enable PMNSW to exercise its functions were provided by Property NSW (PNSW) under formal agreement. PNSW is also a separate reporting entity and does not control PMNSW for financial reporting purposes.

As PMNSW is not an employer, the disclosure requirements of AASB 119 Employee Benefits in respect of employee benefits do not apply.

PMNSW recognises personnel services provided by DFSI under Expenses within Personnel Service Expenses and administrative and operational services provided by PNSW under Expenses within Other Expenses as a service charge (Note 5).

PMNSW also recognised a provision for personnel services within the Statement of Financial Position under Provisions (Note 20(a)) representing annual leave and long service leave liabilities accrued at the time of transfer to the DFSI in 2015. The outstanding liabilities have been settled at nominal value by PMNSW in the 2016-17 financial year.

#### (e) Provisions

Provisions are recognised when PMNSW has a present obligation as a result of a past event, it is probable that PMNSW will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

#### (f) Insurance

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

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

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

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

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

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) Acquisitions of Assets

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

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

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

#### (i) Capitalisation Thresholds

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

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

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

Physical non-current assets are valued in accordance with Treasury Policy and Guidelines Paper TPP 14-01 *Valuation of Physical Non-Current Assets at Fair Value*. This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*. Also refer Note 2 q) on investment property.

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

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 14 and Note 16 for further information regarding fair value.

Land and buildings, including open spaces and roads, are revalued at least every three years or with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The last comprehensive revaluation was performed at 30 June 2015 by Aon Global Risk Consulting Valuation Services (Aon).

Infrastructure assets are revalued every five years. The last comprehensive revaluation was performed at 30 June 2014 by Aon.

Interim revaluations are conducted between comprehensive revaluations. An interim formal revaluation was completed on 30 June 2017 by Aon.

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

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

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (j) Revaluation of Property, Plant and Equipment (Continued)

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

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

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

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

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

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

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

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

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

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

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

The following asset useful lives have been applied:

	<b>2017</b>	<b>2016</b>
	<b>Years</b>	<b>Years</b>
Buildings and improvements	40	40
Infrastructure	10-200	10-200
Leasehold improvements	3	3
Plant and equipment	3-33	3-33
Intangible assets	3-5	3-5
Plant and equipment- Sydney Exhibition Centre at Glebe Island	3	3

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (m) Major Inspection Costs

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

#### (n) Restoration Costs

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

#### (o) Maintenance

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

#### (p) Leases

##### (i) Leases

Leases of property, plant and equipment, where PMNSW as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases, where PMNSW is lessee, are capitalised at the lease's commencement at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to expenses over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that PMNSW will obtain ownership at the end of the lease term. Finance leased assets are revalued as part of the property, plant and equipment revaluation process.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to PMNSW as lessee are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Land under a long term lease, where PMNSW is lessor, is classified as a finance lease if it satisfies the provisions of AASB 117 "Leases" and TPP 11-01 "Accounting Policy: Lessor classification of long-term land leases". Per TPP 11-01 a prepaid lease classified as a finance lease is accounted for as a sale. For a lease with fixed on-going rental return, a lease receivable is recognised at lease commencement equal to the minimum lease payments plus any unguaranteed residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest rate implicit in the lease.

##### (ii) Lease Incentives

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

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



# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (q) Investment Properties

PMNSW owns properties held to earn rentals and/or for capital appreciation. Investment properties are stated at fair value in the statement of financial position, using the valuation technique that maximises the use of relevant observable inputs. Gains or losses arising from changes in fair value are included in the surplus for the year in the period in which they arise. No depreciation is charged on investment properties.

Investment properties are revalued every three years. The last comprehensive revaluation was performed at 30 June 2015 by Aon.

Interim revaluations are conducted between comprehensive revaluations. An interim formal revaluation was completed on 30 June 2017 by Aon.

#### (r) Intangible Assets

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

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

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

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

#### (s) Cash and Cash Equivalents

Cash and cash equivalent assets in the statement of financial position comprise of cash at bank and in hand.

#### (t) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that PMNSW will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised separately in the statement of comprehensive income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

#### (u) Inventories

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

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (v) Assets Classified as Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition. These assets are not depreciated or amortised while they are classified as held for sale.

#### (w) Derecognition 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 entity transfers the financial asset:

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

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

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

#### (x) Trade and Other Payables

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

#### (y) Fair Value Hierarchy

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

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

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

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

Refer Note 16 for further disclosures regarding fair value measurements of financial and non-financial assets.

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (z) Equity and Reserves

##### (i) Revaluation Surplus

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with PMNSW's policy on the revaluation of property, plant and equipment as disclosed in note 2(k).

##### (ii) Accumulated Funds

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

##### (iii) Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation of Australian Accounting Standards.

##### (iv) Equity Transfers

The transfer of net assets between entities as a result of an administrative restructure, transfers of programs/functions and parts thereof between NSW public sector entities and 'equity appropriations' are designated or required by AAS 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".

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 entity recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the entity does not recognise that asset.

#### (aa) Contributions to New South Wales Government and Income Tax Equivalent

##### (i) Contributions to New South Wales Government

Contributions to New South Wales Government are set by negotiation between stakeholders, the board and management of PMNSW with the ultimate determination reserved for stakeholders. Consideration is given to PMNSW's working capital, investment capital requirements, provision of social and non-commercial activities and an appropriate contingency for financial flexibility.

##### (ii) Income Tax Equivalent

PMNSW is subject to paying tax equivalents which are calculated based on the accounting profit model, where the prevailing company tax rate (30%) is applied to the accounting profit, prior year losses cannot be used to reduce accounting profits, in accordance to TPP 03-04 "Tax Equivalent Regime For Government Business". PMNSW has obtained approval from the Office of State Revenue to exclude the following additional items from its accounting profit for the purpose of calculating its tax liability:

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

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

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (bb) 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.

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

##### (i) Effective for the First Time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the first time adoption of AASB 124 "Related Party Disclosures".

The application of AASB 124 has no impact on the transactions and balances recognised in the financial statements, however the standard requires PMNSW, a not-for-profit entity, to disclose material transactions and outstanding balances between PMNSW and its related parties.

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

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. There are a number of recently issued or amended Australian Accounting Standards which are not yet effective and have not been adopted for the reporting period ending 30 June 2017. Management has reviewed each of these Standards and considers that their early adoption will not have any material impact on the financial statements of PMNSW except for:

The following new Australian Accounting Standards, excluding standards not considered applicable or material to PMNSW, have not been applied and are not yet effective. The possible impact of these standards in the period of initial application includes:

- AASB 16 "Leases" has application from 1 January 2019. This standard generally requires the lessee to recognise a right-of-use asset and a lease liability at a lease's commencement date except for short term and low value asset leases. The requirements for lessor accounting have been carried forward from AASB 117 largely unchanged. As the lessor, the change is not expected to materially impact PMNSW's financial statements.
- AASB 15, AASB 2014-5, AASB 2015-8 and AASB 2016-3 "Revenue from Contracts with Customers" has application from 1 January 2018. PMNSW believes this standard will impact on the timing recognition of certain revenues given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price (as opposed to stage of completion of the transaction). The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised.
- AASB 9 "Financial Instruments" has application from 1 January 2018 and comprises changes to improve and simplify the approach for classification and measurement of financial assets. The new AASB 9 includes revised guidance on the classification and measurement of financial assets and supersedes AASB 9 (December 2009) and AASB 9 (December 2010). The change is not expected to materially impact the financial statements.

### 3. REVENUE FROM CONTINUING OPERATIONS

	<u>2017</u>	<u>2016</u>
	<u>\$'000</u>	<u>\$'000</u>
Major assets venue hire revenue	55,777	15,271
Major assets parking revenue	10,589	10,849
Operating lease revenue	52,471	55,543
Long term lease revenue	68	68
Development contributions	70	152
Marketing revenue	2,238	3,356
Other	2,394	6,911
	<u>123,607</u>	<u>92,150</u>

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

4. OTHER REVENUE	2017	2016
	\$'000	\$'000
Grant revenue	52,427	13,917
Finance revenue - finance leases (refer note 23 (c))	19,006	19,850
Interest revenue (refer note 4(a))	2,734	449
Refinancing gain - finance lease (refer note 21)	546	
Recognition of property, plant and equipment	5,871	-
	<b>80,584</b>	<b>34,216</b>
<b>(a) Interest Revenue</b>		
Cash at bank	2,734	449
	<b>2,734</b>	<b>449</b>

Grant revenue comprises funding from the NSW Government for the Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) project costs.

5. EXPENSES	2017	2016
	\$'000	\$'000
<b>(a) Property Related Expenses</b>		
Major assets contractor expenses	30,149	4,604
Major assets operating expenses	33,880	15,839
Major assets management fees	10,366	1,765
Place management expenses	14,009	15,042
Project development expenses	12,113	7,885
Other expenses	2,559	3,128
	<b>103,076</b>	<b>48,263</b>

Major assets contractor and operating expenses in 2017 reflect an increase in events held at venues due to the opening of the new International Convention Centre Sydney.

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

Project development expenses include SICEEP costs of \$10.701 million in 2017 and \$5.848 million in 2016.

The SICEEP project involving the redevelopment of the former Sydney Convention and Exhibition Centre (SCEC), the Sydney Entertainment Centre (SEC), the SEC car park and surrounding public realm will create an integrated and world class convention, exhibition and entertainment precinct. The SICEEP project was procured through a Public Private Partnership (PPP) arrangement. The main building ICC Sydney has been recognised in PMNSW's Statement of Financial Position with a corresponding liability reflecting the PPP transaction.

(b) Personnel Services Expenses	2017	2016
	\$'000	\$'000
Personnel salaries and wages	8,666	18,716
Defined contribution superannuation expense	785	1,683
Other personnel related expenses	2,846	2,168
	<b>12,297</b>	<b>22,567</b>

Personnel services were provided by the Department of Finance, Services and Innovation to 26 January 2017. Resulting from the implementation of the Property NSW Restructure Management Plan, which impacted personnel previously provided to PMNSW, all staff were transferred to Property NSW from this date. Consequently, services provided by Property NSW to PMNSW from this date are recognised as Property and Advisory Group (PAG) Service Charge within Other Expenses.

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

**5. EXPENSES (CONTINUED)**

<b>(c) Depreciation and Amortisation Expense:</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation of property, plant and equipment	50,353	11,167
Amortisation of leasehold assets	7,019	14,038
Amortisation of intangible assets	881	892
	<b>58,253</b>	<b>26,097</b>
<b>(d) Finance Costs</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Finance lease interest charges	66,968	-
	<b>66,968</b>	-
Amount capitalised	-	-
Finance costs expensed	<b>66,968</b>	-
<b>(e) Other Expenses</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Administration	1,707	3,158
Information & technology expenses	1,737	3,131
Contractors	5,273	4,991
Callan Park management expenses	-	1,154
Directors Fees	-	1
Insurance	451	488
Consultants	898	462
Auditor's remuneration - audit of financial statements	239	221
Allowance for impairment of receivables, net of recovery	62	379
Marketing and advertising	3,589	6,922
Repairs and maintenance	11,543	19,434
Grants expenses	3,200	100
PAG Integration Project Costs (i)	5,487	-
DFSI Corporate Costs (ii)	2,385	-
PAG Service Charge (iii)	5,884	-
	<b>42,455</b>	<b>40,441</b>

(i) PAG Integration Project Costs relate to PMNSW's contribution to Property and Advisory Group (PAG) Integration Project.

(ii) DFSI Corporate Costs relate to DFSI recoupments of corporate charges from PMNSW.

(iii) PAG Service Charge relates to Property NSW recoupments of employee related costs from PMNSW (Note 5(b)).

**Reconciliation of Total Maintenance Expense:**

Maintenance expense - contracted labour and other (Note 5)	11,543	19,434
Personnel Services relating to maintenance	1,333	1,918
<b>Total Maintenance Expense</b>	<b>12,876</b>	<b>21,352</b>

**6. GAIN ON DISPOSAL**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Gain on disposal of property, plant and equipment	65	9,506
	<b>65</b>	<b>9,506</b>

## Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

### Notes to the Financial Statements

For the Year Ended 30 June 2017

7. OTHER GAINS	2017 \$'000	2016 \$'000
Fair value increment on investment properties (Note 2(q))	51,625	58,030
Gain on derecognition of finance lease receivable (i)	61,137	-
Subvention funding and carpark levy provision adjustments	-	9,214
Make good provision adjustment	1,177	-
Recreational leave and long service leave provision adjustments (Note 20(a))	2,485	-
	<b>116,424</b>	<b>67,244</b>

- (i) PMNSW assigned 30 years lease income from the Darling Quarter 99 year lease to a private sector purchaser, it received \$192 million for the assignment, the net gain from this transaction is \$61.1 million.

8. INCOME TAX EQUIVALENT	2017 \$'000	2016 \$'000
<b>Surplus Before Income Tax Equivalent:</b>	<b>37,631</b>	<b>65,748</b>
Prepaid revenue	(68)	(68)
Fair value increment on investment property	(51,625)	(58,030)
Grant revenue	(52,427)	(13,917)
Finance revenue - long term leases	(19,006)	(19,851)
Partial assignment of Darling Quarter lease income	(61,137)	-
Rental received- finance leases	11,217	36,293
Reversal of prior year provision recognised	-	(9,214)
Notional taxable surplus/(deficit)	<b>(135,415)</b>	<b>961</b>
Income tax equivalent calculated at 30% of notional taxable surplus	-	288
	<b>-</b>	<b>288</b>

9. CASH AND CASH EQUIVALENT	2017 \$'000	2016 \$'000
Cash at bank and in hand	212,072	65,842
	<b>212,072</b>	<b>65,842</b>

Cash and cash equivalents include cash at bank and in hand. Refer to Note 26 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

Restricted Assets	2017 \$'000	2016 \$'000
At the beginning of financial year	403	352
Funds received	1,039	119
Maintenance expenses paid	(30)	(74)
Interest received	7	6
At the end of financial year	<b>1,419</b>	<b>403</b>

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

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

<b>10. TRADE AND OTHER RECEIVABLES</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Rental debtors	2,415	792
Sundry debtors	12,489	2,341
Finance lease receivable	41,084	26,747
Lease incentives	1,015	1,099
Goods and services tax recoverable	1,956	2,177
Prepayments and accrued revenue	6,706	5,275
	<b>65,665</b>	<b>38,431</b>
Less: Allowance for impairment of receivables	(342)	(424)
	<b>65,323</b>	<b>38,007</b>
<b>Non-Current</b>		
Finance lease receivable	154,922	269,307
	<b>154,922</b>	<b>269,307</b>

**(a) Movement in the Allowance for Impairment of Receivables**

Balance at 1 July	(424)	(108)
Amounts written off during the year	153	101
Amounts recovered during the year	220	-
(Increase)/decrease in allowance recognised in profit or loss	(291)	(417)
<b>Balance at 30 June</b>	<b>(342)</b>	<b>(424)</b>

Trade receivables are on 30 day terms and collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is recognised when there is objective evidence that an individual receivable will not be collected.

The decrease in finance lease receivable was due to monetisation of 30 years Darling Quarter finance lease income stream offset in part by recognition of new finance lease receivable in relation to the IMAX Redevelopment Project.

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

<b>11. INVENTORIES</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trading stock	587	-
<b>Total Current Inventories</b>	<b>587</b>	<b>-</b>
<b>12. NON-CURRENT ASSETS HELD FOR SALE</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Land and buildings	25,000	36,600
<b>Total Current Non-Current Assets Held for Sale</b>	<b>25,000</b>	<b>36,600</b>

The asset held for sale in 2016 relates to land at IMAX Theatre redevelopment site. The asset has been transferred to finance lease receivable in 2016-17 (Note 10). The asset held for sale in 2017 relates to Campbell's Stores at Circular Quay.



**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

<b>13. INVESTMENT PROPERTY</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July at fair value	492,814	471,384
Transfer to assets held for sale (note 12)	(25,000)	(36,600)
Net gain/(loss) from fair value adjustments	51,625	58,030
<b>Balance at 30 June at fair value</b>	<b>519,439</b>	<b>492,814</b>

Property interests held under operating leases are classified and accounted for as investment property and measured at fair value per AASB 140 "Investment Property". Land under a long term lease is classified as a finance lease if it satisfies the provisions of TPP 11-01, and as such is accounted for as a sale.

<b>(a) Amounts Recognised in Profit and Loss for Investment Properties</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental revenue	62,022	59,067
Direct operating expenses arising from investment properties that generate rental revenue	(10,542)	(14,402)
Direct operating expenses arising from investment properties that did not generate rental revenue	(257)	(229)
<b>Total Recognised in Profit and Loss for Investment Properties</b>	<b>51,223</b>	<b>44,436</b>

**(b) Valuation basis**

The fair value of PMNSW's investment property at 30 June 2017 has been arrived at on the basis of a valuation carried out at that date by Aon Risk Services Australia Ltd, independent valuers not related to the entity. The valuation, which conforms to Australian Valuation Standards and Australian Accounting Standards, was arrived at by reference to market evidence of transaction prices for similar properties and by the capitalisation of income approach.

<b>14. PROPERTY, PLANT AND EQUIPMENT</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Carrying Amount at 30 June</b>		
<b>Land and Buildings</b>		
At gross value at 30 June	493,828	485,954
Accumulated depreciation	(51,662)	(48,053)
<b>Carrying amount at 30 June</b>	<b>442,166</b>	<b>437,901</b>
<b>Leased Assets</b>		
At gross value at 30 June	1,354,727	-
Accumulated depreciation	(40,463)	-
<b>Carrying amount at 30 June</b>	<b>1,314,264</b>	<b>-</b>
<b>Infrastructure</b>		
At gross value at 30 June	195,235	187,557
Accumulated depreciation	(95,303)	(91,193)
<b>Carrying amount at 30 June</b>	<b>99,932</b>	<b>96,364</b>
<b>Plant and equipment</b>		
At gross value at 30 June	26,242	26,781
Accumulated depreciation	(21,867)	(21,182)
<b>Carrying amount at 30 June</b>	<b>4,375</b>	<b>5,599</b>
<b>Leasehold improvements</b>		
At gross value at 30 June	-	40,251
Accumulated depreciation	-	(33,232)
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>7,019</b>

Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

Notes to the Financial Statements

For the Year Ended 30 June 2017

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2017	2016
	\$'000	\$'000
<b>(a) Carrying Amount at 30 June (Continued)</b>		
<b>Art and artefacts</b>		
At gross value at 30 June	11,518	11,518
Accumulated depreciation	-	-
<b>Carrying amount at 30 June</b>	<b>11,518</b>	<b>11,518</b>
<b>Work in Progress</b>		
	<b>4,888</b>	<b>18,846</b>
<b>Total Property, Plant and Equipment</b>	<b>1,877,143</b>	<b>577,247</b>
At gross value at 30 June	2,086,438	770,907
Accumulated depreciation and amortisation	(209,295)	(193,660)
<b>Total Property, Plant and Equipment at 30 June</b>	<b>1,877,143</b>	<b>577,247</b>
<b>(b) Reconciliation of Opening and Closing Carrying Amounts</b>		
<b>Land and Buildings (includes open spaces and roads)</b>		
Carrying amount at 1 July	437,901	423,592
Additions	3,847	-
Transfer to other NSW government agency	(33,450)	-
Disposals	-	(2,791)
Net revaluation increment/(decrement)	39,681	23,884
Depreciation expense	(5,813)	(6,784)
<b>Carrying amount at 30 June</b>	<b>442,166</b>	<b>437,901</b>
<b>Leased Assets</b>		
Carrying amount at 1 July	-	-
Additions	1,354,727	-
Depreciation expense	(40,463)	-
<b>Carrying amount at 30 June</b>	<b>1,314,264</b>	<b>-</b>
<b>Infrastructure</b>		
Carrying amount at 1 July	96,364	80,838
Additions	4,583	16,054
Disposals	-	(15)
Net revaluation increment	1,838	2,054
Depreciation expense	(2,853)	(2,567)
<b>Carrying amount at 30 June</b>	<b>99,932</b>	<b>96,364</b>
<b>Plant and Equipment</b>		
Carrying amount at 1 July	5,599	8,002
Additions	-	3
Disposals	-	(590)
Depreciation expense	(1,224)	(1,816)
<b>Carrying amount at 30 June</b>	<b>4,375</b>	<b>5,599</b>
<b>Leasehold Improvements</b>		
Carrying amount at 1 July	7,019	21,057
Depreciation expense	(7,019)	(14,038)
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>7,019</b>
<b>Art and Artefacts</b>		
Carrying amount at 1 July	11,518	11,284
Disposals	-	(715)
Net revaluation increment	-	949
<b>Carrying amount at 30 June</b>	<b>11,518</b>	<b>11,518</b>

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)	2017	2016
	\$'000	\$'000
<b>(b) Reconciliation of Opening and Closing Carrying Amounts (Continued)</b>		
<b>Work in Progress</b>		
Carrying amount at 1 July	18,846	31,301
Additions	4,365	6,375
Transfer to fixed assets	(18,323)	(18,830)
<b>Carrying amount at 30 June</b>	<b>4,888</b>	<b>18,846</b>
<b>Total Property, Plant and Equipment at 30 June</b>	<b>1,877,143</b>	<b>577,247</b>

**(c) Revaluation of Property, Plant and Equipment**

Aon Risk Services Australia Ltd performed an interim revaluation of land and buildings, and infrastructure to determine fair value at 30 June 2017. The last comprehensive revaluation of land and buildings was performed at 30 June 2015 and the last comprehensive revaluation of infrastructure was performed at 30 June 2014.

Aon Risk Services Australia Ltd also performed a comprehensive revaluation of art and artefacts at 30 June 2016.

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

**(d) Leased Assets**

During the year International Convention Centre Sydney (ICC) commenced operations. ICC assets have been recognised in Leased Assets (Note 14(a)).

As per Treasury Policy TPP 06-8 "Accounting for Privately Financed Projects", AASB 116 "Property, Plant and Equipment" and AASB 117 "Leases", ICC assets are initially recognised at the lower of the fair value and present value of the minimum lease payment, and a lease liability is recorded equal to the ICC assets. The project costs incurred by PMNSW during the construction phase of SICEEP project are identified directly attributable to activities for the finance lease and included in the initial lease assets recognition.

15. INTANGIBLE ASSETS	2017	2016
	\$'000	\$'000
<b>(a) Carrying Amount at 30 June</b>		
Cost (gross carrying amount) at 30 June	5,076	5,076
Less accumulated amortisation	(2,797)	(1,916)
<b>Carrying amount at 30 June</b>	<b>2,279</b>	<b>3,160</b>
<b>(b) Reconciliation of Opening and Closing Carrying Amounts</b>		
Carrying amount at 1 July	3,160	1,279
Additions	-	2,773
Amortisation expense	(881)	(892)
<b>Carrying amount at 30 June</b>	<b>2,279</b>	<b>3,160</b>

Intangible assets include software and licenses and are amortised on a straight-line basis over a period of three to five years.

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

**16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**

**(a) Fair value hierarchy  
2017**

	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets Held for Sale (Note 12)	-	25,000	-	25,000
Investment Property (Note 13)	-	519,439	-	519,439
Property, Plant and Equipment (Note 14):				-
Land and buildings	-	392,673	49,493	442,166
Leased Assets			1,314,264	1,314,264
Infrastructure	-	-	99,932	99,932
Art and artefacts	-	11,500	18	11,518
	-	<b>948,612</b>	<b>1,463,707</b>	<b>2,412,319</b>

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

**2016**

	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Non-Current Assets Held for Sale (Note 12)	-	36,600	-	36,600
Investment Property (Note 13)	-	492,814	-	492,814
Property, Plant and Equipment (Note 14):				-
Land and buildings	-	385,697	52,204	437,901
Infrastructure	-	-	96,364	96,364
Art and artefacts	-	11,500	18	11,518
	-	<b>926,611</b>	<b>148,586</b>	<b>1,075,197</b>

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

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

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation processes refer note 2(j).

<b>Class</b>	<b>Valuation Technique</b>	<b>Key Inputs</b>
Investment properties	Income approach (recurring) - assets are valued by converting income to a single current amount and includes present value techniques.	- Market rental income - Outgoings - Vacancy rate - Capitalisation rate
Land and buildings	Market approach (recurring) - assets are valued based on comparable property sales transactions and where identical properties are not available, adjustments have been made to reflect the following characteristics of the asset, including condition, location or comparability of the asset.	- Comparable property sales values - Adjustments including condition, location, capital improvements or comparability of the asset
Specialised buildings	Depreciated replacement cost approach (recurring) - the assets' current replacement costs were calculated having regard to Rawlinson's Australian Construction Handbook 2015, with the costs then depreciated to reflect the assets lives already consumed.	- Capital improvements, remaining useful lives - Current replacement cost estimates
Leased assets	The assets were recognised in 2016-17 financial year, they will be valued by depreciated replacement cost approach (recurring), same as the specialised buildings disclosed above.	- Capital improvements, remaining useful lives - Current replacement cost estimates

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

**16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONTINUED)**

**(b) Valuation Techniques, Inputs and Processes (Continued)**

<b>Class</b>	<b>Valuation Technique</b>	<b>Key Inputs</b>
Infrastructure	Depreciated replacement cost approach (recurring) - assets are valued based on the gross replacement cost of a modern equivalent asset which has been optimised for the particular purpose, which is then adjusted for depreciation to reflect the reduced lifespan of the original asset.	- Current unit replacement costs - Professional fees - Remaining useful lives
Art and artefacts	Market approach (recurring) - assets are valued based on observable market selling prices involving identical or similar assets Cost approach (recurring) - assets are valued by referring to cost of constructing another asset that is either a replica of the original or one that could furnish equal utility.	- Market selling prices - Replication costs

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

<b>2017</b>	<b>Land &amp; Buildings</b>	<b>Leased Assets</b>	<b>Infrastructure</b>	<b>Art and Artefacts</b>	<b>Total Recurring Level 3 Fair Value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fair value as at 1 July 2016	52,204	-	96,364	18	<b>148,586</b>
Additions	-	1,354,727	4,583	-	<b>1,359,310</b>
Revaluation increments/decrements recognised in Other comprehensive income - included in line item 'Gain/ (loss) on revaluation of property, plant and equipment'	148	-	1,838	-	<b>1,986</b>
Depreciation	(2,859)	(40,463)	(2,853)	-	<b>(46,175)</b>
<b>Fair Value as at 30 June 2017</b>	<b>49,493</b>	<b>1,314,264</b>	<b>99,932</b>	<b>18</b>	<b>1,463,707</b>

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

<b>2016</b>	<b>Land &amp; Buildings</b>	<b>Leased Assets</b>	<b>Infrastructure</b>	<b>Art and Artefacts</b>	<b>Total Recurring Level 3 Fair Value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fair value as at 1 July 2015	54,821	-	80,838	18	<b>135,677</b>
Additions	-	-	16,054	-	<b>16,054</b>
Revaluation increments/decrements recognised in Other comprehensive income - included in line item 'Gain/ (loss) on revaluation of property, plant and equipment'	1,521	-	2,054	-	<b>3,575</b>
Disposals	-	-	(15)	-	<b>(15)</b>
Depreciation	(4,138)	-	(2,567)	-	<b>(6,705)</b>
<b>Fair Value as at 30 June 2017</b>	<b>52,204</b>	<b>-</b>	<b>96,364</b>	<b>18</b>	<b>148,586</b>

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

Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

Notes to the Financial Statements

For the Year Ended 30 June 2017

17. TRADE AND OTHER PAYABLES	2017	2016
	\$'000	\$'000
<b>Current</b>		
Trade creditors	3,382	4,997
Sundry creditors and accruals	43,066	6,475
Finance lease interest accruals	31,387	-
Income tax equivalent payable	-	288
Refundable security deposits and bonds	540	1,414
Forward deposits	30,990	4,800
Payable to other NSW agency	2	57
	<b>109,367</b>	<b>18,031</b>

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

18. LEASE RECEIPTS IN ADVANCE	2017	2016
	\$'000	\$'000
<b>Current</b>		
Lease receipts in advance (refer note 2(c))	68	11,798
<b>Total Current Lease Receipts in Advance</b>	<b>68</b>	<b>11,798</b>
<b>Non-Current</b>		
Lease receipts in advance (refer note 2(c))	3,183	3,251
<b>Total Non-Current Lease Receipts in Advance</b>	<b>3,183</b>	<b>3,251</b>

19. BORROWINGS	2017	2016
	\$'000	\$'000
<b>Current</b>		
Finance leases	18,477	-
<b>Total Current Borrowings</b>	<b>18,477</b>	<b>-</b>
<b>Non-Current</b>		
Finance leases	1,316,517	-
<b>Total Non-Current Borrowings</b>	<b>1,316,517</b>	<b>-</b>

Minimum Lease Payments	Future Minimum Lease Payments		Present Value of Minimum Future Lease Payments	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Not later than one year	174,930	-	18,477	-
Later than one and not later than five years	559,775	-	75,122	-
Later than five years	2,724,341	-	1,241,395	-
Total	3,459,046	-	1,334,994	-
Less interest	(2,124,052)	-	-	-
<b>Present Value of Minimum Lease Payments</b>	<b>1,334,994</b>	<b>-</b>	<b>1,334,994</b>	<b>-</b>

PMNSW's finance lease liability comprises the lease on International Convention Centre Sydney. The lease has a lease term of 25 years with asset returned to PMNSW at the end of lease term. The discount rate imputed in the lease is 9.45% p.a. The lease liability is being amortised over the lease term.

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

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

<b>20. PROVISIONS</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for personnel services	-	5,420
Makegood restoration	-	1,518
Land remediation	5,181	-
Other	2,659	2,314
<b>Total Current Provisions</b>	<b>7,840</b>	<b>9,252</b>
<b>Non-Current</b>		
Payable to other NSW agency	-	301
<b>Total Non-Current Provisions</b>	<b>-</b>	<b>301</b>

**(a) Provision for Personnel Services**

This includes provisions for employee entitlements accrued by Department of Finance and Innovation (note 2(d)). The liability has been settled at nominal value during 2016-17 financial year. The accrued future liability has been written back and recognised as other gains (Note 7).

**(b) Makegood restoration**

Makegood restoration provision as at 30 June 2016 related to obligations for the interim exhibition facility at Glebe Island, including providing connection to the site and for the make-good of the site at the end interim operating period.

**(c) Land remediation**

Land remediation provision as at 30 June 2017 relates to SICEEP Major Commercial Development sites.

As part of the commercial development sites of the SICEEP project, the State entered into Project Delivery Agreements that granted construction licences to Lend Lease to develop these sites with 99 year ground leases to apply at the conclusion of the construction period.

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

**(d) Other**

Other provisions include obligations in relation to land tax.

**(e) Movements in Provisions**

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

<b>2017</b>	<b>Makegood Restoration \$'000</b>	<b>Land Remediation \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
Carrying Amount at 1 July	1,518	0	2,314	2,314
Provisions recognised during the year	0	5,181	1,348	6,529
Amount paid during the year	(341)	-	(1,003)	(1,003)
Amount reversed during the year	(1,177)	-	-	-
<b>Total Carrying Amount at 30 June</b>	<b>-</b>	<b>5,181</b>	<b>2,659</b>	<b>7,840</b>

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

<b>21. OTHER LIABILITIES</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Revenue in advance	3,191	4,589
Deferred income	1,071	-
<b>Total Current Liability at 30 June</b>	<b>4,262</b>	<b>4,589</b>
<b>Non-Current</b>		
Deferred income	30,709	-
<b>Total Non-Current Liability at 30 June</b>	<b>30,709</b>	<b>-</b>

Deferred income relates to the SICEEP Project finance lease refinancing gain. This will be amortised over the finance lease term.

**22. COMMITMENTS FOR EXPENDITURE**

<b>(a) Capital Commitments</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital commitments contracted for at the reporting date, but not recognised in the financial statements, are payable as follows:		
Not later than one year	7,852	3,951
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total Capital Commitments (Incl GST)</b>	<b>7,852</b>	<b>3,951</b>

The capital commitments above include GST of \$0.7 million.

<b>(b) Subvention Costs Commitments</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Subvention costs commitments contracted for at the reporting date, but not recognised in the financial statements, are payable as follows:		
Not later than one year	2,205	1,868
Later than one year and not later than five years	11,378	12,819
Later than five years	883	2,433
<b>Total Subvention Costs Commitments (Incl GST)</b>	<b>14,466</b>	<b>17,120</b>

The commitments above include GST of \$1.3 million.

**23. LEASES**

<b>(a) Operating Lease Receivables</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Non-cancellable operating lease receivables not recognised in the financial statements are as follows:		
Not later than one year	22,820	25,943
Later than one and not later than five years	58,727	59,059
Later than five years	222,069	255,461
<b>Total Operating Lease Receivables (Incl GST)</b>	<b>303,616</b>	<b>340,463</b>

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

The lease receivables on rental properties include GST of \$27.6 million.



Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

Notes to the Financial Statements

For the Year Ended 30 June 2017

23. LEASES (CONTINUED)

(b) Operating Lease Payments	2017	2016
	\$'000	\$'000
Non-cancellable operating lease payments not recognised in the financial statements are as follows:		
Not later than one year	-	4,495
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total Operating Lease Payments (Incl GST)</b>	<b>-</b>	<b>4,495</b>

In 2016 operating leases relate to property and motor vehicles. Lease terms are between three and four years. PMNSW is not aware of any operating lease payments at 30 June 2017.

(c) Finance Lease Receivable	Gross Investment in Finance Leases		Present Value of Minimum Future Lease Payments	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Not later than one year	43,007	27,564	41,083	26,747
Later than one and not later than five years	89,880	147,300	75,039	124,684
Later than five years	7,368,330	6,411,608	79,884	144,623
Gross investment in finance leases	7,501,217	6,586,472	196,006	296,054
Less future interest income	(7,305,211)	(6,290,418)	-	-
<b>Present Value of Minimum Lease Payments Receivable</b>	<b>196,006</b>	<b>296,054</b>	<b>196,006</b>	<b>296,054</b>
Included in financial statements (refer note 10)				
Current finance lease receivable	41,084	26,747	41,084	26,747
Non current finance lease receivable	154,922	269,307	154,922	269,307
	<b>196,006</b>	<b>296,054</b>	<b>196,006</b>	<b>296,054</b>

The net present value of the unguaranteed residual at reporting date is \$13.2 million.

24. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

PMNSW is not aware of any contingent assets or liabilities at 30 June 2017 (nil at 30 June 2016).

25. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT

Reconciliation of Net Cash Flows from Operating Activities to Surplus After Income Tax Equivalent	2017	2016
	\$'000	\$'000
Net Cash Flows from Operating Activities	48,796	28,068
Non-Cash Flows in Operating Surplus:		
Depreciation and amortisation	(58,253)	(26,097)
Property related non cash revenue/expense	118,697	67,538
Change in Operating Assets and Liabilities:		
(Decrease)/increase in inventories	587	(109)
(Decrease)/increase in receivables	3,684	(19,631)
Decrease/(increase) in creditors	(91,336)	5,919
Decrease/(increase) in provisions	1,713	12,412
Decrease/(increase) in lease receipts in advance	11,799	(1,782)
Decrease/(increase) in revenue in advance	1,944	(858)
<b>Operating Surplus After Income Tax Equivalent</b>	<b>37,631</b>	<b>65,460</b>

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

## Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

### Notes to the Financial Statements

For the Year Ended 30 June 2017

#### 26. FINANCIAL INSTRUMENTS

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

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

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

##### (a) Financial Instrument Categories

			2017	2016
			\$'000	\$'000
<b>Financial Assets - Carrying Amounts</b>				
<u>Class</u>	<u>Category</u>	<u>Notes</u>		
Cash and Cash Equivalents	n/a	9	212,072	65,842
Receivables (i)	Loans and Receivables (at Amortised Cost)	10	210,608	299,179
<b>Financial Liabilities - Carrying Amounts</b>				
<u>Class</u>	<u>Category</u>	<u>Notes</u>		
Payables (ii)	Financial Liabilities (at Amortised Cost)	17	35,137	11,340
Borrowings	Financial Liabilities (at Amortised Cost)	19	1,334,994	-

- (i) Receivables exclude statutory receivables and prepayments as they are not within the scope of AASB 7.
- (ii) Payables exclude statutory payables and unearned revenue as they are not within scope of AASB 7.

##### (b) Credit Risk

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

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

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

##### (i) Cash

Cash and cash equivalents include cash at bank and in hand. Interest is earned on daily bank balances at Reserved Bank of Australia's cash rate.

##### (ii) Receivables- Trade Debtors

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

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

**26. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Credit Risk (Continued)**

(ii) Receivables- Trade Debtors (Continued)

PMNSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due as at 30 June 2017 of \$10.2 million (\$2.1 million as at 30 June 2016) and debtors that are past due but not considered impaired as at 30 June 2017 of \$4.1 million (\$0.6 million as at 30 June 2016) together represent 97.66% of the total debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are rental debtors and sundry debtors in the 'receivables' category of the statement of financial position.

Credit Risk - 2017	Overdue			Total 2017 \$'000
	<3 Mths \$'000	>3 <6 Mths \$'000	>6 Mths \$'000	
<b>Financial Assets</b>				
<b>Receivables:</b>				
Past Due But Not Impaired	3,804	188	69	4,061
Considered Impaired	135	117	90	342
<b>Total Credit Risk</b>	<b>3,939</b>	<b>305</b>	<b>159</b>	<b>4,403</b>
<b>Credit Risk - 2016</b>				
<b>Financial Assets</b>				
<b>Receivables:</b>				
Past Due But Not Impaired	464	65	90	619
Considered Impaired	78	40	306	424
<b>Total Credit Risk</b>	<b>542</b>	<b>105</b>	<b>396</b>	<b>1,043</b>

Notes

- Each column in the table reports "gross receivables".
- The aging 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 receivables total recognised in the statement of financial position.

**(c) Liquidity Risk**

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

PMNSW has a total debt facility of \$104 million as at 30 June 2017. The net fair value of these loans at balance date was nil (nil as at 30 June 2016).

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

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 Treasury Circular TC 11/12 Payment of Accounts. For all business suppliers, where terms are not specified, payment is made no later than 30 days from the date an invoice or a statement is received.

Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

Notes to the Financial Statements

For the Year Ended 30 June 2017

26. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity Risk (Continued)

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

	Interest Rate Exposure				
	Weighted Average Effective Interest Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing
	%	\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
Payables:					
Trade and sundry creditors	-	3,607	-	-	3,607
Security deposits	1.52%	387	-	387	-
Casual bonds	-	153	-	-	153
Forward deposits	-	30,990	-	-	30,990
Borrowings:					
Finance leases	9.77%	1,334,994	1,334,994	-	-
		<u>1,370,131</u>	<u>1,334,994</u>	<u>387</u>	<u>34,750</u>
<b>2016</b>					
Payables:					
Trade and sundry creditors	-	5,127	-	-	5,127
Security deposits	1.95%	1,321	-	1,321	-
Casual bonds	-	92	-	-	92
Forward deposits	-	4,800	-	-	4,800
		<u>11,340</u>	<u>-</u>	<u>1,321</u>	<u>10,019</u>
			<b>Maturity Dates</b>		
			< 1 yr	1-5 yrs	> 5 yrs
			\$'000	\$'000	\$'000
<b>2017</b>					
Payables:					
Trade and sundry creditors			3,607	-	-
Security deposits			258	2	127
Casual bonds			153	-	-
Forward deposits			29,476	1,514	-
Borrowings:					
Finance leases			18,477	75,122	1,241,395
			<u>51,971</u>	<u>76,638</u>	<u>1,241,522</u>
<b>2016</b>					
Payables:					
Trade and sundry creditors			5,127	-	-
Security deposits			586	3	732
Casual bonds			92	-	-
Forward deposits			3,245	1,555	-
			<u>9,050</u>	<u>1,558</u>	<u>732</u>

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

**Place Management NSW (Formerly Sydney Harbour Foreshore Authority)**

**Notes to the Financial Statements**

For the Year Ended 30 June 2017

**26. FINANCIAL INSTRUMENTS (CONTINUED)**

**(d) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. PMNSW's exposures to market risk are primarily through interest rate on PMNSW's cash and cash equivalents. PMNSW 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 PMNSW operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

**(i) Interest Rate Risk**

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

<b>Interest Rate Risk - 2017</b>	<b>Carrying Amount \$'000</b>	<b>-1%</b>		<b>+1%</b>	
		<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
<b>Financial Assets</b>					
Cash and Cash Equivalents	212,072	(1,865)	(1,865)	1,865	1,865
Receivables	210,608	-	-	-	-
<b>Financial liabilities</b>					
Payables	35,137	-	-	-	-
Borrowings	1,334,994	-	-	-	-
<b>Interest Rate Risk - 2016</b>					
	<b>Carrying Amount \$'000</b>	<b>-1%</b>		<b>+1%</b>	
		<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
<b>Financial Assets</b>					
Cash and Cash Equivalents	65,842	(398)	(398)	398	398
Receivables	299,179	-	-	-	-
<b>Financial liabilities</b>					
Payables	11,340	-	-	-	-

**(e) Fair value measurement**

**(i) Fair Value Compared to Carrying Amount:**

PMNSW's financial instruments are recognised at cost.

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

**(ii) Fair Value Recognised in the Statement of Financial Position:**

PMNSW does not have any financial assets recognised at fair value at the reporting date.

# Place Management NSW (Formerly Sydney Harbour Foreshore Authority)

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 27. RELATED PARTY DISCLOSURES

#### (a) Key Management Personnel Compensation

During the year, PMNSW did not pay any compensation to its key management personnel.

From 1 July 2016 to 26 January 2017 PMNSW incurred \$0.144 million in respect of the key management personnel services that are provided by a separate management entity Department of Finance, Services and Innovation.

From 27 January to 30 June 2017 PMNSW incurred \$0.192 million in respect of the key management personnel services that are provided by a separate management entity Property NSW.

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

During the year, PMNSW did not enter into transactions on arm's length terms and conditions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

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

During the year, PMNSW entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of PMNSW's sale of goods/rendering of services/receiving of services.

The individually significant transactions are listed as follows:

Name	Nature of Transaction	Transaction Value \$'000	Net Receivable/ (Payable) \$'000
Property NSW	Purchase of services	3,686	-
Department of Finance and Innovation	Purchase of services	3,310	-
Department of Planning & Environment	Purchase of services	1,244	-
Infrastructure NSW	Purchase of services	1,230	-
Luna Park Reserve Trust	Grant paid	3,200	-
Luna Park Reserve Trust	Services rendered	313	-
Destination NSW	Sponsorship paid	500	-
Roads and Maritime Services	Land transfer out	33,450	-
Urban Growth NSW	Land transfer out	-	-
		<b>46,933</b>	<b>-</b>

### 28. NOTES TO STATEMENT OF CHANGES IN EQUITY

#### Net Increase/(Decrease) in Net Assets from Equity Transfers

	2017 \$'000	2016 \$'000
Transfer of Defined Benefit Superannuation Liabilities to the Crown through DFSI	-	9,705
Transfer of Properties to other Government Agencies:		
Land and Buildings (Note 14(b))	(33,450)	-
<b>Total Net Increase/(Decrease) in Net Assets from Equity Transfers</b>	<b>(33,450)</b>	<b>9,705</b>

### 29. EVENTS AFTER REPORTING DATE

There are no known events after the reporting period which would give rise to a material impact on the reported results or financial position of PMNSW as at 30 June 2017.

End of Audited Financial Statements

# Luna Park Reserve Trust

## Annual Report 2016-17

- Financial statements for the year ended 30 June 2017



## INDEPENDENT AUDITOR'S REPORT

### Luna Park Reserve Trust

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of Luna Park Reserve Trust (the Trust), which comprise the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 30 June 2017, 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 Trust in accordance with the requirements of the:

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



## **The Trust Manager's Responsibility for the Financial Statements**

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

In preparing the financial statements, the Trust Manager must assess the Trust's ability to continue as a going concern except where the Trust will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

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

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Weini Liao  
Director, Financial Audit Services

22 September 2017  
SYDNEY

## Luna Park Reserve Trust

### Financial Statements

For the Year Ended 30 June 2017

#### Statement by Trust Manager

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

- (a) The accompanying financial statements exhibit a true and fair view of the Trust's financial performance for the financial year ended 30 June 2017 and financial position as at 30 June 2017; 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, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



**The Hon. Helen Coonan**  
Chair  
Place Management NSW  
(Trust Manager)

Date: 21 SEP 2017



**Sam Romaniuk**  
Chief Executive Officer  
Place Management NSW  
(Trust Manager)

Date: 21 SEP 2017

**Luna Park Reserve Trust**  
**Start of Audited Financial Statements**  
**Statement of Comprehensive Income**  
**For the Year Ended 30 June 2017**

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
<b>Expenses Excluding Losses</b>				
Other Operating Expenses	2	3,576	761	874
Depreciation Expense	9(b)	822	816	808
<b>Total Expenses Excluding Losses</b>		<b>4,398</b>	<b>1,577</b>	<b>1,682</b>
<b>Revenue</b>				
Investment Revenue	3	1,928	1,855	1,917
Grant Revenue	4	3,200	-	-
<b>Total Revenue</b>		<b>5,128</b>	<b>1,855</b>	<b>1,917</b>
<b>Net Result</b>		<b>730</b>	<b>278</b>	<b>235</b>
<b>Other Comprehensive Income</b>				
Items that will not be Reclassified to Net Result:				
Changes in Revaluation Surplus of Property, Plant and Equipment		(713)	-	825
<b>Total Other Comprehensive Income</b>		<b>(713)</b>	<b>-</b>	<b>825</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>17</b>	<b>278</b>	<b>1,060</b>

[The accompanying notes form part of these financial statements]

**Luna Park Reserve Trust**  
**Statement of Financial Position**  
As At 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	5	3,228	5,238	4,067
Receivables	8	333	220	365
<b>Total Current Assets</b>		<b>3,561</b>	<b>5,458</b>	<b>4,432</b>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	9	40,726	38,245	39,061
<b>Total Non-Current Assets</b>		<b>40,726</b>	<b>38,245</b>	<b>39,061</b>
<b>TOTAL ASSETS</b>		<b>44,287</b>	<b>43,703</b>	<b>43,493</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	11	1,017	164	240
<b>Total Current Liabilities</b>		<b>1,017</b>	<b>164</b>	<b>240</b>
<b>Non-Current Liabilities</b>				
<b>Total Non-Current Liabilities</b>		-	-	-
<b>TOTAL LIABILITIES</b>		<b>1,017</b>	<b>164</b>	<b>240</b>
<b>NET ASSETS</b>		<b>43,270</b>	<b>43,539</b>	<b>43,253</b>
<b>EQUITY</b>				
Accumulated Funds		9,710	9,267	8,980
Reserves		33,560	34,272	34,273
<b>TOTAL EQUITY</b>		<b>43,270</b>	<b>43,539</b>	<b>43,253</b>

[The accompanying notes form part of these financial statements]

**Luna Park Reserve Trust**  
**Statement of Changes in Equity**  
**For the Year Ended 30 June 2017**

	Asset			Asset		
	Accumulated Funds 2017 \$'000	Revaluation Reserve 2017 \$'000	Total Equity 2017 \$'000	Accumulated Funds 2016 \$'000	Revaluation Reserve 2016 \$'000	Total Equity 2016 \$'000
<b>Opening Balance</b>	8,980	34,273	<b>43,253</b>	8,745	33,448	<b>42,193</b>
<b>Net Result for the Year</b>	730	-	<b>730</b>	235	-	<b>235</b>
<b>Other Comprehensive Income:</b>						
Changes in Revaluation Surplus of Property, Plant and Equipment	-	(713)	<b>(713)</b>	-	825	<b>825</b>
<b>Total Other Comprehensive Income</b>	-	(713)	<b>(713)</b>	-	825	<b>825</b>
<b>Total Comprehensive Income for the Year</b>	730	(713)	<b>17</b>	235	825	<b>1,060</b>
<b>Closing Balance</b>	<u>9,710</u>	<u>33,560</u>	<u><b>43,270</b></u>	<u>8,980</u>	<u>34,273</u>	<u><b>43,253</b></u>

[The accompanying notes form part of these financial statements]

**Luna Park Reserve Trust**  
**Statement of Cash Flows**  
For the Year Ended 30 June 2017

	Notes	Actual 2017 \$'000	Budget 2017 \$'000	Actual 2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Other		(2,989)	(930)	(1,223)
<b>Total Payments</b>		<b>(2,989)</b>	<b>(930)</b>	<b>(1,223)</b>
<b>Receipts</b>				
Sale of Goods and Services		2,086	1,924	2,276
Interest Received		64	100	72
<b>Total Receipts</b>		<b>2,150</b>	<b>2,024</b>	<b>2,348</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	7	<b>(839)</b>	<b>1,094</b>	<b>1,125</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		-	-	-
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>(839)</b>	<b>1,094</b>	<b>1,125</b>
Opening Cash and Cash Equivalents		4,067	4,144	2,942
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	5	<b>3,228</b>	<b>5,238</b>	<b>4,067</b>

[The accompanying notes form part of these financial statements]

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting Entity**

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

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

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

These financial statements for the year ended 30 June 2017 have been authorised for issue by the PMNSW Board on 21 September 2017.

**(b) Basis of Preparation**

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

- (i) applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- (ii) the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*; and
- (iii) Financial Reporting Directions mandated by the Treasurer.

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

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

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

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

**(c) Statement of Compliance**

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

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

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

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

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

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Income Recognition**

Income is measured at the fair value of the consideration or contribution received or receivable.

(i) Grants and contributions

Contributions and grants are recognised as revenue when the Trust obtains control over the asset comprising the contributions.

**(f) Investment Revenue**

Interest revenue is recognised using the effective interest method as set out in AASB 139 "Financial Instruments: Recognition and Measurement". Rental revenue from operating leases is recognised in accordance with AASB 117 "Leases" on a straight-line basis over the lease term. Heritage and Infrastructure revenue is recognised based on a percentage of the lessee's gross revenue in accordance with the lease agreement.

**(g) Income Tax**

The Trust is exempt from income tax under section 50-25 of *Income Tax Assessment Act 1997*.

**(h) Assets**

(i) Acquisitions of Assets

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

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

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

(ii) Capitalisation Thresholds

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

(iii) Revaluation of Property, Plant and Equipment

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

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

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 9 and Note 10 for further information regarding fair value.



**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Assets (Continued)**

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

The Trust revalues each class of property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. A comprehensive revaluation was performed on 30 June 2016 by Aon Global Risk Consulting Valuation Services (Aon).

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. An interim formal revaluation was completed by Aon on 30 June 2017,

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

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

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

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

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

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

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

(iv) Impairment of Property, Plant and Equipment

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

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

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Assets (Continued)**

(v) Depreciation of Property, Plant and Equipment

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

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

The following asset useful lives have been applied:

	<b>2017</b>	<b>2016</b>
	<b>Years</b>	<b>Years</b>
Buildings and improvements	20-50	20-50
Infrastructure	50	50

(vi) Major inspection costs

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

(vii) Restoration costs

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

(viii) Maintenance

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

(ix) Leased assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor does not transfer substantially all the risks and benefits.

(x) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost, or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(xi) Impairment of financial assets

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

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Payables**

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

**(j) Fair Value Hierarchy**

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

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

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

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

Refer Note 10 and Note 15 for further disclosures regarding fair value measurements of financial and non-financial assets.

**(k) Equity and Reserves**

**(i) Revaluation Surplus**

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the Trust's policy on the Revaluation of Property, Plant and Equipment as discussed in note 1(h)(iii).

**(ii) Accumulated Funds**

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

**(l) Budgeted Amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget 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 in Note 14.

**(m) Comparative Information**

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

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(n) Changes in Accounting Policy including New or Revised Australian Accounting Standards**

(i) Effective for the First Time in 2016-17

The accounting policies applied in 2016-17 are consistent with those of the previous financial year except as a result of the first time adoption of AASB 124 "Related Party Disclosures".

The application of AASB 124 has no impact on the transactions and balances recognised in the financial statements, however the standard requires the Trust, a not-for-profit entity, to disclose material transactions and outstanding balances between the Trust and its related parties. The definition of a "related party" in AASB 124 is extensive and it includes close family members of individuals in related party relationships. Key Management Personnel (KMP) are related parties with separate disclosure requirements.

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. There are a number of recently issued or amended Australian Accounting Standards which are not yet effective and have not been adopted for the reporting period ending 30 June 2017.

The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Trust, have not been applied and are not yet effective. The possible impact of these standards in the period of initial application includes:

- AASB 16 "Leases" has application from 1 January 2019. This standard generally requires the Lessee to recognise a right-of-use asset and a lease liability at a lease's commencement date except for short term and low value asset leases. The requirements for lessor accounting have been carried forward from AASB 117 largely unchanged. As the lessor, the change is not expected to materially impact the Trust's financial statements.

- AASB 15, AASB 2014-5, AASB 2015-8 and AASB 2016-3 "Revenue from Contracts with Customers" has application from 1 January 2018. The Trust believes this standard will impact on the timing recognition of certain revenues given the core principle of the new standard requires revenue to be recognised when the goods or services are transferred to the customer at the transaction price (as opposed to stage of completion of the transaction). The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised.

- AASB 9 "Financial Instruments" has application from 1 January 2018 and comprises changes to improve and simplify the approach for classification and measurement of financial assets. The new AASB 9 includes revised guidance on the classification and measurement of financial assets and supersedes AASB 9 (December 2009) and AASB 9 (December 2010). The change is not expected to materially impact the financial statements.

**2. OTHER OPERATING EXPENSES**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Management Fee	313	-
Auditor's Remuneration - Audit of Financial Statements	14	13
Other Contractors	133	90
Repairs and Maintenance	3,083	621
Legal Fees	33	150
	<b>3,576</b>	<b>874</b>

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2017

<b>3. INVESTMENT REVENUE</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest	64	72
Property Rental	784	718
Heritage & Infrastructure Revenue	1,080	1,127
	<b>1,928</b>	<b>1,917</b>

<b>4. GRANT REVENUE</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Grant Revenue	3,200	-
	<b>3,200</b>	<b>-</b>

Grant revenue in 2017 includes a one-off contribution from Place Management NSW for purchase of a leasehold interest.

<b>5. CASH AND CASH EQUIVALENTS</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank	3,228	4,067
	<b>3,228</b>	<b>4,067</b>

For the purposes of the Statement of Cash Flows, cash includes cash at bank. Refer to Note 15 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

<b>6. RESTRICTED ASSETS</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
At the Beginning of Financial Year	1,414	693
Heritage and Infrastructure Rent	1,301	1,362
Expense for Heritage and Infrastructure Works During the Period	(1,630)	(655)
Interest	25	14
At the End of Financial Year	<b>1,110</b>	<b>1,414</b>

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

<b>7. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net Cash from Operating Activities</b>	<b>(839)</b>	<b>1,125</b>
Non Cash Flows in Operating Surplus/(Deficit):		
Depreciation	(822)	(808)
Grant Revenue	3,200	-
(Decrease)/Increase in Prepayment and Other Assets	(32)	(256)
Decrease/(Increase) in Creditors	(777)	174
<b>Net Result</b>	<b>730</b>	<b>235</b>

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2017

8. RECEIVABLES	2017	2016
	\$'000	\$'000
Rent receivable	61	206
GST receivable	160	-
Accrued revenue	112	159
	<b>333</b>	<b>365</b>

9. PROPERTY, PLANT AND EQUIPMENT	2017	2016
	\$'000	\$'000
<b>(a) Carrying Amount at 30 June</b>		
<b>Non-Current</b>		
<b>Land</b>		
At Gross Value	16,846	15,000
<b>At Fair Value</b>	<b>16,846</b>	<b>15,000</b>
<b>Buildings</b>		
At Gross Value	24,853	24,084
Accumulated Depreciation	(8,644)	(7,867)
<b>Carrying Amount at 30 June</b>	<b>16,209</b>	<b>16,217</b>
<b>Infrastructure</b>		
At Gross Value	15,592	15,322
Accumulated Depreciation	(7,921)	(7,478)
<b>Carrying Amount at 30 June</b>	<b>7,671</b>	<b>7,844</b>
<b>Total Property, Plant and Equipment</b>		
At Gross Value	57,291	54,406
Accumulated Depreciation	(16,565)	(15,345)
<b>Total Property Plant and Equipment Carrying Amount at 30 June</b>	<b>40,726</b>	<b>39,061</b>
<b>(b) Reconciliation of Opening and Closing Carrying Amounts</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Carrying Amount at 1 July	15,000	14,387
Additions	3,200	-
Net Revaluation Increment/(Decrement)	(1,354)	613
<b>Carrying Amount at 30 June</b>	<b>16,846</b>	<b>15,000</b>
	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Buildings</b>		
Carrying Amount at 1 July	16,217	17,174
Depreciation Expense	(515)	(522)
Net Revaluation Increment/(Decrement)	507	(435)
<b>Carrying Amount at 30 June</b>	<b>16,209</b>	<b>16,217</b>

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2017

**9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

<b>(b) Reconciliation of Opening and Closing Carrying Amounts (Continued)</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Infrastructure</b>		
Carrying Amount at 1 July	7,844	7,483
Depreciation Expense	(307)	(286)
Net Revaluation Increment/(Decrement)	134	647
<b>Carrying Amount at 30 June</b>	<b>7,671</b>	<b>7,844</b>
<b>Total Property, Plant and Equipment</b>		
Carrying Amount at 1 July	39,061	39,044
Addition	3,200	-
Depreciation Expense	(822)	(808)
Net Revaluation Increment/(Decrement)	(713)	825
<b>Carrying Amount at 30 June</b>	<b>40,726</b>	<b>39,061</b>

**10. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS**

<b>(a) Fair Value Hierarchy</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Fair Value</b>
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Property, Plant and Equipment (Note 9)</b>				
Land	-	16,846	-	16,846
Buildings	-	-	16,209	16,209
Infrastructure	-	-	7,671	7,671
	<b>-</b>	<b>16,846</b>	<b>23,880</b>	<b>40,726</b>
<b>2016</b>				
<b>Property, Plant and Equipment (Note 9)</b>				
Land		15,000	-	15,000
Buildings		-	16,217	16,217
Infrastructure		-	7,844	7,844
	<b>-</b>	<b>15,000</b>	<b>24,061</b>	<b>39,061</b>

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

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

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation processes refer note 1(h)(iii).

<b>Class</b>	<b>Valuation Technique</b>	<b>Key Inputs</b>
Land	Market approach (recurring) - assets are valued based on comparable property sales transactions having regard to matters such as heritage restrictions, zoning, location, topography, aspect, frontage, size, shape, date of contract and current market conditions	- Comparable property sales values - Adjustments including condition, location, heritage restrictions topography
Buildings	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2017	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of buildings
Infrastructure	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2017	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of infrastructure

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2017

**10. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONTINUED)**

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

**2017**

Fair Value as at 1 July 2016  
Revaluation Increments/(Decrements) recognised in Other  
Comprehensive Income - included in line item 'Net Increase/(Decrease)  
in Property, Plant and Equipment Revaluation Surplus'  
Depreciation  
**Fair Value as at 30 June 2017**

Buildings	Infrastructure	Total Recurring Level 3 Fair Value
\$'000	\$'000	\$'000
16,217	7,844	24,061
507	134	641
(515)	(307)	(822)
<b>16,209</b>	<b>7,671</b>	<b>23,880</b>

**2016**

Fair Value as at 1 July 2015  
Revaluation Increments/(Decrements) recognised in Other  
Comprehensive Income - included in line item 'Net Increase/(Decrease)  
in Property, Plant and Equipment Revaluation Surplus'  
Depreciation  
**Fair Value as at 30 June 2016**

Buildings	Infrastructure	Total Recurring Level 3 Fair Value
\$'000	\$'000	\$'000
17,174	7,483	24,657
(435)	647	212
(522)	(286)	(808)
<b>16,217</b>	<b>7,844</b>	<b>24,061</b>

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

**11. PAYABLES**

Trade creditors  
GST payable  
Accrued expenses

2017	2016
\$'000	\$'000
21	21
-	19
996	200
<b>1,017</b>	<b>240</b>

**12. COMMITMENTS FOR EXPENDITURE**

The Trust has no expenditure commitments at 30 June 2017 (nil at 30 June 2016).

**13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

The Trust is not aware of any contingent assets or liabilities at 30 June 2017 (nil at 30 June 2016).

**14. BUDGET REVIEW**

**(a) Net Result**

The actual Net Result at 30 June 2017 was higher than budget by \$0.45 million. This was largely due to grant revenue received from Place Management NSW, partly offset by increased heritage and infrastructure expenditure.

**(b) Assets and Liabilities**

Actual current assets were lower than budget by \$1.90 million due a decrease in cash assets caused by increased heritage and infrastructure expenditure.

Actual current liabilities were higher than budget by \$0.85 million due the increase in accrued heritage and infrastructure expenditure.



**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
For the Year Ended 30 June 2017

**14. BUDGET REVIEW (CONTINUED)**

**(c) Cash Flows**

Actual cash flows from operating activities were lower than budget by \$1.93 million as a result of increased heritage and infrastructure expenditure.

**15. FINANCIAL INSTRUMENTS**

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

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

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

**(a) Financial Instrument Categories**

			<b>2017</b>	<b>2016</b>
			<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets - Carrying Amounts</b>				
<b><u>Class:</u></b>	<b><u>Category</u></b>	<b><u>Notes</u></b>		
Cash and cash equivalents	N/A	5	3,228	4,067
Receivables <sup>1</sup>	Receivables at amortised cost	8	61	206
<b>Financial Liabilities - Carrying Amounts</b>				
<b><u>Class:</u></b>	<b><u>Category</u></b>	<b><u>Notes</u></b>		
Payables <sup>2</sup>	Financial liabilities measured at amortised cost	11	21	21

Notes

1. Excludes statutory receivables and prepayments.
2. Excludes statutory payables and unearned revenue.

**(b) Credit Risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Trust. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

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

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

*Cash*

Cash comprises cash on bank. Interest is earned on daily bank balances at Reserve Bank of Australia's cash rate.

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
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**15. FINANCIAL INSTRUMENTS (CONTINUED)**

**(b) Credit Risk (Continued)**

*Receivables - Trade Debtors*

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

Debtors that are not past due as at 30 June 2017 of \$nil (\$16k as at 30 June 2016) and debtors that are past due but not considered impaired as at 30 June 2017 of \$61k (\$190k as at 30 June 2016) represent 100% of the total debtors. There are no debtors which together are currently not past due or impaired whose terms have been renegotiated. There are no debtors that are considered impaired.

The only financial assets that are past due are rental debtors in the 'receivables' category of the statement of financial position.

2017	Overdue			Total 2017 \$'000
	<3 Mths \$'000	>3 <6 Mths \$'000	>3 Mths \$'000	
<b>Financial Assets</b>				
<b>Receivables:</b>				
Past due but not Impaired	61	-	-	61
Considered Impaired	-	-	-	-
<b>Total Credit Risk</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>61</b>
2016	Overdue			Total 2016 \$'000
	<3 Mths \$'000	>3 <6 Mths \$'000	>3 Mths \$'000	
<b>Financial Assets</b>				
<b>Receivables:</b>				
Past due but not Impaired	190	-	-	190
Considered Impaired	-	-	-	-
<b>Total Credit Risk</b>	<b>190</b>	<b>-</b>	<b>-</b>	<b>190</b>

Notes

- Each column in the table reports "gross receivables".
- The aging 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 receivables total recognised in the statement of financial position.

**(c) Liquidity Risk**

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

The Trust has no borrowings as at 30 June 2017.

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 Treasury Circular TC11-12 Payment of Accounts. For all business suppliers, where terms are not specified, payment is made no later than 30 days from the date an invoice or a statement is received.

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
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**15. FINANCIAL INSTRUMENTS (CONTINUED)**

**(c) Liquidity Risk (Continued)**

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

Maturity Analysis and Interest Rate Exposure of Financial Liabilities

	Interest Rate Exposure				
	Weighted Average Effective Interest Rate	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing
	%	\$'000	\$'000	\$'000	\$'000
<b>2017</b>					
Payables:					
Trade and sundry creditors	-	21	-	-	21
		<u>21</u>	<u>-</u>	<u>-</u>	<u>21</u>
<b>2016</b>					
Payables:					
Trade and sundry creditors	-	21	-	-	21
		<u>21</u>	<u>-</u>	<u>-</u>	<u>21</u>
			<b>Maturity Dates</b>		
			<b>&lt; 1 yr</b>	<b>1-5 yrs</b>	<b>&gt; 5 yrs</b>
			<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2017</b>					
Payables:					
Trade and sundry creditors			21	-	-
			<u>21</u>	<u>-</u>	<u>-</u>
<b>2016</b>					
Payables:					
Trade and sundry creditors			21	-	-
			<u>21</u>	<u>-</u>	<u>-</u>

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

**(d) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's exposures to market risk are primarily through interest rate risk on the Trust's cash and cash equivalents. The Trust 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 Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2016. The analysis assumes that all other variables remain constant.

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**Notes to the Financial Statements**  
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**15. FINANCIAL INSTRUMENTS (CONTINUED)**

**(d) Market Risk (Continued)**

*Interest Rate Risk*

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

<b>Interest Rate Risk - 2017</b>	<b>Carrying Amount \$'000</b>	<b>-1%</b>		<b>+1%</b>	
<b>Financial Assets</b>		<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
Cash and Cash Equivalents	3,228	-41	(41)	41 0	41
<b>Interest Rate Risk - 2016</b>	<b>Carrying Amount \$'000</b>	<b>-1%</b>		<b>+1%</b>	
<b>Financial Assets</b>		<b>Profit \$'000</b>	<b>Equity \$'000</b>	<b>Profit \$'000</b>	<b>Equity \$'000</b>
Cash and Cash Equivalents	4,067	(37)	(37)	37	37

**(e) Fair Value**

(i) Fair value compared to carrying amount

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

(ii) Fair value recognised in the statement of financial position

The Trust does not have any financial assets recognised at fair value at the reporting date.

**16. RELATED PARTY DISCLOSURES**

**(a) Key Management Personnel Compensation**

During the year, the Trust did not pay any compensation to its key management personnel, nor did the Trust incur any expense in respect of the key management personnel services that are provided by a separate management entity.

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

During the year, the Trust did not enter into other transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

**Luna Park Reserve Trust**  
**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**16. RELATED PARTY DISCLOSURES (CONTINUED)**

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

During the year, the Trust entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the Trust's sale of goods/rendering of services/receiving of services.

The individually significant transactions are listed as follows:

<b>Name of the Government Entities</b>	<b>Nature of Transaction</b>	<b>Transaction Value \$'000</b>	<b>Net Receivable/ (Payable) \$'000</b>
Place Management NSW	Grant Received	3,200	-
Place Management NSW	Purchase of Services	313	-
		<b>3,513</b>	<b>-</b>

**17. EVENTS AFTER REPORTING DATE**

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

**End of Audited Financial Statements**

# Place Management NSW

## Annual Report 2016-17 and Luna Park Reserve Trust Annual Report 2016-17

- Statutory information for Place Management NSW and Luna Park Reserve Trust

## Our charter

The Sydney Harbour Foreshore Authority (SHFA) was formed in 1999 under the *Sydney Harbour Foreshore Authority Act 1998* to consolidate the work and functions of City West Development Corporation, Darling Harbour Authority and Sydney Cove Authority.

In 2015/16, Government Property NSW, Teacher Housing Authority of New South Wales (THA) and Waste Assets Management Corporation (WAMC) consolidated with Sydney Harbour Foreshore Authority (SHFA) to form Property NSW.

On 25 October 2016, SHFA changed its name to Place Management NSW when Clause 1.31 of Schedule 1, *Statute Law (Miscellaneous Provisions) Act (No. 2) 2016* was assented to.

(The substitution of section 10 of the *Place Management NSW Act 1998* by the *Statute Law (Miscellaneous Provisions) Act (No 2) 2016* effects the alteration of the name of the Sydney Harbour Foreshore Authority in terms of section 53 of the *Interpretation Act 1987* and accordingly that section applies.)

## Aims and objectives

Under its Act, Place Management NSW is responsible for Sydney's most historically and culturally significant waterfront locations. These responsibilities include the care, protection, management and promotion of this land and its important buildings.

Place Management NSW is the State's premier place making agency. It owns, manages and transforms Sydney's key State-significant heritage and cultural precincts — The Rocks and Darling Harbour — into vibrant, welcoming places that support, sustain and inspire locals and visitors.

Every year Place Management brings Sydney's foreshore to life in The Rocks and Darling Harbour with a colourful mix of some of the city's biggest and most popular events. The division also cares for the natural and built environments that make the precincts the popular destinations they are today, attracting more than 40 million people annually.

Place Management NSW manages significant commercial and retail leases, provides security, cleaning, building maintenance and other asset management services, and cares for the public domain and over 100 heritage items.

Place Management also holds ownership of State-significant sites including Ballast Point, and manages other major waterfront assets around Sydney Harbour on behalf of other agencies, such as King Street Wharf. It owns land, parks, wharves and boardwalks at Pyrmont and is responsible for 19 head leases, 32 licences and 63 tenancies throughout Darling Harbour (including berthing licences), and 207 leases, 67 licences and 200 market stall holders in The Rocks.

## Luna Park Reserve Trust

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

Managed by Place Management NSW, the Trust oversees a 40-year operating lease for the Luna Park site and manages the Heritage and Infrastructure Fund to conserve and improve the park's heritage and infrastructure features.

The Trust was established in 1990 under the *Luna Park Site Act 1990*. Luna Park Reserve is dedicated under the *Crown Lands Act 1989* for the purpose of public recreation, amusement and entertainment.

The Minister for Finance, Services and Property has administrative responsibility for these Acts as they relate to the Luna Park Reserve and oversees the Trust, any land dealings at Luna Park and its general administration.

The Minister for Planning is the consent authority for any development at Luna Park, which is listed as a Schedule 3 site (State Significant) under *State Environmental Planning Policy – Major Projects 2005*. Luna Park Sydney Pty Ltd has complete operational responsibility for the day-to-day running of the park.

The Trust works closely with Luna Park Sydney to ensure that the site remains a viable amusement park and entertainment precinct.

Luna Park Reserve Trust financial statements can be found following Place Management NSW's financial statements.

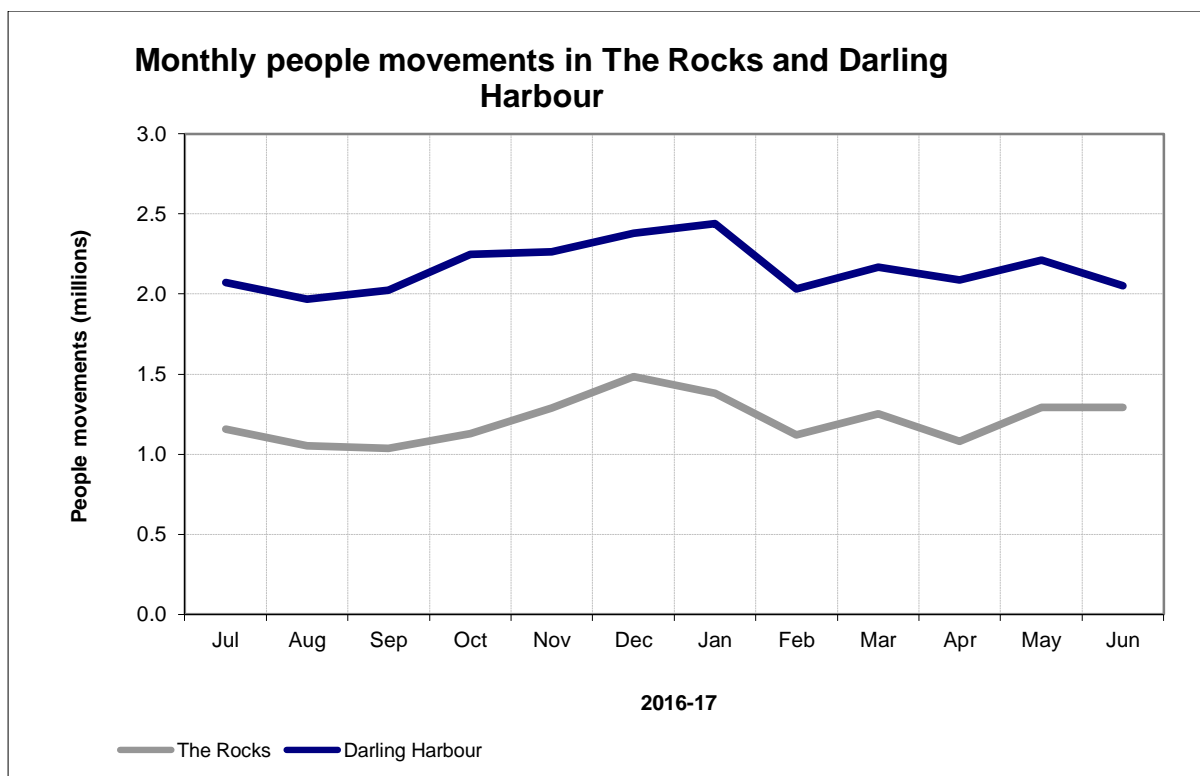
## People movements and how visitors are counted

Electronic people counters are installed in key locations in The Rocks and Darling Harbour. The counters emit an infrared beam and each time a pedestrian breaks the beam a people movement is registered. Calibration and expansion calculations are applied to raw counts to ensure that final figures estimate total pedestrian flow. These figures include repeat visits made by visitors, workers and residents.

About 14.6 million people movements were recorded in The Rocks in 2016/17, with people enjoying the entertainment, shopping and dining experiences on offer. This was a 0.4 per cent increase on the previous year.

About 25.9 million people movements were recorded in Darling Harbour in 2016/17, with people enjoying attractions and events in the precinct. This was a 0.2 per cent increase on the previous year.





## Management and structure

### Role of the Board

The Place Management NSW Board is appointed in accordance with the *Place Management NSW Act 1998*. The Board oversees Place Management NSW's policies, management and performance, sets strategic direction for the entity and monitors compliance with statutory requirements. The Board monitors organisational performance against strategic objectives. This is achieved both through written reports from management and direct interaction with senior management at quarterly Board meetings.

The *Code of Conduct and Ethics for Board Members* prescribes procedures for disclosing and dealing with conflicts of interest. As per recommendation 2.1 of TPP 09-2, a Board Charter has been developed.

The NSW Minister for Finance, Services and Property is responsible for the control and direction of Place Management NSW.

Place Management NSW's CEO is responsible for the day-to-day management of Place Management NSW in accordance with specific policies and general direction of the Board, and is subject to the control and direction of the Minister.

### Board

From 1 July 2016, Place Management NSW's Board consisted of Chair, The Hon Helen Coonan, and Board members Brett Newman, Deputy Secretary, Property and Advisory Group; Martin Hoffman, Secretary, Department of Finance, Services and Innovation; along with Place Management NSW Chief Executive Officer, Sam Romaniuk, as an ex-officio Board member.

## Board meetings and attendance

Four Board meetings were held in 2016/17. Dates and attendees are outlined in the table below.

Attendees	29 Sep 2016	7 Dec 2016	22 Mar 2017	26 Jun 2017	TOTAL
The Hon Helen Coonan	Yes	Yes	Yes	Yes	4/4
Sam Romaniuk	Yes	Yes	Yes	Yes	4/4
Brett Newman	Yes	Yes	Yes	-	3/3
Martin Hoffman	No	Yes	Yes	Yes	3/4

### The Hon. Helen Coonan

BA, LLB

#### Board member

Chair, Place Management NSW  
Trustee, Sydney Opera House

#### Non-Executive Director

Crown Resorts Limited  
Chair, Crown Resorts Foundation  
Snowy Hydro Limited  
Co-Chair, GRACosway Pty Ltd  
Chair, Supervised Investments Australia Limited  
Australian Children's Television Foundation  
Obesity Australia  
Dabhol Pty Limited

#### Advisory Board

J.P. Morgan  
Allegis Partners

Appointed as the Place Management NSW Chair from 1 July 2016 for a period of one year. Reappointed from 4 August 2016 for a period of one year. Reappointed from 4 August 2017 for a period of one year.

### Brett Newman

MBA, LLM, LLB, BEc

**Deputy Secretary, Property and Advisory Group**  
**Chief Executive Officer, Property NSW**

#### Board member

Place Management NSW

Appointed as a Sydney Harbour Foreshore Authority Board member on 22 June 2015 for a period of two years. Appointment expired on 21 June 2017.

### **Martin Hoffman**

MBA (Hons), MAppFin, BEcon

**Secretary, Department of Finance, Services and Innovation**

#### **Board member**

Place Management NSW

Pursuant to *the Place Management NSW Act 1998*, the Secretary of the Department is an ex-officio Board member.

### **Sam Romaniuk**

B.Com, LLB, ACA

**Chief Executive Officer, Place Management NSW**

**Executive Director, Place Management, Property NSW**

#### **Board member**

Place Management NSW

Appointed as Chief Executive Officer 22 December 2015. Pursuant to the *Place Management NSW Act 1998*, the Chief Executive Officer is an ex-officio Board member.

## Summary review of operations

### **Retail Portfolio Performance**

Place Management manages significant retail leases in The Rocks and Darling Harbour precincts, including over 200 stallholders at The Rocks Markets.

The Rocks, Circular Quay, and Darling Harbour are significant cultural and heritage precincts for Sydney, NSW, and Australia. They are popular destinations for local and international visitors and contribute significantly to the State's economy.

Over 14.5 million people movements were recorded in The Rocks in 2016/17, with people enjoying the entertainment, shopping and dining experiences on offer. This was in line with the people movements in the previous year.

In Darling Harbour, 25.9 million people movements were recorded in 2016/17. This was in line with people movements of the previous year.

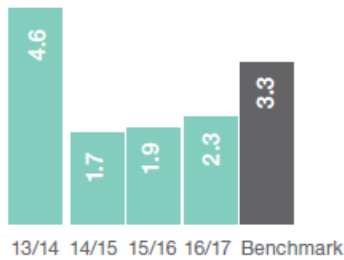
Despite significant construction activity, tenant sales growth in Place Management's retail portfolio has increased by eight per cent over the past year. This represented a significant growth in food and beverage tenants.

Vacancies for retail spaces continue to remain low in comparison to the Sydney CBD benchmark of 3.3 per cent<sup>1</sup>.

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<sup>1</sup> Retail Benchmark source – JLL Sydney CBD Prime Retail Vacancy Rate, June 2017.

## Retail Vacancy (%)



## Sydney International Convention Centre

Darling Harbour's new Sydney International Convention Centre, formally known as ICC Sydney, has generated substantial economic benefits for the State since it opened in December 2016.

The NSW Government delivered the \$1.6 billion, world-class convention, exhibition and entertainment facilities through a public-private partnership. The opening of the ICC has established Sydney as a preferred destination for events in the Asia Pacific region. The centre has contributed strongly to the 40.5 million visitor numbers across the Darling Harbour and The Rocks precincts for this financial period.

## Legal change

Please refer to the Our Charter section of this report regarding the alteration of the name of the Act.

## Management and activities

Place Management is responsible for the ownership and management of NSW's state-significant precincts, The Rocks and Darling Harbour.

Place Management aims to uphold community, social, heritage and commercial interests by providing world-class places and experiences that attract more than 40 million visitors per year to our precincts. The division's multidisciplinary experience extends to asset management, retail and commercial leasing, strategic planning and heritage, as well as events and marketing.

Place Management works to ensure the activation of our precincts for the mutual benefit of tenants, visitors and the taxpayers of NSW.

Some of the key achievements for Place Management included:

- commencement of a \$32 million restoration of the State heritage-listed landmark, Campbell's Stores, which will create a new waterfront entertainment hub with up to 12 new restaurants and bars
- winning the Great Place Award for its rejuvenation of The Goods Line in the Planning Institute of Australia's National Awards for Planning Excellence 2017

- the launch of a \$15 million investment to renew and revitalise heritage retail tenancies in The Rocks. Works started this year on the refurbishment of The Rocks Centre in Argyle St and will see iconic restaurant Pancakes on The Rocks eventually take up tenancy on the upper level.

## Human resources

### Employment Statistics

Division	2014 <sup>1,2</sup>	2015 <sup>1,2</sup>	2016 <sup>1,2</sup>	2017 <sup>1,2</sup>
Senior Executive		3	-	5
Senior Officer		18	13	-
Ongoing		107.7	99.3	20.6
Temporary		10.6	16.5	7.8
Graduate		-	-	1
<b>Total</b>		<b>139.3</b>	<b>128.8</b>	<b>34.4</b>

Note 1: Full time equivalent staff (excludes chairpersons, casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave without pay).

Note 2: Statistics are based on Workforce Profile census data as at 19 June 2014, 18 June 2015, 30 June 2016 and 29 June 2017.

Senior Executive Band	2017 <sup>1,2,3</sup>			
	Female	Male	Total	Women represented %
<b>Band 4 (Secretary)</b>	0	0	0	<b>0%</b>
<b>Band 3 (Deputy Secretary)</b>	0	0	0	<b>0%</b>
<b>Band 2 (Executive Director)</b>	0	1	1	<b>0%</b>
<b>Band 1 (Director)</b>	3	1	4	<b>75%</b>
<b>Total</b>	<b>3</b>	<b>2</b>	<b>5</b>	<b>60%</b>

### Average total remuneration Senior Executives<sup>4</sup>

\$231,937

Note 1: Senior Executive statistics exclude casuals, contractor/agency staff, statutory appointments, staff on secondment to other agencies and staff on long term leave without pay.

Note 2: Statistics are based on Workforce Profile census data as at 30 June 2016 and 29 June 2017.

Note 3: 2017 numbers include only those employees appointed under the Government Sector Employment Act.

Note 4: Salary ranges effective at the Workforce Profile census dates of 30 June 2016 and 29 June 2017.

## Employee-related costs

Employee related costs 2017	Amount
Executive	\$1,692,739
Non-Executive	\$7,024,671
Total	\$8,717,410
Ratio Senior Executive	19.4%

## Workforce Diversity

Trends in the Representation of Workforce Diversity Groups				
Workforce Diversity Group	Benchmark/Target	2015 <sup>1,2</sup>	2016 <sup>1,2</sup>	2017 <sup>1</sup>
Women	NA	49.3%	52.2%	64.9%
Aboriginal People and Torres Strait Islanders <sup>3</sup>	2.6%	0.0%	0.0%	3.2%
People whose First Language Spoken as a Child was not English <sup>4</sup>	19%	8.9%	12.1%	12.6%
People with a Disability <sup>5</sup>	N/A	0.7%	0.7%	0.0%
People with a Disability Requiring Work-Related Adjustment	1.5%	0.0%	0.0%	0.0%

Note 1: Statistics are based on Workforce Profile census data as at 18 June 2015, 30 June 2016 and 29 June 2017.

Note 2: Workforce diversity statistics for 2015 and 2016 reflect the current composition of the department and may vary from those reported in previous annual reports.

Note 3: The NSW Public Sector Aboriginal Employment Strategy 2014 – 17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

Note 4: 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 19% is the percentage of the NSW general population born in a country where English is not the predominant language.

Note 5: Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for People with a Disability.

<b>Trends in the Distribution of Workforce Diversity Groups</b>				
<b>Workforce Diversity Group</b>	<b>Benchmark/Target<sup>6,7</sup></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Women	<b>100</b>	93	93	N/A
Aboriginal People and Torres Strait Islanders	<b>100</b>	N/A	N/A	N/A
People whose First Language Spoken as a Child was not English	<b>100</b>	N/A	N/A	N/A
People with a Disability	<b>100</b>	N/A	N/A	N/A
People with a Disability Requiring Work-Related Adjustment	<b>100</b>	N/A	N/A	N/A

Note 6: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

Note 7: The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

## Consultants

Place Management engages consultants for specialised work on an as-needed basis, including for economic appraisals, financial services and planning advice. In 2016/17, Place Management engaged two consultants whose fees were \$50,000 or more, as shown in the table below. These fees totalled \$181,608.49, excluding GST.

<b>Contractor</b>	<b>Contract title</b>	<b>Category</b>	<b>Value</b>
The Trustee for Birdanco Practice Trust	Review SICEEP Operation Agreements and prepare Contract Management Plan	Finance/Property	29,120.00
The Trustee for Birdanco Practice Trust	Forensic Accounting Investigation-The Australian Hotel & The Glenmore Hotel	Finance/Property	53,522.41
The Trustee for Birdanco Practice Trust	General Taxation Assistance	Finance/Property	1,800.00
The Trustee for Birdanco Practice Trust	Review documentation and report on the accounting impact on	Finance/Property	6,500.00
The Trustee for Birdanco Practice Trust	IMAX finance lease model preparation inc. disclosures	Finance/Property	3,000.00
The Trustee for Birdanco Practice Trust	Darling Walk monetisation advice	Finance/Property	7,645.75
The Trustee for Birdanco Practice Trust	The Provision of SICEEP PPP Advice - Financial Model Build	Finance/Property	30,020.33
Ernst & Young	Services for SHFA/GPNSW transition	Finance/Property	50,000.00

Fifty-one consultants whose fees were less than \$50,000 were also engaged, with fees totalling \$716,515.08, excluding GST. Services provided by these consultants included:

- a review of Savills' value-for-money report for a proposed hotel and serviced apartments at IMAX site
- building services advice
- Building Code of Australia advice - Merchants House
- lighting recommendations - MCA
- legal advice - hoarding fees
- probity advice - Cockle Bay marine structures
- probity advice associated in amending the Agreement for Lease between Place Management NSW and Grocon for the IMAX site redevelopment
- precinct management model advice
- provision of SICEEP PPP advice - financial model build
- review of Business Resilience Framework
- SCALE vulnerability and threat assessment
- useful life assessment of ICC Sydney assets
- GST treatment and advice for Darling Quarter
- Strategic Risk and Security Review

## Disability inclusion action plans

As part of the Department of Finance, Services and Innovation (DFSI), Place Management NSW supports the department's Disability Inclusion Action Plan 2015-18. The plan sets out how DFSI will work towards:

- the development of positive community attitudes and behaviours towards people with disability
- the creation of more liveable communities for people with disability
- the achievement of a higher rate of meaningful employment participation by people with disability through inclusive employment practices
- more equitable access to mainstream services for people with disability through better systems and processes.

## Consumer response

Place Management NSW, as part of Property NSW, responded efficiently and effectively to feedback from customers, tenants and visitors to its precincts. During the financial year, a total of 19,752 reports, requests, compliments and complaints were captured through the Customer Request Management System (CRMS).

This system was linked to a dedicated Customer Service Request Line which operated 24 hours a day, seven days a week and allowed Property NSW to identify key trends and issues within its precincts and respond accordingly.



Complaints received through the system related to various matters, including busking, noise and the removal of rubbish. Property NSW responded quickly and equitably to CRMS complaints, completing 94 per cent of all requests on time.

Additionally, Property NSW encouraged feedback from the general public via an online platform on its corporate website. It responded to 772 emailed compliments, complaints and enquiries captured through this system.

In 2016/17, Property NSW captured 5,326 posts on the Darling Harbour Facebook page and 6,438 posts on The Rocks Facebook page. It also actioned 595 enquiries via the Darling Harbour website and 537 enquiries via The Rocks website.

Property NSW used feedback received during the year to improve customer service levels, including service delivery in its precincts.

## Risk management and insurance activities

As part of the Property and Advisory Group, Place Management NSW adopts the DFSI Risk and Resilience Framework to manage its business and project risks. This framework has been developed in alignment with:

- NSW Treasury Policy Paper (TPP- 15-03): *Internal Audit and Risk Management Policy for NSW Public Sector*
- Australian/New Zealand Risk Management Standard (AS/NZS ISO31000:2009): *Risk Management Principles and Guidelines*
- other related acts, regulations, policies, standards or guidelines relating to work health and safety, information security, business continuity management, fraud and probity, financial internal controls certification, and legislation pertaining to the Property and Advisory Group entities.

Key achievements during 2016/17:

- delivered Strategic Risk workshops and Operational Risk Workshops across the Property and Advisory Group
- developed Property and Advisory Group Enterprise Risk Management Guidelines
- developed strategic risk and operational risk dashboards to provide consistent reporting across the group.

### Insurance

The Property and Advisory Group insurable risks were covered under the NSW Government's Treasury Managed Fund (TMF) for the following categories during the 2016/17 financial year:

- workers compensation
- legal - including liability classes like public liability, products liability, professional indemnity, directors and officers liability

- property - including buildings, plant, equipment, and consequential loss
- motor vehicle
- other miscellaneous losses, such as the cost of employee dishonesty and personal accident and protection for overseas travel.

The main exposures that were not included were:

- 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).

<b>Property and Advisory Group number of claims (2016/17)</b>					
	<b>Property NSW</b>	<b>Place Management NSW</b>	<b>Teacher Housing Authority</b>	<b>Waste Assets Management Corporation</b>	<b>Total</b>
<b>Workers' comp</b>	4	1	0	1	6
<b>Property</b>	19	1	27	0	47
<b>Motor vehicle</b>	0	1	0	2	3
<b>Liability</b>	0	9	1	0	10
<b>Miscellaneous</b>	0	0	0	0	0

<b>Property and Advisory Group net incurred cost (2016/17)</b>					
	<b>Property NSW</b>	<b>Place Management NSW</b>	<b>Teacher Housing Authority</b>	<b>Waste Assets Management Corporation</b>	<b>Total</b>
<b>Workers' comp</b>	28,946	26,129	-	547	55,623
<b>Property</b>	395,372	20,000	183,811	-	599,184
<b>Motor vehicle</b>	-	5,284	-	6,174	11,458
<b>Liability</b>	-	255,860	5,000	-	260,860
<b>Miscellaneous</b>	-	-	-	-	-

All incurred claims and relevant costs were sourced from the TMF database. They are based on the claims lodged and relevant assessment to date. The final costs and claim numbers may vary due to the timing of loss incurred, claims reported and the outcome of negotiated settlement.

## Property and Advisory Group Audit and Risk Committee (ARC)

The Audit and Risk Committee provides independent assistance to the following participating entities by monitoring, reviewing and providing advice about their governance processes, risk management and control framework, and their external accountability requirements:

- Property NSW (PNSW)
- Teacher Housing Authority (THA)
- Waste Asset Management Corporation (WAMC)
- Place Management NSW (PMNSW)
- Luna Park Reserve Trust (LPRT).

The above participating entities have entered into a collaborative shared arrangement and have established a shared Audit and Risk Committee in compliance with:

- NSW Treasury Policy Paper (TPP15-03): *Internal Audit and Risk Management Policy for NSW Public Sector*
- NSW Treasury Policy Paper (TPP16-02): *Guidance on Shared Arrangements and Subcommittees for Audit and Risk Committees.*

The committee met five times during the 2016/17 financial year.

DFSI, while is not a participating entity, has a special role in providing audit, risk and secretariat services to the committee and the participating entities.

This shared arrangement aims to maintain an appropriate level of internal oversight for all participating entities in assurance and independent advice, while minimising the associated administration, financial costs and resources.

## Internal Audit and Risk Management Attestation Statement for 2016-17 Financial Year

### Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for Place Management NSW.

I, Sam Romaniuk, Chief Executive Officer, am of the opinion that Place Management NSW, has internal audit and risk management processes in operation that are 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	For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>	
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
<b>Internal Audit Function</b>	
2.1 An internal audit function has been established and maintained	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
<b>Audit and Risk Committee</b>	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	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 Audit and Risk Committee are:

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020;
- Dianne Hill, Independent Member, from 1 February 2016 to 31 January 2019;
- Mark O'Sullivan, Independent Member, from 25 January 2016 to 24 January 2018;

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Property NSW
- Luna Park Reserve Trust
- Teacher Housing Authority
- Waste Assets Management Corporation



09.10.17

Sam Romaniuk  
Chief Executive Officer  
Place Management NSW

Date:

Agency Contact Officer  
Andrew Pilbeam  
Chief Audit Executive, 9372 8047  
[andrew.pilbeam@finance.nsw.gov.au](mailto:andrew.pilbeam@finance.nsw.gov.au)

## Internal Audit and Risk Management Attestation Statement for the 2016-2017 Financial Year for Luna Park Reserve Trust

I, Sam Romaniuk, Chief Executive Officer, Place Management NSW (Manager of the Trust), am of the opinion that the Luna Park Reserve Trust, has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements	For each requirement, please specify whether compliant, non-compliant, or in transition
<b>Risk Management Framework</b>	
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
<b>Internal Audit Function</b>	
2.1 An internal audit function has been established and maintained	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
<b>Audit and Risk Committee</b>	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	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


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

- Carol Holley, Independent Chair, from 2 December 2015 to 1 December 2020;
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- Mark O'Sullivan, Independent Member, from 25 January 2016 to 24 January 2018.

This Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments/statutory bodies:

- Property NSW
- Place Management
- Teacher Housing Authority
- Waste Assets Management Corporation



09.10.17

Sam Romaniuk  
Chief Executive Officer  
Place Management NSW  
(Manager of the Trust)

Date:

Agency Contact Officer  
Andrew Pilbeam  
Chief Audit Executive, 9372 8047  
[andrew.pilbeam@finance.nsw.gov.au](mailto:andrew.pilbeam@finance.nsw.gov.au)

## **Digital Information Security Annual Attestation Statement 2016/17**

### **Digital Information Security Annual Attestation Statement for the 2016-2017 Financial Year for Place Management NSW**

I, Sam Romaniuk, am of the opinion that Place Management NSW had an Information Security Management System in place during the 2016-2017 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of Place Management NSW are adequate.

There is no agency under the control of Place Management NSW which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.



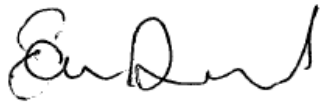
Sam Romaniuk  
Chief Executive Officer  
Place Management NSW

## **Digital Information Security Annual Attestation Statement for the 2016-2017 Financial Year for Luna Park Reserve Trust**

I, Sam Romaniuk, am of the opinion that Luna Park Reserve Trust had an Information Security Management System in place during the 2016-2017 financial year that is consistent with the Core Requirements set out in the *NSW Government Digital Information Security Policy*.

The controls in place to mitigate identified risks to the digital information and digital information systems of Luna Park Reserve Trust are adequate.

There is no agency under the control of Luna Park Reserve Trust which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.



Sam Romaniuk  
Chief Executive Officer, Place Management NSW  
Manager of Luna Park Reserve Trust

## Multicultural Policies and Services Program

Property NSW, into which Place Management NSW is consolidated, has multicultural policies and service programs guided by DFSI's Diversity and Inclusion strategy, Aboriginal Workforce Strategy, Disability Inclusion Action Plan and the Government Sector Employment Act 2013, which prioritises diversity in the workforce. This year DFSI's reporting themes are: improving outcomes for women, services for humanitarian entrants, key performance indicators and evaluation results.

## Work Health and Safety (WHS)

In 2016/17, the Property and Advisory Group continued to take a proactive approach in managing the safety of all employees, other workers and visitors to its properties, sites and activations.

With the amalgamation of business groups within the Department of Finance, Services and Innovation to create the Property and Advisory Group, a cluster-wide safety management system is being developed to ensure a consistent approach to the reporting and management of safety incidents and activities.

Specific Property and Advisory Group WHS activities undertaken in 2016/17 include:



- engaging a WHS consultant to review the existing WHS systems, activities and processes across the group
- developing a group WHS policy
- implementing a group incident management procedure
- engaging a risk consultant to develop precinct-specific emergency plans for Darling Harbour, Circular Quay and The Rocks
- engaging a risk consultant for a further review of the shoreline area of Darling Harbour-Cockle Bay
- undertaking preliminary stakeholder workshops to develop a group incident management system (Integrum), which will be launched in late 2017
- participating in the Harrington St Operational Readiness Working Group. The WHS manager and committee members arranged inductions and resources for staff members who had to temporarily relocate to 23 Bridge St in May while refurbishment commenced on 66 Harrington St
- assisting in the coordination of health and wellbeing initiatives such as the flu vaccination program and provision of a mothers' nursing room at Bligh St.

### WHS incidents – Place Management NSW

The following number of incidents was reported during the period 2016/17:

- 10 staff incidents.

### WHS induction and training

Property and Advisory Group staff members were required to complete two WHS mandatory courses:

- Introduction to Health and Safety, and
- WHS Due Diligence for managers.

As of 30 June, 2017 there was an 88 per cent course completion rate across the group.

### WHS consultation

The WHS Consultative Committee has continued to be active in the management of WHS issues. In October 2016, the former WHS Committee was relaunched as the Property and Advisory Group WHS Committee and now comprises representatives from across the whole group. In 2016/17 the committee completed eight site inductions.

The Property and Advisory Group WHS Committee employee representatives have been active participants in discussions around risk management, emergency planning, inductions, training, and health and wellbeing matters.

## Contractor management

WHS reviews for Place Management facilities-related contractors started in early 2017. These reviews give contract managers insight and assurance that WHS activities, as specified in the contract, are being delivered. As at 30 June 2017, 14 contractor WHS reviews had been completed.

The online Visitor Registration web platform has continued to be used for WHS contractor inductions and vehicle access inductions for Darling Harbour and The Rocks precincts. This system will continue until a more suitable alternative is sourced.

## Waste reduction initiatives

Place Management continued to implement a number of waste reduction and recycling initiatives during the year, including:

- utilising recycling bins — including organic, co-mingled, paper and cardboard — in all office kitchens
- installing additional recycling bins during events to encourage visitors to recycle
- using recyclable, bioplastic, carbon-neutral coffee cups for The Rocks Aroma Festival, which contained messages encouraging users to recycle
- providing water refill stations at major events
- encouraging tenants to use the organic food processor in The Rocks Centre shared waste facility to process food waste, diverting it from landfill, and
- implementing successful digital and social media marketing to promote events, reducing printed marketing material.

More information on Property NSW's waste reduction initiatives under the NSW Government Resource Efficiency Policy (GREP) can be found in Property and Advisory Group Annual Review 2016/17.

# Payment of accounts

The table below highlights Place Management's account payment performance for 2016/17.

<b>ACCOUNT PAYMENT PERFORMANCE</b>					
<b>PM NSW ENTITY - ALL PAYMENTS</b>	<b>1ST</b>	<b>2ND</b>	<b>3RD</b>	<b>4TH</b>	<b>TOTAL</b>
<b>AS AT 2016-17</b>	<b>QTR</b>	<b>QTR</b>	<b>QTR</b>	<b>QTR</b>	
<b>ALL SUPPLIERS</b>					
<b>Value of Invoices Paid (\$'000)</b>					
Paid Before Due	29,904	22,761	46,410	186,021	285,096
<30 Days Overdue	1,055	1,322	1,575	1,561	5,513
>30<60 Days Overdue	145	110	167	112	534
>60<90 Days Overdue	215	163	60	2	440
>90 Days Overdue	-	-	-	-	-
<b>Total Value of Invoices Paid (\$'000)</b>	<b>31,319</b>	<b>24,356</b>	<b>48,212</b>	<b>187,696</b>	<b>291,583</b>
<b>% Paid on Time - By Value</b>	<b>95%</b>	<b>93%</b>	<b>96%</b>	<b>99%</b>	<b>98%</b>
<b>Number of Invoice Paid</b>					
Paid Before Due Date	2,611	2,357	2,032	2,028	9,028
Paid Past Due Date	105	150	174	202	631
<b>Total Number of Invoices Paid</b>	<b>2,716</b>	<b>2,507</b>	<b>2,206</b>	<b>2,230</b>	<b>9,659</b>
<b>% Paid on Time - By Number</b>	<b>96%</b>	<b>94%</b>	<b>92%</b>	<b>91%</b>	<b>93%</b>
<b>Interest Paid</b>					
Number of Payments for Interest on:					
Overdue Invoices	2	-	4	10	16
Interest Paid on Over due Invoices	0	-	0	0	-
<b>SMALL BUSINESS SUPPLIERS</b>					
<b>Value of Invoices Paid (\$'000)</b>					
Paid Before Due Date	2,857	2,637	2,836	2,789	11,119
<30 Days Overdue	2,857	2,637	2,836	2,789	11,119
>30<60 Days Overdue	15	-	12	31	58
>60<90 Days Overdue	-	-	-	-	-
>90 Days Overdue	-	-	-	-	-
<b>Total Value of Invoices Paid (\$'000)</b>	<b>2,872</b>	<b>2,637</b>	<b>2,848</b>	<b>2,820</b>	<b>11,177</b>
<b>Total Value Paid on Time (%)</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>99%</b>
<b>Number of Invoices Paid</b>					
Paid Before Due Date	373	329	261	265	1,228
Paid Past Due Date	2	-	4	10	16
<b>Total Number of Invoices Paid</b>	<b>375</b>	<b>329</b>	<b>265</b>	<b>275</b>	<b>1,244</b>
<b>% Paid on Time - By Number</b>	<b>99%</b>	<b>100%</b>	<b>98%</b>	<b>96%</b>	<b>99%</b>
<b>Interest Paid</b>					
Number of Payments for Interest on:					
Overdue Invoices	2	-	4	10	16
Interest Paid on Overdue Invoices	0	-	0	0	-

In accordance with the Government's Accounts Policy (NSW TC 11/12 Payments of Accounts), interest totalling \$67.24 was paid in respect of 16 small business supplier invoices which were past their due date.

## Credit card certification

Place Management NSW has a Corporate Credit Card Policy that complies with NSW Treasury's TD 205.01. Cardholders are required to observe the policy and complete a reconciliation form each month, which is authorised by Place Management's Executive Director.

Place Management currently has one credit card on issue with a limit of \$5,000.

## Procurement

The Property and Advisory Group, including Property NSW, under the Procurement Board Direction - *PBD2016-01 Approved procurement arrangements from July 2016*, can rely upon Place Management's 2B procurement accreditation for the sourcing of goods, services and construction to the value of \$20 million. This is a result of an agreement that all divisions and businesses under the group umbrella comply with the endorsed procurement process.

Previously, Place Management NSW underwent an extensive external assessment process and has accordingly received Level 2B accreditation. This enables Place Management to conduct its own procurement activities for contracts up to a value of \$20 million, independent of the NSW Procurement branch of the Office of Finance and Services.

In August 2017, Public Works Advisory (PWA), a division of the Property and Advisory Group, was appointed as the lead division for the purposes of application and maintenance of construction procurement accreditation and to be the lead agency for construction projects across Property NSW.

PWA has construction accreditation which is unlimited in value.

## Funds granted to non-government community organisations

Each year, Place Management supports a diverse number of events which provide cultural experiences and community-based activities that enrich the lives of visitors to the precincts. These events help create the unique character of Darling Harbour and The Rocks.

Place Management continued its commitment to cultural organisations, community groups and commercial enterprises, developing, curating and coordinating numerous events in The Rocks and Darling Harbour during the year, including:

- Chinese New Year celebrations – Lunar Lanterns and Dragon Boat Races
- Sydney International Boat Show
- smooth Festival of Chocolate in The Rocks
- Bastille Festival
- Icecapades – Harbourside Winter school holidays activation
- Head On Photo Festival
- 33 school and community public performances

- a substantial cultural program including 18 festivals from around the world. These festivals are among Australia's leading multicultural celebrations, where visitors explore various cultures through the arts, history, entertainment and great food.

These events bring a rich mix of activities for visitors to enjoy and provide opportunities for tenants to participate.

Place Management was also a partner for a number of community festivals and provided significant on-the-ground operational support:

- Community and Cultural Festivals (\$250,000)

## Public information

### Public Interest Disclosure

As staff members are employees of DFSI, Place Management, as part of Property NSW, has adopted and adhered to the DFSI Fraud and Corruption Internal Reporting Policy. All staff members are advised of this policy by means of the Code of Conduct and intranet access.

There were no public interest disclosures made by Place Management officials for the period 1 July 2016 to 30 June 2017.

### Privacy and Personal Information Protection Act 1998 (PIIP Act)

The *Privacy and Personal Information Protection (PIIP) Act 1998* contains 12 information protection principles regulating the collection, use and disclosure of personal information by NSW public sector agencies. These principles ensure that agencies collect personal information for lawful purposes, and that such information is protected from misuse and unauthorised release.

NSW Government agencies are required to prepare and implement a privacy management plan in accordance with section 33(1) of the *Privacy and Personal Information Protection Act 1998*.

Additional information about how Property NSW manages its obligations under the PIIP Act is available at <http://www.property.nsw.gov.au/government-property-nsw-privacy-statement>.

# Government information

## Government Information (Public Access) Act 2009

The *Government Information (Public Access) Act 2009* (GIPA Act) requires NSW Government agencies to make mandatory disclosures of information, encourages proactive releases of information and provides mechanisms for individuals to apply to access government information.

More information on how to access department information is available at <https://www.finance.nsw.gov.au/accessing-ofs-information/how-can-i-access-ofs-information>.

Statistical information relating to formal applications under the GIPA Act is provided in the DFSI Annual Report Government Information (Public Access) statistics.

## Review of proactive release program

Under section 7(3) of the GIPA Act, agencies must review their proactive release of government information program at least once every 12 months.

Place Management complies with this Act by proactively releasing information on the Property NSW website [www.property.nsw.gov.au](http://www.property.nsw.gov.au).

## Exemptions and nil reports

Reporting requirement	Reason for exemption
Research and development	No research and development activities were undertaken during 2016/17.
Land disposal	Place Management NSW did not dispose of any land with a value more than \$5 million except by way of public offering, such as auction, Expression of Interest or tender during 2016/17. No properties were disposed of where there was a business or family connection between the purchaser and the approving person. An application for access to documents concerning details of properties disposed of during the reporting year may be made in accordance with <i>the Government Information (Public Access) Act 2009</i> .
Agreements with Multicultural NSW	Place Management NSW does not have any agreements with Multicultural NSW.
Implementation of price determination	Place Management NSW is not subject to determinations or recommendations of the Independent Pricing and Regulatory Tribunal of NSW.
Promotion	No Place Management NSW employees undertook overseas travel to promote or develop the business during the reporting period.
Disclosure of subsidiaries	Place Management NSW does not control or hold shares in any subsidiaries within the meaning of the <i>Corporations Act 2001 (Cth.)</i> .
Investment Performance	All Place Management investment powers are in accordance with Part 1 of Schedule 4 of the <i>Public Authorities (Financial Arrangements) Act 1987</i> . However, all cash reserves are held in Treasury Banking System (TBS) bank accounts.
Liability management performance	Not applicable, as Place Management NSW does not have a level of debt greater than \$20 million.

## Access

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