

Placemaking NSW

Annual Report

Place Management NSW and
Luna Park Reserve Trust

2022-23



Acknowledgement of Country

As Tallawoladah (The Rocks), Barangaroo and Tumbalong (Darling Harbour) precincts' custodians, Placemaking NSW recognises that it stands on Aboriginal land, the area we know as Sydney. We acknowledge the Gadigal People of the Eora Nation and their Elders' as the Traditional Custodians of this area.

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Acknowledgements

This Annual Report was produced wholly by Placemaking NSW officers. There were no external production costs, and the Annual Report is available in electronic format on the website at <https://www.dpie.nsw.gov.au/our-work/programs-and-initiatives/placemaking-nsw>.

31 October 2023

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The Hon Paul Scully MP
Minister for Planning and Public Space
52 Martin Place
SYDNEY NSW 2000

Dear Minister

Place Management NSW and Luna Park Reserve Trust Annual Report 2022-23.

I am pleased to submit the Annual Report for Place Management NSW and Luna Park Reserve Trust, for the year ended 30 June 2023, for tabling in Parliament by 30 November 2023.

This report has been prepared in accordance with the annual reporting provisions (Division 7.3) of the *Government Sector Finance Act 2018* (GSF Act) and Treasury Policy and Guidelines Annual Reporting Requirements (TPG23-10).

Yours sincerely

A handwritten signature in black ink that reads "Anita Mitchell".

Anita Mitchell
Chief Executive
Placemaking NSW
Place Management NSW
Administrator, Luna Park Reserve Trust

Chair's Foreword

It has been another eventful year for Placemaking NSW while operating within the Cities and Active Transport division of Transport for NSW. Our work focuses on the development and management of some of the most important harbourside precincts in Sydney including: The Rocks, Barangaroo and Darling Harbour, Luna Park, Ballast Point Park and waterfront areas in Pyrmont.

Following the COVID-19 pandemic, our public spaces have been embraced once again as places for families and friends to gather and celebrate. To support this, our team worked diligently on a range of initiatives to bring people back to the CBD and improve their experience when they came including The Rocks Revitalisation Strategy, the Heritage Asset Management Strategy and a 10-year rolling Conservation Management Plan.

The Rocks, Barangaroo and Darling Harbour continued to play a pivotal role in driving the visitor economy in Sydney's CBD. Visitation in our precincts is strong, with a marked recovery seen particularly in The Rocks which is up almost 90 per cent with 12.5 million visitors from the low levels of the previous year, and 38 per cent in Darling Harbour with close to 25 million visitors when compared to the previous year.

Recent research conducted revealed The Rocks is performing well on all major drivers of customer satisfaction. Atmosphere and attractions were rated most highly with food and beverage offerings continuing to be a drawcard for visitors to the precinct. Our work has reimagined The Rocks with a refreshed The Rocks Markets and carefully curated retail to once again be 'Sydney's most vibrant village'. We welcomed over 1 million visitors per month, compared to the lowest period of COVID-19 when visitors were averaging around 200,000 a month.

Barangaroo, continues to build its popularity with Sydneysiders through the food and beverage offerings, as well as the stunning Barangaroo Reserve and the recently opened swimming spot at Marrinawi Cove.

Our work on a 2050 Vision for Darling Harbour has begun; this important piece of work will help guide decisions and emerging projects in the area. The project will provide a shared vision framework to shape Darling Harbour into a vibrant, inclusive and sustainable waterfront precinct.

As the master plan developer for Bays West a key priority has been the adaptive reuse of White Bay Power Station, including developing an interim use strategy. Work to repair and remediate the Power Station is on track, with a safe and secure site expected in early 2024 when we will have the opportunity to host temporary activations, including major arts and cultural events.

Work has commenced with Infrastructure NSW to transition management of Blackwattle Bay and the New Sydney Fish Market to Placemaking NSW, once construction is complete. Placing these two precincts within the care of Placemaking NSW will ensure a consistent approach to the management of these places.

Placemaking NSW continues to support the economic recovery of the CBD and deliver on our purpose of 'making special places thrive'. As a result of these efforts, strong operational and financial results have been delivered during the 2022-23 period.

I would like to thank our Chief Executive Anita Mitchell and her team for their exceptional work to continue to revitalise our public spaces and precincts. Thanks are also extended to my board colleagues, for their ongoing commitment and dedication to providing thriving places for communities and for local, national and international visitors to enjoy. We look forward to building on our successes in the upcoming year.

Ken Kanofski
Chair

Overview

Aims and Objectives

Placemaking NSW creates and cares for places that people love.

Placemaking NSW creates, manages, and cares for many of Sydney's unique iconic harbourside locations. Placemaking NSW helps to strengthen the connection between these places and the people that share them, in turn generating significant community, environmental and economic benefits for the people of NSW.

Its precincts include The Rocks (Sydney's oldest historic harbourside precinct), Barangaroo and Darling Harbour, Luna Park, Ballast Point Park, and waterfront areas in Pyrmont, as well as unique venues such as the Chinese Garden of Friendship and major event facilities at the International Convention Centre.

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

Placemaking NSW has management responsibility for key State precincts between the Opera House and Balmain (excluding the Walsh Bay Create NSW precinct).

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

In addition, Placemaking NSW is undertaking remediation and conservation works at White Bay Power Station in Rozelle and has been appointed as Master Plan Developer for Bays West, with Stage 1 planning to be delivered in time for the opening of the Metro West line. Placemaking NSW is also responsible for post-completion management of the New Sydney Fish Markets and Blackwattle Bay in partnership with Infrastructure NSW.

As the owner and manager of The Rocks and Darling Harbour, and manager of the public domain at Barangaroo, there are a substantial number of direct commercial relationships in place with more than 450 retail and commercial tenants and stallholders.

Placemaking NSW undertakes a number of activities, either directly or in partnership with other organisations, intended to provide a holistic approach to placemaking, including:

- Building adaptive-reuse of heritage assets
- Enhancing public spaces
- Heritage conservation works
- Activation, marketing and events
- Partnerships and third party activations
- Education programs / Rocks Discovery Museum

Placemaking NSW was part of the Cities and Active Transport division in Transport for NSW during the reporting period.

Charter

Place Management NSW

Placemaking NSW is the trading name of Place Management NSW.

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

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

While the Act identifies Place Management NSW's core lands at The Rocks and Darling Harbour, Place Management NSW is not limited to exercising its functions in relation to land within the CBD foreshore area.

Luna Park Reserve Trust

Place Management NSW is the administrator for the Luna Park Trust Reserve Crown Land Manager.

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. Luna Park Trust Reserve 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.

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

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

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

Combined Annual Reports

This Annual Report includes annual reporting information for Place Management NSW and Luna Park Reserve Trust. The Annual Reports have been combined as Place Management NSW is the administrator for the Luna Park Trust Reserve Crown Land Manager.

Application for extension of time

There was no application for an extension of time.

Management and structure

Board

The Place Management NSW Board is appointed in accordance with the *Place Management NSW Act 1998*. The Placemaking NSW Advisory Committee was established by the Minister for Planning and Public Spaces in July 2020.

The Board and Advisory Committee provide strategic advice and guidance on strategic direction, management and performance. The Board monitors organisational performance against strategic objectives.

The Board and Advisory Committee consist of seven members, appointed by the Minister with Cabinet endorsement.

Table 1 Board Members during the reporting period

Name	Role
Ken Kanofski	Chair
Richard Horne	Member
Romilly Madew	Member
Alex O'Mara	Member
Bridget Smyth	Member
Kiersten Fishburn	Ex-Officio Member, Deputy Secretary, Cities and Active Transport
Anita Mitchell	Ex-Officio Member, Chief Executive, Placemaking NSW

Members of the Board serve concurrently as members of the Advisory Committee.

The Chief Executive is responsible for the day to day management of Place Management NSW in accordance with specific policies and general direction of the Board. Placemaking NSW is subject to the control and direction of the Minister in the exercise of its functions.

Board Meetings

There were eight board meetings held in 2022-23.

Table 2 Attendance at Board Meetings

Board Member	Meetings attended	Meetings eligible to attend
Ken Kanofski	8	8
Kiersten Fishburn	6	8
Richard Horne*	5	5
Romilly Madew	7	8
Alex O'Mara*	5	5
Bridget Smyth	7	8
Anita Mitchell	7	8

*Richard Horne and Alex O'Mara were appointed in November 2022.

Board Members

Ken Kanofski B Bus, MBA, FCPA, GAICD Chair

Ken Kanofski is an experienced and successful Chief Executive, Board Director, Chair and Advisor. In addition to his role at Placemaking NSW, he is chair at Sydney Olympic Park Authority and Tellus Holdings and is a director at Jerrara Power. Ken also operates his own advisory business and brings a wealth of experience in infrastructure, transport, utilities, property, venue management and environmental services.

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

Richard Horne FRICS GAICD

Richard Horne has spent the last 30 years at the forefront of the property industry in the UK, Australia and New Zealand. After moving to Australia in 1996, he spent 15 years at CBRE where he developed the company's retail capability as National Head of Retail, before becoming Senior Managing Director of CBRE'S New Zealand business for five years. Moving back to Australia, Richard then spent more than eight years as NSW Managing Director and Head of Retail at Knight Frank, helping steer the agenda on the regional boards of both businesses.

Richard is an experienced Chair, currently Chairing the Property Council of Australia Western Sydney Taskforce. Richard is a Fellow of the Royal Institution of Chartered Surveyors (FRICS) and graduate of the Australian Institute of Company Directors (GAICD).

Romilly Madew AO FTSE HonFIEAust EngExec

Romilly Madew is currently the Chief Executive Officer of Engineers Australia. Prior to this, Romilly was the Chief Executive Officer of Infrastructure Australia, where she was responsible for overseeing Infrastructure Australia's critical role in helping governments prioritise projects and reforms that best serve our communities.

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

As CEO of Engineers Australia, she sits on the STEM Champions of Change committee. She is also currently a Fellow of the Australian Academy of Technology & Engineering (ATSE) and member of the ATSE Infrastructure Forum; Director Placemaking NSW Board; Director of Sydney Olympic Park Authority; Independent Chair Currawong State Park Advisory Board (NSW); Federal Government appointee on the Circular Economy Ministerial Advisory Group and G20 EMPOWER - Empowerment and Progression of Women's Economic Representation; Member National Women in Transport CEO Advisory Group; Member UK Institution of Civil Engineers Enabling Better Infrastructure (EBI) Steering Group and Director of Minerva Network (supporting Australia's elite sportswomen).

She has held Board positions with the Australian Sustainable Built Environment Council and was a Commissioner for the Northern Territory Economic Reconstruction Commission. She has sat on numerous Federal Government panels including the Cities Reference Group, National Sustainability Council, Climate Futures Independent Expert Group and the National Urban Policy Forum.

Romilly is an Honorary Fellow, Engineers Australia, Fellow of the Australian Academy of Science and Technology, Honorary Fellow, Planning Institute of Australia and Life Fellow GBCA. She is an active member of Bilgola Surf Life Saving Club.

Alex O'Mara BA LLB (Hons 1) MALP GAICD

Alex has a portfolio career focused on sustainability, leadership and place-based solutions. Alex is a Non-Executive Director of St George Community Housing, Place Management NSW and the Chair of the White Bay Power Station Adaptive Reuse Committee. Alex is also the Director and Founder of Sustainable Solutions Advisory Pty Ltd which provides advice on strategy, policy, stakeholder engagement, place-based approaches, community engagement and leadership, with a focus on Environmental, Social and Governance (ESG) and sustainability in the built environment, energy and infrastructure sectors. Alex is the Chief Advisor to the Urban Transformation Research Centre of Western Sydney University and the Senior ESG Advisor to BDO. Alex is also a member of the Groundswell Foundation Loneliness Reference Group and an Expert Panel on the Power of Public Spaces to Connect Communities for Resilient Futures with Macquarie University and Transport for NSW. Alex is also a leadership coach and mentor. Alex is passionate about values-led leadership and diversity and inclusion.

Alex is an experienced senior executive who has worked across a range of sectors, including planning, industry, infrastructure, water, environment, building and culture. Alex was the Group Deputy Secretary of the Place Design and Public Spaces Group in the Department of Planning, Industry and Environment until January 2022. In this role she had responsibility for precincts, place strategies and strategic planning within Greater Sydney, State infrastructure contributions and the delivery of growth infrastructure and community investment programs. She also had responsibility for the Premier's priorities of Greening Our City and Greener Public Spaces, the NSW Government Architect, Greater Sydney Parklands, Royal Botanic Gardens and Domain Trust and Placemaking NSW. Prior to this Alex was the Deputy Secretary Create NSW, the Executive Director for Resources and Industry Policy and led Government legal teams for over 7 years in environmental and planning law.

Alex has been a member of the Australian Building Codes Board, the Sydney Olympic Park Authority Board, the NSW State Archives and Records Authority Board, the Central

Sydney Planning Committee and the Resilient Sydney Steering Committee.

Alex is a graduate of the Australian Institute of Company Directors. She holds a Bachelor of Arts and a First-Class Honours Bachelor of Laws and a Master of Administrative Law and Policy from the University of Sydney. Alex was admitted as a legal practitioner in 1999 and holds a current legal practising certificate.

Bridget Smyth, Master in Design Studies (Urban Design), BArch(Hons), BPD

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

Currently, Bridget is City Architect/Executive Manager Design and Public Art for the City of Sydney and manages a range of urban design, strategic and special projects, including the Sustainable Sydney 2030-2050 vision. She is currently responsible for implementing key SS2030 – 2050 projects such as the transformation of the city centre including the design of the pedestrianisation of George St and a program of works to improve Sydney's public domain across the local government area. In addition to project implementation, she is developing key strategies and policies to guide the design of Sydney's public domain and built environment and is responsible for directing the City's Public Art Program. She also manages the City's Design Advisory Panel and Public Art Advisory Committee.

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

Bridget is the recipient of numerous awards including the 2016 Australian Institute of Architects (AIA) NSW President's Award, the 2014 Marion Mahoney Griffin Award by the AIA, the 2001 NSW Max Kelly Government Architecture Award (Venice Fellowship) and the 1999 National Women in Construction Lend Lease Women Development and the 2000 Innovation Award.

She is also a current board member for the NSW State Government's Placemaking NSW, Lenity Charity and a member of the UTS School of Design and Built Environment Dean's Industry Advisory Board. She is an

ambassador and founding member of the Australian Institute of Architects Venice Biennale Organizing Committee. She is an active member of the World Cities Cultural Forum. Bridget holds an Adjunct Professorship at the University of Technology Sydney.

Kiersten Fishburn
Deputy Secretary, Cities and Active Transport (TfNSW)

During the reporting period, Kiersten Fishburn was the Deputy Secretary, Cities and Active Transport at Transport for NSW, focusing on ensuring our cities and neighbourhoods are integrated with transport, making places, streets and open spaces functional, beautiful, inclusive and inviting for all to enjoy. From 15 May 2023, Kiersten was A/Secretary of the Department of Planning and Environment. In this role, Kiersten oversees a diverse portfolio spanning natural resources and the environment, heritage, planning, land and housing, and local government.

Kiersten has worked in the public service for two decades, across multiple portfolios and two tiers of government. She brings great enthusiasm and energy to her roles. She's widely ambitious and passionate about delivering thriving environments, communities and helping NSW achieve its full potential.

Prior to joining Transport, Kiersten led the Planning Delivery Unit (PDU) in the Department of Planning Industry and Environment. She was also the CEO of Liverpool City Council and held leadership roles with Casula Powerhouse Arts Centre and Accessible Arts and City of Sydney.

Anita Mitchell BSc (Env), MEnvMgt, MBA, FEIANZ
Chief Executive, Placemaking NSW

Anita Mitchell has almost 30 years of experience in executive management, sustainability, social impact and corporate assurance spanning energy, water, waste, property and construction in both the public and private sectors.

In January 2021, Anita joined the NSW Department of Planning, Industry and Environment as the inaugural Chief Executive of Placemaking NSW. Placemaking NSW focuses on the development and management of some of the most important harbourside precincts in Sydney.

Prior to this Anita worked at Lendlease for over a decade in a range of roles spanning Australia, Asia and Europe in construction, development and corporate assurance areas. Anita led the environmental and social sustainability strategy for Australia's first certified carbon neutral precinct – Lendlease's \$7.5 billion Barangaroo South development in Sydney. Here she delivered world's best practice sustainable design and social impact initiatives.

Before Lendlease Anita managed sustainability and environmental programs for one of Australia's largest energy distributors, as well as the country's largest water authority and waste management operator.

She holds a Bachelor of Environmental Science, a Master of Environmental Management and an MBA – completed under full scholarship as “Australia's top emerging leader and MBA scholar” selected by The University of Sydney and AFR BOSS magazine in 2012. Anita is a graduate of the Australian Institute of Company Directors, a member of Chief Executive Women and an experienced Director on not for profit boards.

Board Committees

The White Bay Power Station Adaptive Reuse Committee was established under section 36 of the Place Management NSW Act 1998 in September 2022 with appointments made in February 2023.

The Committee provides the Place Management NSW Board, the Placemaking NSW Advisory Committee and the Minister for Planning and Public Spaces with options for the use of the Power Station, principally as a community/ cultural facility as outlined in the Bays West Place Strategy.

The Committee consists of five members, appointed by the Minister with Cabinet endorsement.

Table 3 Members of the White Bay Power Station Adaptive Reuse Committee

Name	Role
Alex O'Mara	Chair
Kate Foy	Group Deputy Secretary, Department of Enterprise, Investment and Trade
Abbie Galvin	Government Architect, NSW Government Architect
Chontelle Perucich	Chief of Staff, Sydney Metro
Anita Mitchell	Chief Executive, Placemaking NSW

Management

Table 4 Principal Officers

Principal Officers	Position	Qualifications
Anita Mitchell	Chief Executive	Bachelor of Environmental Science Master of Environmental Management MBA
Susan Lee	Chief Operating Officer	Bachelor of Laws (LLB) Master of Laws (LLM)
Humfrey Whitaker	Project Head, Bays West Urban Renewal	Bachelor of Building Construction Economics

Organisation Chart

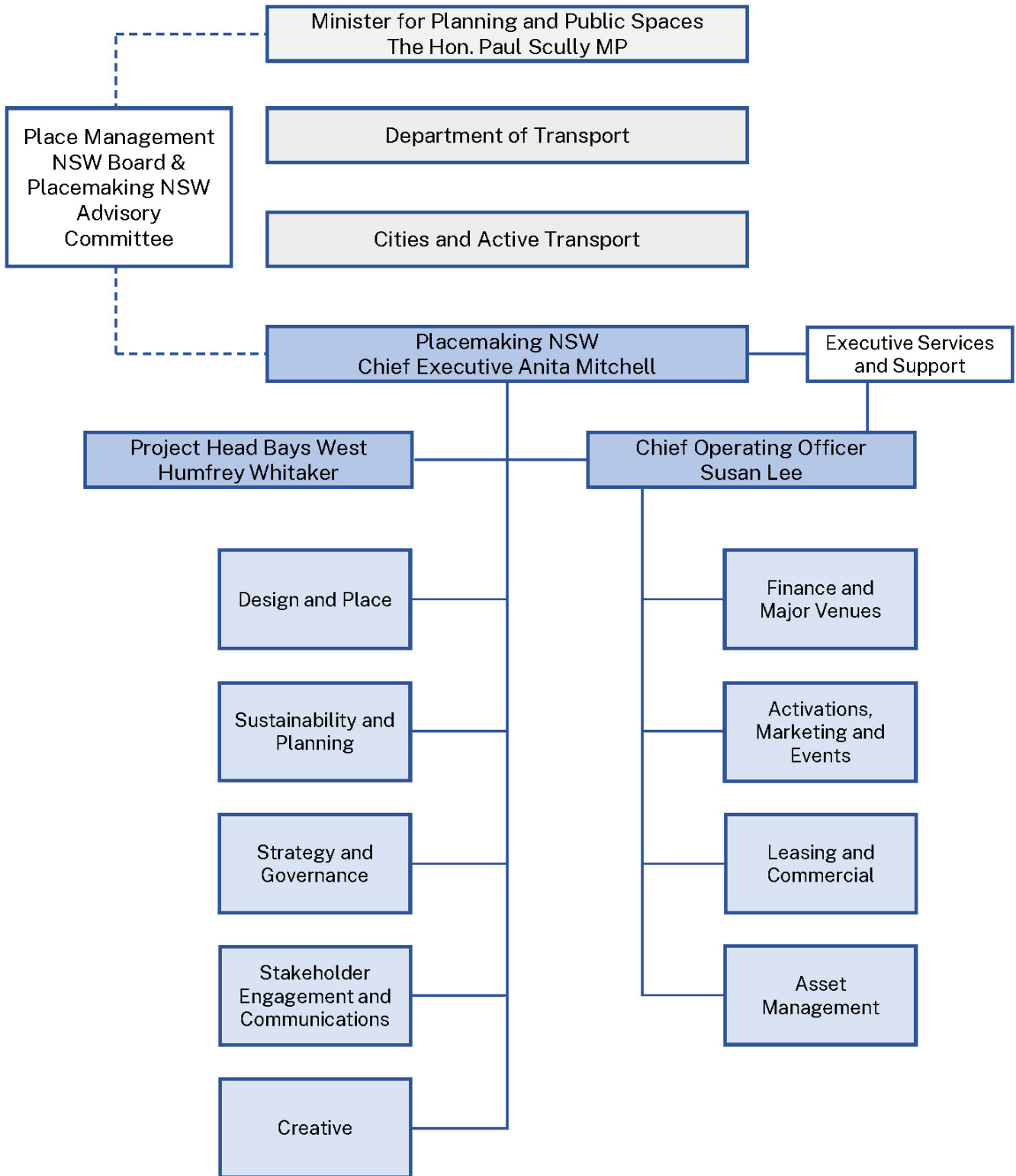


Figure 1 Functional Organisation Chart

Strategy

Strategic objectives and outcomes

PURPOSE:				
Making special places thrive				
VISION:				
We create and care for places that people love				
PRIORITIES:				
Our places lift the bar on what is possible	Our places are connected to Country and alive with First Nations cultural knowledge	We unlock the economic value of places	We earn trust to care for NSW's unique places	We are leaders in Placemaking
OUTCOMES:				
<p>The customer and stakeholder experience at all our places is excellent.</p> <p>We put sustainability at the centre of our approach, and we dare to try new things to show what is possible.</p> <p>Our tenants and stakeholders love our places and enjoy dealing with us as we understand their needs.</p> <p>We constantly work to make our places even more accessible, safe, inclusive and enjoyable.</p>	<p>Connecting to Country is at the heart of how we design and manage our places.</p> <p>We genuinely engage with First Nations communities to listen, learn and act.</p> <p>We embed First Nations knowledge and storytelling to bring our places to life, and engage with our customers and communities</p>	<p>With a genuine focus on jobs and growth, we work with our partners to foster the NSW economy while improving peoples' lives.</p> <p>Our places support the recovery from COVID-19 with vibrant experiences, activations, marketing and rental support.</p> <p>We seek to leverage other government projects and reforms to stimulate investment and growth.</p> <p>We will build a sustainable and committed pipeline of Placemaking projects, seeking feedback from the private sector as we do so.</p>	<p>Our broad remit provides the NSW Government with an opportunity to add more special places to our organisation.</p> <p>We co-create amazing places and outcomes with our stakeholders through deep engagement, not just consultation.</p> <p>Our strength is in our diversity – we share knowledge between our places to always drive a best-practice approach.</p>	<p>We are always learning the best ways to care for and create great places, constantly experimenting and embedding innovation in how we manage and design our places.</p> <p>We share that knowledge with our colleagues to broadly lift the bar across NSW Government projects.</p> <p>We take a balanced approach to social, economic and environmental facets so our places thrive and can be enjoyed by everyone.</p>

Operations and Performance

Management and activities

Through its ownership and management of key precincts within the foreshore area, Placemaking NSW aims to uphold community, social, heritage and commercial interests by providing world-class places and experiences.

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

Placemaking NSW aims to create well connected communities with quality local environments by creating welcoming and inclusive public spaces in the precincts we manage. Our precincts cater to a diverse demographic and are activated for the mutual benefit of tenants, visitors, and the people of NSW.

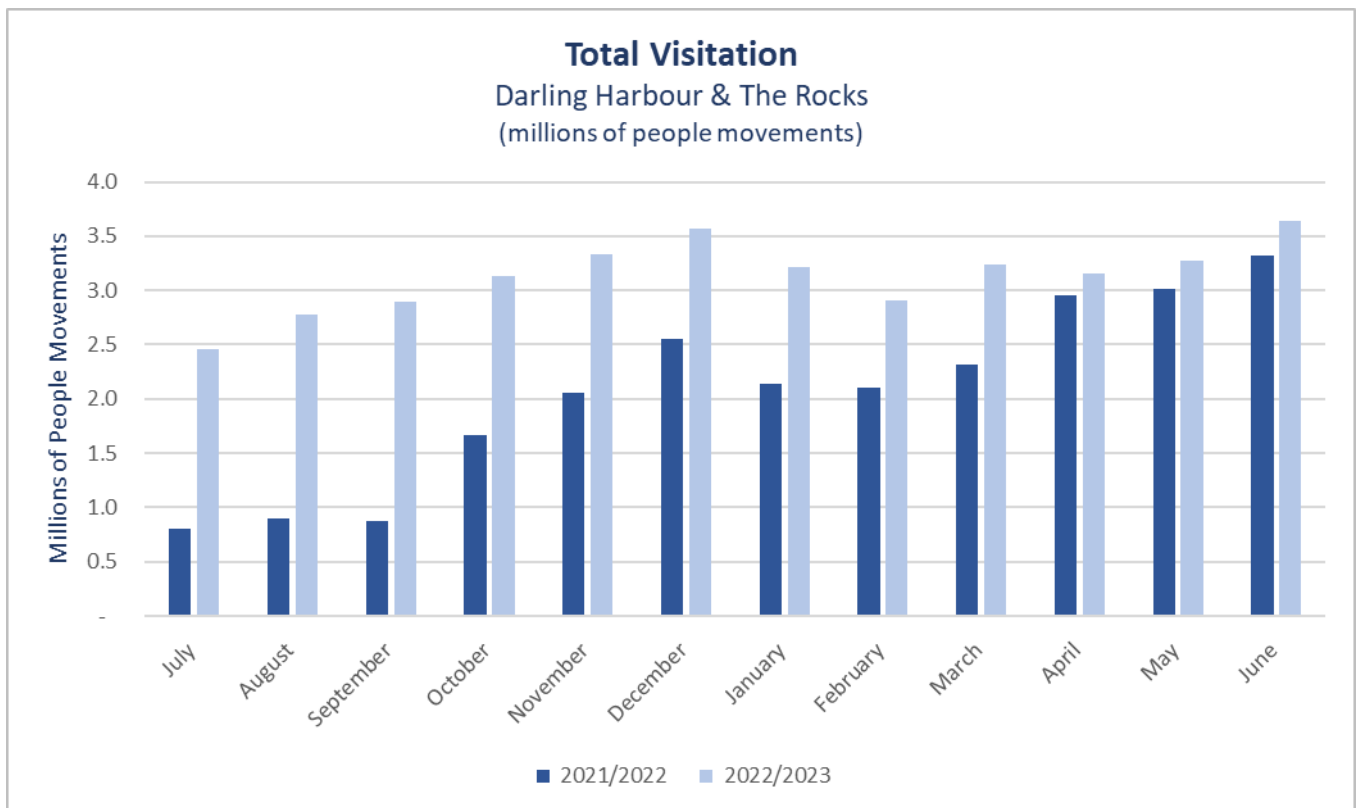


Figure 2 - Total Visitation Darling Harbour & The Rocks

Summary review of operations

The Rocks, Barangaroo and Darling Harbour continued to play a pivotal role in driving the visitor economy in the Sydney CBD, a priority for the NSW Government in the economic recovery from the COVID-19 pandemic.

With tourism returning, but not fully recovered, Placemaking NSW's strategic focus remained on attracting regular, repeat visitors from Sydney and other areas of Australia.

Research conducted throughout the year found visitors continued to be drawn to the precincts by a diverse range of free activities, high quality public spaces, a strong food and beverage offering, and high-level cultural activities. Promoting these aspects to Sydneysiders was a key marketing priority.

Events such as Vivid Sydney, New Year's Eve and the St Patrick's Day celebrations generated high levels of visitation across key milestone moments throughout the year. These events were supported by a program of free 'always on' activities providing easy, accessible ways to connect with the precincts including as live music, outdoor cinema, and free fitness classes.

All activities maintained a focus on promoting the attributes of each precinct and improvements to their retail outlets to encourage repeat visits.

The positive financial performance of Placemaking NSW was underpinned by strong revenue growth across all main business units during the reporting period. The property portfolio experienced increased rental revenue mainly as a result of increased turnover rent from tenants in the Rocks and Darling Harbour precincts. The ICC Sydney achieved strong revenue growth in all event types with revenue increasing approximately 60% when compared to the prior year.

Placemaking NSW's improved cash position in 2022-23 was the result of improved billings and rental collections from tenants as they recovered from the pandemic period.

Placemaking NSW's financial performance highlights the strong recovery from the pandemic with some business units matching or exceeding pre-pandemic period results. The positive financial results have been achieved despite the impacts on precincts of tourism numbers not yet returning to pre-pandemic levels and reduction in office worker numbers due to ongoing remote working.

The Rocks | Tallawoladah

The Rocks hosted a wide range of events and activities during the year to support the economic recovery from COVID-19. While foot traffic is not yet back to pre-COVID-19 levels, the businesses of The Rocks have performed strongly. Gross retail turnover exceeded all previously recorded financial year records for the precinct.

Leasing

There were 18 commercial lease deals completed during the reporting period, including eight renewals of existing tenancies and ten new office tenancies. Vacancy rates for office accommodation remained steady at 4.5%, which compared favourably to vacancy rates elsewhere in the city.

There were 15 retail lease deals completed during the reporting period, including eight lease renewals of existing tenants and ten new retailers. New tenants include Sushi Yuzen and North Sandwiches at Playfair Street, and Fluevog Shoes, Hunt Leather, and Bistro Carmelo at 107 George Street. Vacancy rates for retail premises are a low 1%, again much stronger than other CBD areas.

The Swillhouse Group opened Le Foote in May 2023, which proved to be a positive addition to The Rocks. The restaurant has already been awarded a one hat rating and was named Sydney Restaurant of the Year by Broadsheet online review site.

Barrel House Group had their DA approved for the Observer Hotel, with an anticipated opening at the end of 2023. Their bottleshop and tasting room, Barrelhouse Cellars has opened in an adjacent site on George Street.

Heritage Conservation and Project Works

A range of heritage conservation works were carried out in line with conservation management plans on properties in The Rocks including a major project of landlord works at 101 George Street (now Le Foote). Smaller conservation projects also took place in alignment with tenant expiry and lease turnover works.

The Argyle Stores restoration works commenced with the first phase of work focused on the structural rehabilitation of the west wing of the Stores. This was a major project that involved heritage stone replacement and significant restoration of the façade on Argyle Street.

An initial package of works at Susannah Place were completed that included the reconstruction of the chimneys and the strengthening of the 180 year old walls. Specifications and approvals for a second phase were completed and will be undertaken in 2023-24.

Design and Place

Revitalisation and enhancement of the public domain

Upgrades were made to The Rocks Square which included new seating and landscaping. This has significantly improved this important public space to be more welcoming and comfortable for members of the public.

The installation of new planters with native landscape in Jack Munday Place has enhanced this space and ensures minimal impact on tenants and pedestrians from vehicles servicing the nearby overseas passenger terminal.

New alfresco/outdoor dining guidelines

Design guidelines for outdoor dining areas in The Rocks | Tallawoladah have been updated. These guidelines outline criteria for outdoor seating for tenants and stakeholders lodging applications.

The guidelines aim to:

- Ensure the character of The Rocks is enhanced by the inclusion of outdoor seating.
- Ensure outdoor dining areas enhance the safety, amenity and ambience of The Rocks.
- Provide a comprehensive framework for the design and management of outdoor dining areas in the public domain.
- Ensure outdoor dining areas are designed to ensure the safe movement of pedestrians and vehicular traffic, and other street activities.

Meanwhile, the roll-out of the umbrella strategy has added vibrancy and colour to George Street and Jack Munday Place.

Activation and events

Activation and events remain important in continuing to build the customer base and profile of The Rocks. The continuation of the 'always on' free program of activities included weekly Yoga, Live Music and the *Laneway Cinema* on Playfair Street, and provided ongoing, free and accessible ways to engage with the precinct.

One of the most important activations in The Rocks is the weekly market. The Rocks Markets Refresh Strategy was introduced at the beginning of 2023 with a new advertising campaign 'The Home of Originality'. The campaign highlighted the breadth of artisans and makers that bring The Rocks Markets to life each week.

The Blak Markets maintained its successful partnership with Placemaking NSW, activating on Tallawoladah Lawn. The Blak Markets is an established, ethical Indigenous market and social enterprise that celebrates the work of First Nations small business owners.

In addition, an annual program of large-scale events rolled out at The Rocks. Christmas brought strong visitation and was a significant revenue driver for retailers within the precinct. Activity

included Christmas Markets and a bespoke, hidden laneway, Christmas Village installation in Wells Courtyard.

A successful partnership with ‘Buy from The Bush’ was also delivered on Tallawoladah Lawn. The activation generated over \$200,000 for small businesses from regional areas.

New Year’s Eve returned to pre COVID-19 levels of activity. Over 120,000 visitors attended The Rocks precinct, with both ticketed and non-ticketed vantage points on offer. The ticketed areas included live music, lighting and food and beverage outlets as part of the offer.

The Australia Day Live Event in Circular Quay transformed the harbour into a stage featuring projections on the Sydney Opera House, a lit vessel parade, acrobatics of jet-skiers and fly-boarders and a fireworks display.

Across February and March, Sydney WorldPride activity featured prominently, with the key precinct initiatives including a partnership with the Big Gay Aussie Breakfast event in Circular Quay, the fun and fabulous Frocks in The Rocks fashion parade, and a curated program of live music created by LGBTQIA+ artists on George St on the Free to Be stage.

In March, the annual St Patrick’s Day celebrations generated significant visitation for the precinct. Highlights included the popular St Patrick’s Day Parade, the Mercantile Hotel St Patrick’s Day Breakfast event and Street Party, and the St Patrick’s Day Festival in First Fleet Park and Tallawoladah Lawn.

Finally, Vivid Sydney attracted record numbers of visitors, highlighted by the *Written in the Stars* drone shows over Circular Quay. Throughout May and June, gross retail turnover was up 9% year on year in The Rocks, while compared to the same period in 2021, it was up 80%. This demonstrates the continued benefit that Vivid Sydney contributes to the precincts.

Major Venues

The Rocks Discovery Museum

The Rocks Discovery Museum, located in Kendall Lane in The Rocks, has three adjoining historic buildings: Samson’s Cottage, Raphael’s Store and Mackellar’s Store. The Museum uses multimedia to depict the multi-layered history of The Rocks. This includes a selection from thousands of artefacts from archaeological sites in the precinct, uncovered during more than 40 years of conservation works.

During the reporting period The Rocks Discovery Museum had a complete lighting upgrade. The Museum also increased the exhibition/display offering with 3 new display cases on each floor of the museum. These cabinets will house future temporary exhibitions or short displays.

A new semi-permanent exhibition on the first floor of the Museum was developed with *Cora Gooseberry* - Rum Mug and Breast Plate on display, on loan from the State Library of NSW.

The Museum also ran a NAIDOC School Art competition for the second year to engage the community. More than 200 entries from children from Kindergarten to Year 10 were submitted.

The Museum was a finalist in the Inavate APAC Awards – Visitor Attraction Category.

The Museum welcomed 69,081 visitors (207% increase on 21/22). Educational programs welcomed 5,163 children on self-guided tours and 1,803 children on our guided tours.

Table 5 - Rocks Discovery Museum Visitation

	Total Visitors	Self-Guided Tour	Guided Tour
2022-23	69,081	5,163	1,803
2021-22	22,126	2,145	88 groups

Sydney Learning Adventures

Sydney Learning Adventures (SLA) is operated by Placemaking NSW to provide unique educational on-site programs to local, national and international students.

The programs were recently refreshed and the team has been adapting them to support students with different accessibility needs ensuring an inclusive learning environment across the programs.

Almost 10,000 students have participated in the programs during the reporting period. Over 8,000 of these students have been primary students, 850 secondary students and 800 tertiary students both national and international.



Barangaroo

Placemaking NSW manages the public domain areas and activations at Barangaroo under an agreement with Infrastructure NSW.

With Infrastructure NSW, Placemaking NSW introduced swimming back to the centre of Sydney, with the opening of the Marrinawi Cove Swimming Spot. This initiative was instantly popular with locals and visitors alike, keen to enjoy the connection to water in the central harbour.

Events

Barangaroo Reserve hosted a New Year's Eve event including a Welcome to Country, live music, dancefloor and family friendly games and activities.

At the Cutaway, Sydney Festival ran *Frida Kahlo: The Life of An Icon*, a unique, immersive biographical exhibition on the life and art of Frida Kahlo.

The Sydney Festival also presented 'Vigil: Awaken' on 25 January, from the shores of Barangaroo Reserve looking out to Me-Mel (formerly Goat Island). This year's work celebrated the re-awakening of the spirit of the island of Me-Mel. This has been a key landmark of Sydney Harbour for several hundred years and a sacred place for the clans of Eora for tens of thousands of years.

The iconic WugulOra (One Mob) Morning Ceremony at Barangaroo Reserve took place on Australia Day. This stunning ceremony provided a poignant reminder that Australia's First Nations people are the foundation of Australia's story and caretakers of the world's oldest continual culture.

Sydney WorldPride was celebrated with a huge Pride Rainbow installation around Waterman's Cove, as well as performances by LGBTQIA+ performers on a custom-built stage.

The Other Art Fair delivered two events in the Cutaway. The event provides a place for art lovers around the world to discover and buy art directly from the very best emerging artistic talent.

For Mother's Day, a very special morning of First Nations activity took place with the Damulay Ngurang: Mother's Day event in Barangaroo Reserve. Damulay Ngurang means friendship place in local Sydney language, with the focus of the event being to build friendship and connection through appreciation and celebration of mothers, parents and caregivers.

Throughout May and June, Vivid Sydney delivered its most extensive program of activity in Barangaroo to date, highlighted by the *Vivid Fire Kitchen* in the Cutaway, and an array of interactive installations spread across Barangaroo Reserve.

Darling Harbour | Tumbalong

Darling Harbour 2050 Vision

Work commenced on the development of a 2050 Vision for Darling Harbour. This vision will help shape its future as a vibrant, inclusive and sustainable waterfront precinct; one which continues to evolve while being anchored by a deep connection to Country, an understanding of the community's aspirations, and place-based design principles.

The project has been shaped by engagement with First Nations advisors and the Aboriginal community, place-users and precinct stakeholders to ensure we deliver a shared vision and guidelines that reflect the needs of all users. The First Nations advisors will retain a critical role in shaping the next stages of the project.

The vision is expected to be completed by mid-2024.

Events

Darling Harbour continued to host the much-loved fireworks display each Saturday night, a key 'always on' fixture for the precinct. This initiative continues to drive visitation and business outcomes for the precinct.

The Darling Harbour Winter Festival in July attracted record visitation to the precinct, attracting over 200,000 patrons across two extended weekends with an array of live music performances, igloo dining experiences, and engaging food vendors.

In December, a series of Christmas concerts featuring family friendly entertainment and market stalls came to life across two weekends, supported by Christmas workshops, games and performances across the entire month.

Tumbalong Park hosted a series of live sites during the FIFA Men's World Cup commencing with the Socceroos vs Argentina Quarter Final. These free public events were delivered with significant NSW Government, media and public support.

New Year's Eve activity returned to pre COVID-19 levels of activity with over 60,000 people attending Darling Harbour to witness themed pyrotechnic displays at 9pm and midnight.

The Summer School Holiday program featured *Pixar Putt* operating in Darling Square, *Pedal boat rides* in Cockle Bay, and *Sydney Festival* activity featuring the *Cupids Koi Garden* in Darling Harbour that provided a family friendly six-metre-tall immersive water-play installation produced by acclaimed Melbourne-based art and technology studio ENESS.

For Lunar New Year, the Year of The Rabbit, was celebrated with Lion Dance Jet Pack shows in Cockle Bay that achieved international media attention, as well as bespoke Lunar New Artworks installed across parts of Darling Harbour.

Throughout February and March, Sydney WorldPride activity was highlighted by themed Sydney WorldPride Fireworks displays and a temporary art trail created by LGBTQIA+ artists installed along the harbour foreshore.

The Cultural Festival program that operates in Tumbalong Park returned with its first event in two years, after COVID-19, the Greek Festival of Sydney. The Festival is one of Australia's largest and longest-running annual cultural events with a rich 20 year history. The event features a range of domestic and international performances.

Vivid Sydney delivered its largest program to date highlighted by the majestic *Elemental* experience on Cockle Bay, and the dynamic *Vivid Live* stage program in Tumbalong Park.

The Chinese Garden of Friendship

As a significant cultural destination situated on one hectare within Darling Harbour's central precinct, The Chinese Garden of Friendship has achieved success during the reporting period, welcoming approximately 205,000 visitors.

Although total visitation fell slightly below the record of 240,652 set in 2018-19, this occurred despite tourism numbers not yet returning to pre-pandemic levels. Visitor demographics demonstrate that on weekdays 55% of visitors are international, 24% are domestic, and 22% are Sydneysiders. On weekends 28% of visitors are from overseas, 24% are domestic, and 38% are Sydneysiders.

The earth-moving ceremony held in September at the Garden signalled an ambitious plan to introduce a new Friendship Bridge and Meandering Path of Tranquillity. This expansion was introduced to enhance the Garden by increasing its accessible area by 20% and revitalising previously unused space. The comprehensive project encompasses the creation of a new bridge generously donated by Sydney's Chinese Community, bamboo and riverside walks, and the opening of previously inaccessible areas, anticipated to be completed ahead of the Lunar New Year 24 celebrations.

In keeping with past traditions, a thoughtfully curated array of weekend activities and events was presented during the Lunar New Year 23 festivities, celebrating the beauty, art, culture, traditions, and history of China. The celebrations commenced with an engaging and lively lion dance and culminated with an impressive folk waist drum dance performance. Over a three-week period of celebration, the Garden welcomed 14,200 visitors, matching pre-COVID-19 Lunar New Year 19 visitation levels. Throughout the celebrations 24 events were hosted including daily tea ceremonies, musical performances, calligraphy presentations, lantern decorating workshops, astrology readings, lion dance workshops for children, brush painting exhibitions, and dance performances.

Throughout the year, four school holiday programs - Badge Making Workshop in July, Plant Explorer Tour in September, Zodiac Mask Making Workshop in April, and Junior Master Challenge in January were organised, engaging a total of 2,907 children and their families. These workshops stood out for their educational, enjoyable, and creative essence, and for nurturing an exploration of the Garden's captivating landscape, culture, customs, and traditions.

International Convention Centre (ICC) Sydney

The ICC along with the wider Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP), is a public private partnership (PPP) between Darling Harbour Live and the NSW Government (represented by Place Management NSW). Place Management NSW works closely with its PPP partners to ensure that the ICC delivers on the expectations of Government and the public, including economic and financial impacts as well as community and social benefits.

The financial year for the ICC Sydney surpassed revenue and profit forecasts and delivered almost \$600 million in economic impact to the businesses of Sydney, through event delegate and patron spend.

This direct expenditure for NSW, included approximately 881,038 room nights with international visitors generating approximately 25% (\$147.8 million) of this total expenditure, contributing to 229,000 room nights with only 6% of the total delegates driving this result. Interstate visitors generated 42% (\$245.3 million) of the total expenditure with 19% of the total delegates and 583,000 room nights.

Of the near 500 core events - there were 18 international conventions, 106 national conferences, 54 exhibitions and 84 live entertainment events. The entertainment concert business had its best performing year to date, due in equal parts to the demand of postponed touring shows, the desire of Sydneysiders to reconnect in person and the increase in marketing of the convention centre's 2,500 seat Darling Harbour Theatre. This was in addition to the 8,000 seat Aware Super Theatre for entertainment events.

Consumer exhibitions and national conferences were almost on par with pre-COVID-19 numbers. However, in sync with international leisure visitor numbers, international event bookings and international delegate attendance are yet to recover. It is expected to take another two to three years for all markets to fully stabilise.

In total, the venue welcomed an estimated 1,000,164 delegates to the venue during the financial year, with the following breakdown by business segment and source market:

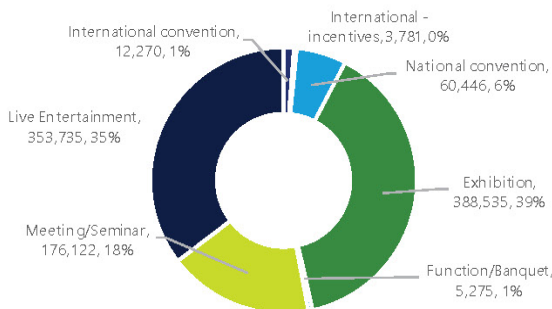


TOTAL DELEGATES: 1,000,164



TOTAL ROOM NIGHTS: 881,038

DELEGATES BY SEGMENTS



DELEGATES BY SOURCE MARKET



LOCAL:

748,159 (75%)



INTERSTATE:

191,109 (19%)



INTERNATIONAL:

60,896 (6%)

ICC Sydney is an important social infrastructure asset and the team is committed to making a positive impact on its environment, community, clients, delegates, patrons and owners. Following a highly successful Sydney WorldPride Human Rights Conference, the team focused on establishing the most inclusive venue possible. This included, building an Accessibility and Inclusion Guide for visitors including a client tool kit to ensure all events delivered at ICC Sydney are as inclusive as possible.

The team delivered on all objectives in its second Reconciliation Action Plan and its Legacy Program, both designed to build opportunities for local First Nations communities and business, creative industries entrepreneurial businesses as well as students.

The ICC is committed to reducing its own carbon footprint and works with clients to reduce and report on their event carbon footprints.

Pymont Bridge restoration

Restoration of the Pymont Bridge has progressed well throughout the reporting period. Work has now progressed to restoring the central spans with works earmarked for completion in the first quarter of FY25.

Bays West

Bays West Urban Renewal

The Bays West Precinct, on Wangal and Gadigal Countries, comprises 77 hectares of NSW Government owned land west of Anzac Bridge, within 2km of the Sydney CBD identified for urban renewal. It includes Glebe Island, White Bay Power Station, White Bay, Rozelle Bay, Rozelle Rail Yards, and the adjacent waterways.

Placemaking NSW is co-ordinating the delivery and master planning of the Bays West Precinct to ensure the staged urban renewal of this transformative precinct into a vibrant place for people to live, work and play. The team is guided by First Nations advisors from the established First Nations Advisory Panel to ensure that the project is truly connected to Country throughout the life cycle of the project.

Urban renewal of this precinct includes the delivery of highly connected public open space, high-value knowledge economy jobs and a diverse range of housing all within walking distance of the new Sydney Metro West Bays Station.

Bays West Stage 1 is the first stage of renewal following the development of a master plan and rezoning package prepared by the Department of Planning and Environment approved in December 2022. Stage 1 incorporates the new Bays Metro West Station and the White Bay Power Station.

White Bay Power Station

White Bay Power Station is a State Significant heritage item that has largely lain dormant for 40 years. Now the focal point for the Bays West Stage 1 redevelopment, the Power Station has undergone extensive remediation and conservation works which are due for completion in early 2024.

Future uses of the building with attention to ensuring the buildings are accessible for potential temporary activations and events have been considered. Cross-government liaison is enabling improved planning outcomes and integration with the nearby Metro and Rozelle parkland developments, while preserving and enhancing the site's industrial heritage.

Options for early activation of the site are being explored with the aim of allowing managed events and public access from early 2024.

Strategic work and projects

Amenities Strategy for The Rocks and Darling Harbour and The Rocks Women's Safety Strategy

Significant strategic work has been undertaken across Placemaking NSW precincts. This includes an Amenities Strategy for The Rocks and Darling Harbour, and The Rocks Women's Safety Strategy which has been funded and delivered in partnership with the NSW Government Safer Cities Program. The Safety Strategy will ensure The Rocks evolves as a place where women, girls and gender diverse people feel safe to explore day and the night.

Guidance on Redevelopment projects

Placemaking NSW's Design and Place team has played an integral role in working with public and private stakeholders in guiding the delivery of high quality redevelopments to ensure best practice outcomes for the public. These include: The Ribbon, the new Sydney Fish Markets, Harbourside and Cockle Bay.

Conservation Management Plans

With over 140 significant heritage places listed on the Heritage Act s170 Register including 100+ State Heritage Register in The Rocks and Darling Harbour, a 10-year rolling Conservation Management Plan (CMP) update program has been implemented.

Work has progressed on CMPs for Sydney Harbour Sea Walls, Observer Hotel, Mercantile Hotel, Cumberland Place and Steps, with Cleland Bond Stores, Argyle Stores, Longs Lane and White Bay Power Station near completion. The CMPs completed this year included Cumberland Place and Steps, Sea Walls, The Mercantile and Market City.

A major project, the Heritage Asset Management Strategy was also completed during the reporting period.

Conservation work

The conservation of state significant heritage assets including Susannah Place and Pyrmont Bridge continues to be a focus with the provision of strategic oversight and technical input for major conservation and building maintenance upgrades in The Rocks and Darling Harbour.

The major projects in 2022-23 include:

- Continued conservation and restoration of Pyrmont Bridge, without limiting pedestrian access.
- Remediation and conservation works at White Bay Power Station
- Launch of The Rocks Discovery Museum website

Assessment Approvals

During the reporting period, the following applications for Landowner's Consent and Heritage Act approvals under Delegation were processed:

- 332 applications for landowner's consent.
- 223 Heritage Act applications under Delegation:
 - S.60 applications (11 applications; av. ten days – vs statutory timeframe 40 days)
 - S.60FT applications (0 applications)
 - S.57(2) exemptions (204 applications; av. one day, no statutory timeframe currently applies)
 - S.140 excavation permits (0 applications)
 - S.139 exceptions (three applications; av. one day - vs statutory timeframe 15 days)
 - S.65a modification to a S.60 approval (five applications; av. three day - vs statutory timeframe 15 days)

Land Disposal

There was no land disposal during the reporting period.

Research and development

Placemaking NSW undertakes ongoing customer research to understand drivers of precinct visitation and perception in order to ensure that projects and capital spending support the long-term health of the precincts.

Implementation of Price Determination

Placemaking NSW was not subject to a determination or recommendation of the Independent Pricing and Regulatory Tribunal.

Performance Information

Priority Area 1: Our places lift the bar on what is possible

Actions	Progress Highlights
<ul style="list-style-type: none"> • Initiate quantitative and qualitative research to understand the needs and drivers of our customers and stakeholders. • Make the Rocks a place for locals by ensuring the right retail in the right places and delivering experiences aligned to their needs and interests. • Better opportunities for recreation on the harbour, including making Barangaroo swimmable. • Deliver on The Rocks Revitalisation Strategy, including strengthening food and beverage offering and public amenity. • Develop a strategy to make all Places under management at a minimum carbon neutral with a stretch goal of carbon positive. 	<ul style="list-style-type: none"> • Comprehensive market research undertaken on The Rocks. • The Rocks Markets re-launch and revitalisation. • New tenants secured in The Rocks. • Marrinawi Cove in Barangaroo opened to the public for swimming. • Community recreation space opened in the future Harbour Park area. • George St Alfresco dining and improved public domain outcomes. • Sustainability Committee formed and Net Zero Strategy prepared. • Significant reductions in energy and water consumption achieved.

Priority Area 2: Our places are connected to Country and are alive with First Nations cultural knowledge

Actions	Progress Highlights
<ul style="list-style-type: none"> • Develop new Reconciliation Action Plans for key Placemaking NSW precincts. • Develop a strategy alongside internal and external governance frameworks to bring First Nations culture to the centre of all our places and operations. • Cultural Awareness Training delivered to 90% of employees within Placemaking NSW. • All plans to utilise Connecting with Country strategy and include a commitment to First Nations led design. 	<ul style="list-style-type: none"> • Banga Budyari Mudjin – Make Good Relations – Tallawoladah & Tumbalong Innovate Reconciliation Action Plans in place. • Bangaba Budyari Mudjin, Continue to make good relations Reconciliation Action Plan in progress and extended to include Barangaroo precinct. • First Nations Advisory Panel established to ensure the principles of Connecting to Country underpin design, place and activation projects. • First Nations Advisors working across projects including White Bay and Darling Harbour Vision 2050.

Priority Area 3: We unlock the economic value of places

Actions	Progress Highlights
<ul style="list-style-type: none"> • Co-develop White Bay, beginning with repair and remediation of the White Bay Power Station. • Work with Sydney Metro to leverage the connection of the Bays metro station. • Work with Transport for NSW to develop a long-term solution for the Glebe Island Bridge. • Foster economic growth in Darling Harbour and the Rocks. • Ensure great place outcomes are delivered with new developments at Darling Harbour and The Rocks. • Become the State's urban renewal agency for key precincts. 	<ul style="list-style-type: none"> • White Bay Power Station remediation, conservation and temporary activation works underway with completion expected in January 2024. • White Bay Power Station Adaptive Re-use Committee established to identify long-term re-use opportunities. • Business Case development underway for Bays West Stage 1 and the broader Bays West precinct. • Multi-agency governance arrangements established. • Working collaboratively with development partners to drive and guide best practice place outcomes in new developments including Harbourside. • Development of the Sydney Harbour Foreshore Strategy underway to guide high quality outcomes particularly in relation to access, relationship to the water, shade and tree canopy as well as activation. • Placemaking NSW appointed as the lead delivery agency to oversee the master planning and delivery for Bays West. • Placemaking NSW to manage Blackwattle Bay and the Fish Markets on completion of development.

Priority Area 4: We earn trust to care for NSW's unique places

Actions	Progress Highlights
<ul style="list-style-type: none"> • Transition Barangaroo Activation and Precinct Management team into Placemaking NSW. • Make Placemaking NSW a single Sydney foreshore entity with a comprehensive foreshore strategy. • Undertake a review to consider which additional precincts could be managed under the Placemaking NSW model. 	<ul style="list-style-type: none"> • Barangaroo Activation and Precinct Management team transitioned into Placemaking NSW completed March 2022. • Placemaking NSW operates or has agreements in place for most of the state government owned land in the Sydney Harbour foreshore from Circular Quay to Balmain (with the exception of Walsh Bay).

Priority Area 5: We are leaders in Placemaking

Actions	Progress Highlights
<ul style="list-style-type: none"> • Consistent and shared approach to place creation and management across all projects. • Develop design excellence approach aligned with Government Architect's model. • Develop industry and brand awareness of the organisation. • Promote a shared understanding across government of "Placemaking". • Employee engagement >75%. 	<ul style="list-style-type: none"> • Teams have been integrated and ongoing development of consistent documentation and approaches • Design Excellence Strategy in development in collaboration with the Government Architect NSW. • Public Art Advisory Panel in development • First Nations Advisory Panel established • Regular engagement with stakeholders across precincts, industry and government presentations and proactive and reactive media coverage • People Matter Employee Survey (PMES) results indicated employee engagement at 74%.

Management and Accountability

Numbers and remuneration of senior executives

Table 6 Numbers and Remuneration of Senior Executives

	2021-2022			2022-2023		
	Female	Male	Total	Female	Male	Total
Band 4 Secretary	0	0	0	0	0	0
Band 3 Group/Deputy Secretary	0	0	0	1	0	1
Band 2 Executive Director	1	0	1	1	1	2
Band 1 Director	3	3	6	5	2	7
TOTAL	4	3	7	7	3	10

NB: These are Senior Executive statistics as of 22 June 2023. This data is based solely on senior executives in their substantive role and band level.

Table 7 Average Remuneration of Senior Executives

	2021-2022	2022-2023
	Average Remuneration (\$)	Average Remuneration (\$)
Band 4 Secretary	-	-
Band 3 Group/Deputy Secretary	-	\$418,200
Band 2 Executive Director	\$277,024	\$328,423
Band 1 Director	\$241,045	\$246,525

25.7% of Place Management NSW employee-related expenditure in 2022-23 was related to Senior Executives.

Human resources

Table 8 Numbers of officers and employees by category with previous year comparison

	2021-2022	2022-2023
Ongoing	55	58
Temporary	7	11
Casual	43	41
Graduate		1
Executive	5	10
TOTAL	110	121

NB: Headcount data reported at end of reporting period.

Consultants

Table 9 Consultants under \$50,000

Number of Engagements under \$50,000	Total Cost (\$)
2	\$31,150

Promotion

There were no overseas visits by officers or employees during the reporting period.

Requirements arising from employment arrangements

During the reporting period Place Management NSW personnel were part of the Department of Transport following Machinery of Government changes effective from 1 April 2022.

Legal change

On 25 August 2022, the Executive Council approved the remake of the Place Management NSW Regulation 2022 (NSW). This remake was largely administrative, and consolidated both the previous 2017 PMNSW Regulation and the (soon to expire) Barangaroo Delivery Authority Regulation 2015 after the transfer of management of Barangaroo from INSW to PMNSW. This was a convenient point in time to make administrative changes to the old regulation, and to consolidate management and ensure fit for purpose, practical regulations around the PMNSW-managed precincts.

The main changes to the Regulation were:

- Enhanced protection of environment and animals
- Protection of built environment
- Consistent signage and fees
- Common sense regulation of cycling, public assemblies and weddings
- Ease of administration and enforcement
- Access and vehicle conditions simplified
- Simplified wording and definitions
- Consolidated, fit for purpose /administrative changes

The regulatory changes have now been implemented through operational systems (including infringements via Revenue NSW).

Economic or other factors

The functions of Placemaking NSW including the management of the Rocks, Darling Harbour and Barangaroo precincts along with venues such as the ICC Sydney are impacted by a wide range of NSW visitor economy factors.

Inflation and Cost of Living

Over the past 12 months Australia has experienced CPI levels well above government benchmarks. This places considerable pressure on household budgets. Placemaking NSW's precincts have a large retail presence, especially in food and beverage. These sectors are highly susceptible to the contraction in the level of discretionary spend by consumers. Discretionary spending on ticketed events has also come under pressure. Cost of living increases are not isolated to Australia as international delegate attendees have also reduced over the past 12 months with further reductions forecasted.

Cost of International Travel

Placemaking NSW's precincts are key tourist destinations and the ICC Sydney attracts many international events. The cost of international travel has risen significantly compare to pre-pandemic levels and therefore the cost of international travel is a major consideration for tourists and international delegates. For the ICC Sydney, the cost of travel now represents a considerable proportion of an international delegate's total budget. Feedback from international event organisers suggest this is the single largest obstacle stopping delegates travelling to Australia for an event.

Economic Downturn

The current domestic and international economic environment has seen a contraction of budgets for investing in corporate events. While corporates still value the importance to host events they are doing so on a much-reduced budget. Reductions in budgets can be seen in areas like culinary, where corporate are electing to go with two course dinner functions over the more traditional three courses. Events are also being run over a shorter time period and or with a much-reduced foot print.

Sustainability Initiatives

There is a growing emphasis on sustainability in the events industry. Implementing eco-friendly practices and technologies is critical to attracting international delegates. There is also an increased focus from international corporates on the carbon footprint involved in sending delegates to international events.

Events arising after the end of the annual reporting period

There were no after the end of the annual reporting period events having a significant effect on financial operations, other operations or clientele and community served.

Risk management and insurance activities

Risk Management

Place Management NSW and Luna Park Reserve Trust have adopted the DPE Risk Management Framework and the DPE Business Continuity Management Framework. DPE provides services to Place Management NSW and Luna Park Reserve Trust under these Frameworks.

For more information, please see the Department of Planning and Environment Annual Report.

Insurance

Place Management NSW is insured through the Treasury Managed Fund (TMF). Insurance risk exposure covered through TMF includes property, liability, miscellaneous, motor vehicle and workers compensation. The insurance arrangements for Luna Park Reserve Trust differ from Place Management NSW with the lessee required to provide all relevant insurances for Luna Park as stipulated in the lease.

Insurance claims and net incurred cost for Place Management NSW for the reporting period are shown in the following table with a comparison to the previous period.

Table 10 Insurance Claims

Line of Business	Number of Claims		Net Incurred Cost	
	FY 21-22	FY 22-23	FY 21-22	FY 22-23
General Liability	19	17	\$1,264,421	\$146,085
Miscellaneous	1	1	\$82,348	\$1,762
Property	12	3	\$20,932,294*	\$73,793
Totals	32	21	\$22,279,064	\$221,640

* Property claim in FY21-22 relates to pandemic impact during the year paid to PMNSW in FY22-23

Note: All incurred claims and relevant costs have been sourced from the TMF database. They are based on the claims lodged (including potential claims) 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.

Internal audit and risk management policy attestations

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

I, Anita Mitchell, Chief Executive, Place Management NSW, am of the opinion that Place Management NSW has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements

Risk Management Framework

- | | | |
|-----|---|-----------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency. | Compliant |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | Compliant |

Internal Audit Function

- | | | |
|-----|--|-----------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose. | Compliant |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | Compliant |
| 2.3 | The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'. | Compliant |

Audit and Risk Committee

- | | | |
|-----|---|-----------|
| 3.1 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'. | Compliant |

Membership

For the 2022-23 reporting period, the independent Chair and members of the Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30 March 2020	30 June 2023*
Independent Member	Arthur Butler	30 March 2020	29 March 2023
Independent Member	Nimal Hansra	30 March 2020	30 June 2023*
Independent Member	Brendan Crotty	30 March 2023	29 March 2026

* Extended term of appointment from 30 March 2023 to 30 June 2023.

Shared Arrangements

I, Anita Mitchell, Chief Executive, Place Management NSW, advise that Place Management NSW has entered into an approved shared arrangement comprising the following agencies:

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

The resources shared include the Audit and Risk Committee, the Chief Audit Executive, and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee.



Anita Mitchell
Chief Executive
Place Management
NSW
Date: 1 August 2023

Agency Contact:
Suzette Gay
Director Audit
02 9289 6912

Internal Audit and Risk Management Attestation Statement for the 2022-2023 Financial Year for the Luna Park Reserve Trust

I, Anita Mitchell, Chief Executive of Place Management NSW, Manager of the Luna Park Reserve Trust, am of the opinion that the Luna Park Reserve Trust, has internal audit and risk management processes in operation that are compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements

Risk Management Framework

- | | | |
|-----|---|------------------|
| 1.1 | The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency. | Compliant |
| 1.2 | The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018. | Compliant |

Internal Audit Function

- | | | |
|-----|--|------------------|
| 2.1 | The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose. | Compliant |
| 2.2 | The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for the Professional Practice for Internal Auditing. | Compliant |
| 2.3 | The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'. | Compliant |

Audit and Risk Committee

- | | | |
|-----|---|------------------|
| 3.1 | The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | Compliant |
| 3.2 | The Accountable Authority shall ensure that the Audit and Risk Committee has a Charter that is consistent with the 'model charter'. | Compliant |

Membership

For the 2022-23 reporting period, the independent Chair and members of the Audit and Risk Committee were:

Role	Name	Start Term Date	Finish Term Date
Independent Chair	Carol Holley	30 March 2020	30 June 2023*
Independent Member	Arthur Butler	30 March 2020	29 March 2023
Independent Member	Nirmal Hansra	30 March 2020	30 June 2023*
Independent Member	Brendan Crotty	30 March 2023	29 March 2026

* Extended term of appointment from 30 March 2023 to 30 June 2023.

Shared Arrangements

I, Anita Mitchell, Chief Executive of Place Management NSW, Manager of the Luna Park Reserve Trust, advise that the Luna Park Reserve Trust has entered into an approved shared arrangement comprising the following agencies:

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

The resources shared include the Audit and Risk Committee, the Chief Audit Executive, and the internal audit function. The shared Audit and Risk Committee is a collaborative shared Audit and Risk Committee.



Anita Mitchell
Chief Executive
Place Management NSW,
Manager of the Luna Park Reserve Trust
1 August 2023

Agency Contact:
Suzette Gay

Director Audit
02 9289 6912

Cyber Security Policy attestation

**Cyber Security Annual Attestation for the 2022-2023 Financial Year for
Place Management NSW and Luna Park Reserve Trust**

I, Anita Mitchell, am of the opinion that Place Management NSW and Luna Park Reserve Trust complies with the NSW Government Cyber Security Policy.

Cyber security is an evolving landscape that requires an ongoing program of work. Place Management NSW governs and manages cyber investment through the management of its major contractors and service providers.

Place Management NSW identified its “crown jewels” (the most valuable or operationally vital systems and information in the organisation), the security-related risks, and that there is an ongoing program of work to manage security-related risks.

Place Management NSW manages cyber security risks through its oversight of the Information Security Management frameworks utilised by Place Management NSW’s service providers with a view to continuously improve the management of its cyber risks.

Cyber security initiatives in place include awareness and training, the maintenance of a security risk register and ongoing review and update of all cyber security standards, policies, and procedures. Place Management utilises the Department’s cyber incident response plans and service providers are committed to maturing cyber security controls.



Anita Mitchell
Chief Executive, Place Management NSW
Administrator, Luna Park Reserve Trust
4 October 2023

Privacy and Personal Information Protection Act 1998 (PPIP Act)

Division 7.3 of the *Government Sector Finance Act 2018* and relevant annual reporting policies issued by Treasury require an agency to provide a statement of its actions to comply with the requirements of the *Privacy and Personal Information Protection Act 1998* (PPIP Act). It must also provide statistical details of any reviews conducted by, or on behalf of, the agency, under Part 5 of the PPIP Act.

Place Management NSW complies with the Privacy Management Plan for the Department of Planning and Environment. The Plan outlines how the department and its associated agencies comply with the principles of the PPIP Act and the *Health Records and Information Privacy Act 2002*. Officers in the department's Information Access & Privacy unit also provide specialist privacy advice and training to staff.

In 2022-23, Place Management NSW received no applications for review under Part 5 of the PPIP Act.

In November 2022, a third-party platform used by Place Management NSW for issuing permits (for parking, busking, etc) was subject to a cyber-attack. The system holds minimal personal information, it does not hold credit card details or sensitive information such as dates of birth or licence numbers. The cyber-attack meant the website was shut down and certain services were temporarily lost while they were restored from backups. The service advised Place Management NSW they hold regular penetration testing for the system. Place Management NSW was advised that in this case, while the system showed damage from the attack, there was no sign of any data being stolen.

Government Information (Public Access) Act 2009 (GIPA Act)

Place Management NSW has delegated its functions under section 9 of the *Government Information (Public Access) Act 2009* (GIPA Act) to the Information Access and Privacy Unit of the NSW Department of Planning and Environment. Therefore, all statistical information about access applications required to be included in an annual report regarding Place Management NSW, in compliance with s125 of the GIPA Act and Clause 8 of the *Government Information (Public Access) Regulation 2018*, is included in the annual report for the Department of Planning and Environment.

Public Interest Disclosures Act 1994 (PID Act)

Under the *Public Interest Disclosures Act 1994* (PID Act), each public authority is required to prepare an annual report on their obligations under this Act. This information for Place Management NSW and Luna Park Reserve Trust is captured in the Department of Planning and Environment Annual Report as all Public Interest Disclosures are managed centrally by the Department.

Other information

There were no external costs in the production of this annual report.

This annual report is available in electronic format only on the Placemaking NSW website <https://www.dpie.nsw.gov.au/our-work/programs-and-initiatives/placemaking-nsw>.

Sustainability

Sustainability Initiatives

Net Zero Strategy

- An emissions reduction pathway and strategy was prepared, aligning with the emissions target established by NSW Government. The 'Net Zero Pathway' aims to achieve net zero emissions by 2035 for scope 1 and 2 emissions, which cover direct and indirect emissions from the agency's operations.
- A baseline Greenhouse Gas inventory has been developed for the Net Zero Pathway to measure and monitor progress.
- Six energy audits were conducted at various locations in The Rocks including the Rangers Operations Centre, 40 Gloucester St, 33 Playfair St and 70-88 George.
- Opportunities identification for electrification throughout buildings has commenced.
- Regular reviews of vacant tenancies were undertaken to ensure all lighting and HVAC switched off.

Government Resource Efficiency Policy (GREP) & Sustainability Building Certifications

- National Australian Built Environment Rating System (NABERS) improvements by portfolio have improved for both energy and water weighted averages:
 - Energy ↑ 1.75 Stars to 3.49 Stars
 - Water ↑ 3.08 Stars to 3.15 Stars
- Organics diverted from landfill increased tenfold from H1 to H2 (8.0t) through increased tenant engagement.
- Any fitout waste has been monitored to reduce waste to landfill.

ENERGY AND WATER CONSUMPTION

↓ **19.68%**

Energy consumption down
compared to 2019 baseline



↓ **15.92%**

Water consumption down
compared to 2019 baseline

Disability Inclusion Action Plan

Place Management NSW recognises the value of diversity and inclusion and is included in the Department of Planning and Environment's Diversity and Inclusion Workforce Strategy. The Disability Inclusion Action Plan and associated initiatives for Place Management NSW will be reported in the Department of Planning and Environment's Annual Report.

Modern Slavery Act 2018

Place Management NSW operates under the Department of Planning and Environment's procurement framework and the department provides services to the Agency. All *Modern Slavery Act 2018 (NSW)* requirements are managed through this framework and will be reported in the Department of Planning and Environment's Annual Report.

Work Health and Safety (WHS)

Place Management NSW takes a proactive approach to managing the safety of its employees, other workers and visitors to its properties and precincts.

Place Management NSW manages WHS internally using a consultative approach in line with the Department of Planning and Environment's WHS Management System.

The following tables show Place Management NSW's Work Health and Safety (WHS) performance and details of injuries for the reporting period. There were no prosecutions under the NSW WHS Act 2011.

Table 11 - Incidents reported to the department's WHS Team in 2022 - 2023

Incidents recorded	Date occurred
The Rocks - Knee injury at The Rocks Discovery Museum	16/03/2023

Table 12 - Mechanism of injury data from Icare Insurance for NSW data as of 30 June 2023

Mechanism of Injury	Number of Claims	Claims %
Being hit by moving objects	1	100.00%

Table 13 - Lost time rates calculated from Icare Insurance for NSW data as of 30 June 2023

Lost time claim count	0
-----------------------	---

Workforce Diversity

Trends in the Representation of Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2021	2022	2023
Women	50%	55.3%	62.8%	66.3%
Aboriginal and/or Torres Strait Islander People	3.3%	2.1%	10.2%	10.1%
People whose First Language Spoken as a child was not English	23.2%	6.4%	12.0%	11.2%
People with Disability	5.6%	0.0%	0.0%	2.4%
People with Disability Requiring Work-Related Adjustment	N/A	0.0%	0.0%	0.0%

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

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

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

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

Trends in the Distribution Index for Workforce Diversity Groups

Workforce Diversity Group	Benchmark	2021	2022	2023
Women	100	96	98	97
Aboriginal and/or Torres Strait Islander People	100	N/A	N/A	N/A
People whose First Language Spoken as a child was not English	100	N/A	N/A	N/A
People with Disability	100	N/A	N/A	N/A
People with Disability Requiring Work-Related Adjustment	100	N/A	N/A	N/A

Note 1: A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary

bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

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

Workforce Diversity strategies and achievements for Place Management NSW fall under the Department of Planning and Environment and will be reported in the Department's Annual Report.

Financial Performance



INDEPENDENT AUDITOR'S REPORT

Place Management NSW

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Place Management NSW, which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Chief Executive Officer's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 October 2023
SYDNEY



Place Management NSW

Financial Statements

For the Year Ended 30 June 2023

Statement by the Accountable Authority

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

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

A handwritten signature in black ink that reads "Anita Mitchell".

Anita Mitchell
Chief Executive Officer
Place Management NSW

Date: 13 October 2023

PLACE MANAGEMENT NSW
Start of Audited Financial Statements
Statement of Comprehensive Income
For the Year Ended 30 June 2023

Note	Actual 2023 \$'000	Actual 2022 \$'000
Continuing Operations		
Expenses		
Operating Expenses:		
Property related	2(a) 162,521	109,510
Personnel services	2(b) 13,032	10,943
Other operating expenses	2(c) 52,998	51,685
Depreciation and amortisation	2(d) 89,340	85,973
Grants and subsidies	2(e) -	25,500
Finance costs	2(f) 46,895	47,131
Total Expenses	364,786	330,742
Revenue		
Sale of goods and services	3(a) 173,565	81,235
Investment revenue	3(b) 23,437	13,207
Grants and contributions	3(c) 163,970	167,994
Other revenue	3(d) 48,082	32,199
Total Revenue	409,054	294,635
Operating Result	44,268	(36,107)
Gain/(loss) on disposal of non-current assets	4(a) -	(529)
Other gains/(losses)	4(b) 90,062	22,569
Net result before income tax equivalent	134,330	(14,067)
Income tax equivalent	5(a) -	-
Net Result After Income Tax Equivalent	134,330	(14,067)
Other comprehensive income		
Items that will not be reclassified to net result:		
Net increase in property, plant and equipment revaluation surplus	18(a) 150,635	133,744
Total other comprehensive income	150,635	133,744
TOTAL COMPREHENSIVE INCOME	284,965	119,677

The accompanying notes form part of these financial statements.

PLACE MANAGEMENT NSW

Statement of Financial Position

As at 30 June 2023

	Note	Actual 2023 \$'000	Actual 2022 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6(a)	286,980	244,925
Receivables	7(a)	56,770	60,224
Inventories	8(a)	864	728
Total Current Assets		344,614	305,877
Non-Current Assets			
Receivables	7(a)	252,906	159,816
Investment properties	9(a)	596,404	596,342
Property, plant and equipment			
Land and buildings		556,863	529,601
Service Concession Assets		1,168,927	1,140,572
Infrastructure		191,471	181,175
Plant and equipment		17,970	22,785
Art and artefacts		15,883	15,372
Work in progress		99,430	34,065
Total property, plant and equipment	10(a)	2,050,544	1,923,570
Right-of-use assets	11(a)	2,817	2,846
Intangible assets	13(a)	948	1,167
Total Non-Current Assets		2,903,619	2,683,741
TOTAL ASSETS		3,248,233	2,989,618
LIABILITIES			
Current Liabilities			
Trade and other payables	14(a)	91,123	94,688
Borrowings	15(a)	26,666	26,036
Provisions	16(a)	1,384	1,354
Other liabilities	17	3,054	1,126
Total Current Liabilities		122,227	123,204
Non-Current Liabilities			
Trade and other payables	14(a)	4,945	-
Borrowings	15(a)	1,662,860	1,691,157
Other liabilities	17	29,911	31,932
Total Non-Current Liabilities		1,697,716	1,723,089
TOTAL LIABILITIES		1,819,943	1,846,293
NET ASSETS		1,428,290	1,143,325
EQUITY			
Asset revaluation reserve	18(a)	613,389	462,754
Accumulated funds	18(b)	814,901	680,571
TOTAL EQUITY		1,428,290	1,143,325

The accompanying notes form part of these financial statements.

PLACE MANAGEMENT NSW
Statement of Changes in Equity
For the Year Ended 30 June 2023

Note	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at 1 July 2022	680,571	462,754	1,143,325
Net Result for the Year	134,330	-	134,330
Other comprehensive income			
Net increase/(decrease) in property, plant and equipment revaluation surplus	18(a) -	150,635	150,635
Total other comprehensive income	-	150,635	150,635
Total comprehensive income for the Year	134,330	150,635	284,965
Balance at 30 June 2023	814,901	613,389	1,428,290

Note	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at 1 July 2021	694,638	329,010	1,023,648
Net Result for the Year	(14,067)	-	(14,067)
Other comprehensive income			
Net increase/(decrease) in property, plant and equipment revaluation surplus	18(a) -	133,744	133,744
Total other comprehensive income	-	133,744	133,744
Total comprehensive income for the Year	(14,067)	133,744	119,677
Balance at 30 June 2022	680,571	462,754	1,143,325

The accompanying notes form part of these financial statements.

PLACE MANAGEMENT NSW

Statement of Cash Flows

For the Year Ended 30 June 2023

Note	Actual 2023 \$'000	Actual 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Payments to suppliers (inclusive of GST)	(193,070)	(126,999)
Personnel services expenses	(12,803)	(10,255)
Grants and subsidies	-	(25,500)
Finance costs	(48,526)	(49,898)
Other	(16,125)	(14,293)
Total Payments	(270,524)	(226,945)
Receipts		
Receipts from customers (inclusive of GST)	232,099	109,881
Interest received	7,977	176
Grants and contributions	163,970	167,994
Total Receipts	404,046	278,051
NET CASH FLOWS FROM OPERATING ACTIVITIES	133,522	51,106
6(c)		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(65,431)	(27,004)
Proceeds from sale of property, plant and equipment	-	35,783
NET CASH FLOWS FROM INVESTING ACTIVITIES	(65,431)	8,779
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of Service concession financial liabilities	(26,036)	(25,421)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(26,036)	(25,421)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	42,055	34,464
Opening cash and cash equivalents	244,925	210,461
CLOSING CASH AND CASH EQUIVALENTS	286,980	244,925
6(a)		

The accompanying notes form part of these financial statements.

PLACE MANAGEMENT NSW

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

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

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

Under the Act, PMNSW is unable to employ staff. However, to enable it to exercise its functions, PMNSW can obtain personnel services from Government agencies who are able to engage staff under Part 4 of the *Government Sector Employment Act 2013*. During the year ended 30 June 2023, personnel services were provided by the Department of Transport. The Department of Transport is a separate reporting entity and does not control PMNSW for financial reporting purposes.

These financial statements for the year ended 30 June 2023 have been authorised for issue by PMNSW's Chief Executive Officer on 13 October 2023.

(b) Basis of Preparation

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

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

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

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

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

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

PMNSW has assessed its profit status for the year ended 30 June 2023 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.

PLACE MANAGEMENT NSW

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(c) Statement of Compliance

The financial statements and accompanying 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 the:

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

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

(e) Comparative Information

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

(f) Fair Value Measurement and Hierarchy

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

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

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

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

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

- (i) Effective for the First Time in 2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of the following revised Australian Accounting Standards that have been applied for the first time in 2022-23:

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

The adoption of the above revised Australian Accounting Standards has not had any significant impact on PMNSW.

PLACE MANAGEMENT NSW

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standard, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period.

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

- AASB 17 Insurance Contracts
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

PLACE MANAGEMENT NSW

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

2. EXPENSES

(a) Property Related Expenses

	2023 \$'000	2022 \$'000
Major Assets Expenses:		
Contractor Expenses	55,831	36,607
Operating Expenses	41,645	16,703
Management Fees	25,907	24,241
Place Management Expenses (i)	34,105	27,814
Other Expenses	5,033	4,145
	162,521	109,510

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

(b) Personnel Services

	2023 \$'000	2022 \$'000
Salaries and Wages (including Recreation Leave)	11,414	9,774
Payroll Tax and Fringe Benefits Tax	660	462
Superannuation	958	707
Total Personnel Services	13,032	10,943

(c) Other Operating Expenses

	2023 \$'000	2022 \$'000
Administration	5,300	4,160
Information & Technology Expenses	708	509
Contractors	488	477
Consultants	1,013	1,299
Legal Fees	186	30
Auditor's Remuneration - Audit of Financial Statements	295	290
Allowance for Impairment of Receivables, Net of Recovery	(393)	1,110
Marketing and Advertising	12,742	10,982
Shared Service Fees (i)	4,478	5,258
Repairs and Maintenance (ii)	26,594	25,739
Insurance (iii)	1,587	1,831
	52,998	51,685

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

(ii) Reconciliation of Total Maintenance Expense:

	2023 \$'000	2022 \$'000
Maintenance expense - contracted labour and other (Note 2(c))	26,594	25,739
Total Maintenance Expense	26,594	25,739

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

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

PLACE MANAGEMENT NSW

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(d) Depreciation and Amortisation Expense:

	2023 \$'000	2022 \$'000
Depreciation of Property, Plant and Equipment (Note 10(a))	89,092	85,749
Depreciation of Right-of-Use Assets (Note 11(a))	29	30
Amortisation of Intangible Assets (Note 13(b))	219	194
	89,340	85,973

Recognition and Measurement - Depreciation and Amortisation

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

The following asset useful lives have been applied:

Asset Class	2023 Years	2022 Years
Buildings and Improvements	40	40
Infrastructure	10-200	10-200
Leasehold Improvements	3	3
Plant and Equipment	3-33	3-33
Intangible Assets	5-15	5-15

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

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

(e) Grants and Subsidies

	2023 \$'000	2022 \$'000
Grants to Service NSW ((i) and Note 3(c))	-	25,500
	-	25,500

- (i) Grants to Service NSW comprise funds transferred from PMNSW to Service NSW for the Alfresco Dining Restart Rebate. Alfresco Dining Restart Rebate is a program that provides NSW small and medium food and beverage businesses with rebates to help cover the costs of creating or expanding an alfresco dining area. The funds were received by PMNSW as the policy lead from DPE and then transferred from PMNSW to Service NSW, the delivery lead.

(f) Finance Costs

	2023 \$'000	2022 \$'000
TCorp Interest on Borrowings (i)	31,832	31,453
Interest Charges on Service Concession Financial Liabilities (Note 15(b))	15,063	15,678
	46,895	47,131

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

PLACE MANAGEMENT NSW

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

3. REVENUE

Recognition and Measurement

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

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

(a) Sale of Goods and Services

	2023 \$'000	2022 \$'000
Property Rental Income (i)	54,358	27,451
Major Assets Income (ii):		
Venue Hire Revenue	105,253	44,010
Parking Revenue and Fines	13,954	9,774
	173,565	81,235
(i) Property Rental Income		
	2023 \$'000	2022 \$'000
Operating Lease Revenue	53,215	27,360
Long Term Operating Lease Revenue (Note 17)	1,143	91
	54,358	27,451
Future Minimum Lease Receipts under Non-Cancellable Operating Leases as Lessor		
Receivable within one year	47,930	40,953
Receivable later than 1 year but not later than 5 years	147,229	119,987
Receivable later than 5 years	1,221,944	913,599
Total Including GST	1,417,103	1,074,539

The above represents future minimum lease receipts on PMNSW's owned properties. Future minimum lease receipts as at 30 June 2023 include GST payable of \$128.8 million (\$98 million at 30 June 2022).

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

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

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

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

PLACE MANAGEMENT NSW

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(b) Investment Revenue

	2023 \$'000	2022 \$'000
Property Finance Lease Income ((i) and Note 7(c))	15,460	13,031
Interest Earned (ii)	7,977	176
	23,437	13,207

- (i) Income from finance leases as lessor includes contingent rent of \$6.6 million in 2022-23 (\$6.4 million in 2021-22). Contingent rent is calculated as the difference between the current lease payments and the minimum lease payments which were determined at the initial recognition of the finance lease arrangement.

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

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

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

(c) Grants and Contributions

	2023 \$'000	2022 \$'000
State Government Contribution (i)	163,970	142,494
Alfresco Dining Restart Rebate ((ii) and Note 2(e))	-	25,500
	163,970	167,994

- (i) Grant revenue comprises funding from the NSW Government mainly for the Sydney International Convention, Exhibition and Entertainment Precinct (SICEEP) costs and White Bay restoration project. The grant provides funding for any shortfall experienced by PMNSW in relation to SICEEP expenditures not covered by SICEEP revenues without further conditions.

- (ii) Alfresco Dining Restart Rebate comprises funds received from DPE for the Alfresco Dining Restart Rebate. Alfresco Dining Restart Rebate is a program that provides NSW small and medium food and beverage businesses with rebates to help cover the costs of creating or expanding an alfresco dining area. The funds were received by PMNSW as the policy lead from DPE and then transferred from PMNSW to Service NSW, the delivery lead.

(d) Other Revenue

	2023 \$'000	2022 \$'000
Refinancing Gain - Finance Lease	932	853
Development Contributions	302	7
Marketing Revenue (i)	2,256	3,989
Major Asset Revenue	4,610	11,662
Barangaroo Site Overhead Recovery (ii)	14,622	8,445
Insurance Claim – Covid-19 Loss of Income (iii)	20,557	-
Other	4,803	7,243
	48,082	32,199

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

- (ii) Represents recovery of costs in relation Barangaroo Activation and Precinct Management function which was transferred from Infrastructure NSW to PMNSW since March 2022.

- (iii) Insurance Claim – Covid-19 Loss of Income represents an insurance claim that was approved and paid out in September 2022 for the loss of income due to Covid-19 disruptions to PMNSW business.

PLACE MANAGEMENT NSW

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

4. GAINS AND LOSSES

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

	2023 \$'000	2022 \$'000
Net Proceeds from Disposal of Non-Current Assets	-	35,783
Written Down Value (Notes 9(b) and 10(a))	-	(36,312)
Net Gain/(Loss) on Disposal	-	(529)

(b) Other Gains/(Losses)

	2023 \$'000	2022 \$'000
Fair Value Increment on Investment Property Revaluation (Note 9(b))	28,412	22,569
Gain on Recognition of Finance Lease Receivable (i)	61,650	-
Other Gains/(Losses)	90,062	22,569

- (i) In 2022-23, PMNSW entered into a 99-year lease agreement with private investor for the redevelopment of the Harbourside Shopping Centre site at Darling Harbour. Net investment in Finance Lease Receivable is \$90 million (Note 7(c)) and existing carrying value of the Investment Property was \$28.4 million (Note 9 (b)) with the difference of \$61.6 million recognised as Gain on Recognition of Finance Lease Receivable.

5. INCOME TAX EQUIVALENT

(a) Income Tax Equivalent Calculation

	2023 \$'000	2022 \$'000
Net result before income tax equivalent	134,330	(14,067)
Prepaid Rental Revenue - Long Term Leases (Note 3(a)(i))	(1,143)	(91)
Fair Value Increment on Investment Property Revaluation (Note 4(b))	(28,412)	(22,569)
Grant Revenue (Note 3(c))	(163,970)	(167,994)
Finance Revenue - Long Term Leases (Note 3(b))	(15,460)	(13,031)
Rental Received - Finance Leases	15,460	13,031
Notional Taxable Surplus/(Deficit)	(59,195)	(204,721)
Income Tax Equivalent Calculated at 30% of Notional Taxable Surplus	-	-
Total Income Tax Equivalent	-	-

Recognition and Measurement - Income Tax Equivalent

In accordance with TPP 21-04 "Tax Equivalent Regime", PMNSW is subject to paying tax equivalents calculated based on the accounting profit model at the prevailing company tax rate 30%. As per Treasury policy, prior year losses cannot be used to reduce accounting profits. PMNSW has obtained approval from the Revenue NSW to exclude the following additional items from its accounting profit for the purpose of calculating its income tax equivalent liability:

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

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

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(a) Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at Bank and On Hand		
Operating Funds	281,306	240,569
Restricted Cash (b)	5,674	4,356
	286,980	244,925

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

Interest Rate Risk

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which PMNSW operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

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

	Carrying Amount \$'000	-1%		+1%	
Financial Assets	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000	
Interest Rate Risk - 2023					
Cash and Cash Equivalents	286,980	(2,870)	(2,870)	2,870	
Interest Rate Risk - 2022					
Cash and Cash Equivalents	244,925	(2,449)	(2,449)	2,449	

(b) Restricted Cash

	2023 \$'000	2022 \$'000
Opening Restricted Cash at Start of Year	4,356	3,302
Funds Received	1,260	1,075
Interest Received	58	-
Maintenance Expenses Paid	-	(21)
Restricted Cash at the End of the Year	5,674	4,356

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

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Net Cash Flows from Operating Activities	133,522	51,106
Non-Cash Revenues/(Expenses):		
Depreciation and Amortisation	(89,340)	(85,973)
Gain/(Loss) on Disposal of Non-Current Assets	-	(529)
Amortisation of Premium from TCorp Borrowings	1,631	2,767
Other Gains/(Losses)	90,062	22,569
Changes in Operating Assets and Liabilities:		
(Decrease)/Increase in Inventories	136	209
(Decrease)/Increase in Receivables	(1,695)	6,250
Decrease/(Increase) in Creditors	(49)	(13,847)
Decrease/(Increase) in Provisions	(30)	2,429
Decrease/(Increase) in Lease Receipts in Advance	(1,790)	-
Decrease/(Increase) in Revenue in Advance	1,883	952
Net Result After Income Tax Equivalent	134,330	(14,067)

7. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

(a) Receivables - Current and Non-Current

	2023	2022
	\$'000	\$'000
Current		
Trade Receivables:		
Rental Debtors	11,573	15,904
Less: Allowance for expected credit losses (b)	(844)	(1,339)
Sundry Debtors	6,677	5,930
Subtotal - Trade Receivables	17,406	20,495
Other Receivables:		
Finance Lease Receivables (c)	28,747	23,478
Lessee Lease Incentives (d)	1,714	943
Goods and Services Tax Recoverable	-	6,541
Prepayments and Accrued Revenue	8,903	8,767
Total Current Receivables	56,770	60,224
Non-Current		
Other Receivables:		
Finance Lease Receivables (c)	246,330	154,002
Non-Current Lease Incentive (d)	6,576	5,814
Total Non-Current Receivables	252,906	159,816

(b) Allowance for Expected Credit Losses

(i) Movement in the allowance for expected credit losses

	2023	2022
	\$'000	\$'000
Balance at 1 July	(1,339)	(273)
Net (Increase)/Decrease in allowance recognised in net results	495	(1,066)
Carrying Amount at 30 June	(844)	(1,339)

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(c) Finance Lease Receivables

	2023	2022
	\$'000	\$'000
Movement:		
Carrying Amount at 1 July	177,480	168,693
Addition (Note 4(b)(i))	90,000	-
Lease Payments Received	(7,862)	(4,244)
Property Finance Lease Income (Note 3(b))	15,459	13,031
Carrying Amount at 30 June	275,077	177,480
(i) Reconciliation between Gross Investment in Finance Leases as Lessor and the Present Value of the Minimum Lease Payments Receivable		
Gross Investment in Finance Leases as Lessor	10,053,794	8,716,144
Less: Unearned Finance Income	(9,778,717)	(8,538,664)
Present Value of the Minimum Lease Payments Receivable	275,077	177,480
(ii) Aged Reconciliation of the Gross Investment in Finance Leases as Lessor		
Not later than one year	29,242	23,857
Later than one year and not later than five years	93,821	27,476
Later than five years	9,930,731	8,664,811
Gross Investment in Finance Leases as Lessor	10,053,794	8,716,144
(iii) Aged Reconciliation of the Present Value of the Minimum Lease Payments Receivable		
Not later than one year	28,747	23,478
Later than one year and not later than five years	75,751	20,777
Later than five years	170,579	133,225
Present Value of the Minimum Lease Payments Receivable	275,077	177,480

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

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

Land under a long-term lease, where PMNSW is lessor, is classified as a finance lease if it satisfies the provisions of AASB 16 "Leases" and Treasury policy TPP21-06 "Accounting Policy: Lessor classification of long-term land leases". For long term lease classified as finance lease, a finance lease receivable is recognised at lease commencement equal to the minimum lease payments plus any unguaranteed residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest rate implicit in the lease.

The unguaranteed residual value of all finance leases as lessor accruing to the benefit of PMNSW as at 30 June 2023 is \$32.2 million (\$22.3 million at 30 June 2022).

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(d) Lessee Lease Incentives

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

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

(e) Recognition and Measurement - Receivables

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

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

(i) Subsequent Measurement

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

(ii) Impairment

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

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

(f) Credit Risk - Trade Debtors

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

PMNSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors which are not past due totalling \$19 million (\$10.7 million as at 30 June 2022) and debtors that are past due but not considered impaired totalling \$5.6 million (\$11.3 million as at 30 June 2022) together represent 96.7% (2022: 94.3%) of the total debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

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

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

8. CURRENT ASSETS - INVENTORIES

(a) Inventories

	2023 \$'000	2022 \$'000
Current		
Trading Stock	864	728
Total Current Inventories	864	728

(b) Recognition and Measurement - Inventories

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

9. NON-CURRENT ASSETS - INVESTMENT PROPERTIES

(a) Investment Property

	2023 \$'000	2022 \$'000
Investment Properties		
At Fair Value	596,404	596,342
Carrying Amount at 30 June	596,404	596,342

(b) Reconciliation of Opening and Closing Carrying Amounts

	2023 \$'000	2022 \$'000
Investment Properties		
Carrying Amount at 1 July	596,342	610,085
Net Gain from Fair Value Adjustments (Note 4(b))	28,412	22,569
Reclassification to Finance Lease Receivable (Note 4(b)(i))	(28,350)	(36,312)
Carrying Amount at 30 June	596,404	596,342

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

	2023 \$'000	2022 \$'000
Rental Income	63,128	36,361
Direct Operating Expenses arising from:		
Investment Properties that Generated Rental Income	(7,035)	(5,740)
Investment Properties that did not Generate Rental Income	(542)	(293)
Total Recognised in Profit and Loss for Investment Properties	55,551	30,328

(d) Recognition and Measurement - Investment Properties

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

Investment properties are comprehensively revalued every three years with interim revaluations performed in the years between comprehensive revaluations. The last comprehensive revaluation was undertaken by independent valuers, AON Risk Services Australia on 30 June 2021 and an interim formal valuation was completed on 30 June 2023. The valuation, which conforms to Australian Valuation Standards and Australian Accounting Standards, was arrived at by reference to market evidence of transaction prices for similar properties and by the capitalisation of income approach.

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

(a) Total Property, Plant and Equipment

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Non-Current		
Land and Buildings		
At Fair Value	639,744	603,356
Less Accumulated Depreciation	(82,881)	(73,755)
Carrying Amount at 30 June	<u>556,863</u>	<u>529,601</u>
Service Concession Assets		
At Fair Value	1,665,852	1,529,849
Less Accumulated Depreciation	(496,925)	(389,277)
Carrying Amount at 30 June	<u>1,168,927</u>	<u>1,140,572</u>
Infrastructure		
At Fair Value	345,274	314,221
Less Accumulated Depreciation	(153,803)	(133,046)
Carrying Amount at 30 June	<u>191,471</u>	<u>181,175</u>
Plant and Equipment		
At Fair Value	92,278	92,212
Less Accumulated Depreciation	(74,308)	(69,427)
Carrying Amount at 30 June	<u>17,970</u>	<u>22,785</u>
Art and Artefacts		
At Fair Value	15,883	15,372
Carrying Amount at 30 June	<u>15,883</u>	<u>15,372</u>
Work in Progress	<u>99,430</u>	<u>34,065</u>
Total Property, Plant and Equipment at 30 June	<u>2,050,544</u>	<u>1,923,570</u>
At Fair Value	2,858,461	2,589,075
Less Accumulated Depreciation	(807,917)	(665,505)
Total Property, Plant and Equipment at 30 June	<u>2,050,544</u>	<u>1,923,570</u>

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

Reconciliation of Opening and Closing Carrying Amounts

	2023	2022
	\$'000	\$'000
Land and Buildings (Includes Open Spaces and Roads)		
Carrying Amount at 1 July	529,601	498,793
Net Revaluation Increment/(Decrement) (Note 18(a))	34,147	37,410
Depreciation Expense (Note 2(d))	(6,885)	(6,602)
Carrying Amount at 30 June	556,863	529,601
Service Concession Assets		
Carrying Amount at 1 July	1,140,572	1,118,949
Net Revaluation Increment/(Decrement) (Note 18(a))	96,924	85,799
Depreciation expense (Note 2(d))	(68,569)	(64,176)
Carrying Amount at 30 June	1,168,927	1,140,572
Infrastructure		
Carrying Amount at 1 July	181,175	179,133
Transfer from Work in Progress (Note 10(a))	-	314
Net Revaluation Increment/(Decrement) (Note 18(a))	19,053	9,754
Depreciation Expense (Note 2(d))	(8,757)	(8,026)
Carrying Amount at 30 June	191,471	181,175
Plant and Equipment		
Carrying Amount at 1 July	22,785	28,604
Additions	-	1,022
Transfer from Work in Progress (Note 10(a))	66	104
Depreciation Expense (Note 2(d))	(4,881)	(6,945)
Carrying Amount at 30 June	17,970	22,785
Art and Artefacts		
Carrying Amount at 1 July	15,372	14,591
Net Revaluation Increment/(Decrement) (Note 18(a))	511	781
Carrying Amount at 30 June	15,883	15,372
Work in Progress		
Carrying Amount at 1 July	34,065	9,862
Additions	65,431	25,982
Transfer to Infrastructure (Note 10(a))	-	(314)
Transfer to Plant and Equipment (Note 10(a))	(66)	(104)
Transfer to Intangible Assets - Computer Software (Note 13(a))	-	(1,361)
Carrying Amount at 30 June	99,430	34,065
Total Property, Plant and Equipment at 30 June	2,050,544	1,923,570

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

	2023 \$'000	2022 \$'000
Non-Current		
Land and Buildings		
At Fair Value	356,676	338,404
Less Accumulated Depreciation	(78,234)	(69,630)
Carrying Amount at 30 June	278,442	268,774
Service Concession Assets		
At Fair Value	1,665,852	1,529,849
Less Accumulated Depreciation	(496,925)	(389,277)
Carrying Amount at 30 June	1,168,927	1,140,572
Infrastructure		
At Fair Value	345,274	314,221
Less Accumulated Depreciation	(153,803)	(133,046)
Carrying Amount at 30 June	191,471	181,175
Plant and Equipment		
At Fair Value	92,278	92,212
Less Accumulated Depreciation	(74,308)	(69,427)
Carrying Amount at 30 June	17,970	22,785
Art and Artefacts		
At Fair Value	15,883	15,372
Carrying Amount at 30 June	15,883	15,372
Work in Progress	99,430	34,065
Total Property, Plant and Equipment at 30 June	1,772,123	1,662,743
At Fair Value	2,575,393	2,324,123
Less Accumulated Depreciation	(803,270)	(661,380)
Total Property, Plant and Equipment at 30 June	1,772,123	1,662,743
Reconciliation of Opening and Closing Carrying Amounts		
	2023 \$'000	2022 \$'000
Land and Buildings (Includes Open Spaces and Roads)		
Carrying Amount at 1 July	268,774	256,398
Net Revaluation Increment/(Decrement)	13,395	16,101
Depreciation Expense	(3,727)	(3,725)
Carrying Amount at 30 June	278,442	268,774
Service Concession Assets		
Carrying Amount at 1 July	1,140,572	1,118,949
Net Revaluation Increment/(Decrement)	96,924	85,799
Depreciation expense (Note 2(d))	(68,569)	(64,176)
Carrying Amount at 30 June	1,168,927	1,140,572

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

Infrastructure		
Carrying Amount at 1 July	181,175	179,133
Transfer from Work in Progress (Note 10(a))	-	314
Net Revaluation Increment/(Decrement)	19,053	9,754
Depreciation Expense (Note 2(d))	(8,757)	(8,026)
Carrying Amount at 30 June	191,471	181,175
Plant and Equipment		
Carrying Amount at 1 July	22,785	28,604
Additions	-	1,022
Transfer from Work in Progress (Note 10(a))	66	104
Depreciation Expense (Note 2(d))	(4,881)	(6,945)
Carrying Amount at 30 June	17,970	22,785
Art and Artefacts		
Carrying Amount at 1 July	15,372	14,591
Net Revaluation Increment/(Decrement)	511	781
Carrying Amount at 30 June	15,883	15,372
Work in Progress		
Carrying Amount at 1 July	34,065	9,862
Additions	65,431	25,982
Transfer to Infrastructure (Note 10(a))	-	(314)
Transfer to Plant and Equipment (Note 10(a))	(66)	(104)
Transfer to Intangible Assets - Computer Software (Note 13(a))	-	(1,361)
Carrying Amount at 30 June	99,430	34,065
Total Property, Plant and Equipment at 30 June	1,772,123	1,662,743
(c) Property, Plant and Equipment where PMNSW is Lessor under Operating Leases		
	2023	2022
	\$'000	\$'000
Non-Current		
Land and Buildings		
At Fair Value	283,068	264,952
Less Accumulated Depreciation	(4,647)	(4,125)
Carrying Amount at 30 June	278,421	260,827
Total Property, Plant and Equipment at 30 June	278,421	260,827
Reconciliation of Opening and Closing Carrying Amounts		
	2023	2022
	\$'000	\$'000
Land and Buildings (Includes Open Spaces and Roads)		
Carrying Amount at 1 July	260,827	242,395
Net Revaluation Increment/(Decrement)	20,752	21,309
Depreciation Expense	(3,158)	(2,877)
Carrying Amount at 30 June	278,421	260,827
Total Property, Plant and Equipment at 30 June	278,421	260,827

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

(i) Acquisitions of Assets

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

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

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

(ii) Capitalisation Thresholds

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

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

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with Treasury Policy and Guidelines Paper TPP21-09 "Valuation of Physical Non-Current Assets at Fair Value" and Treasurer's Direction TD21-05 "Valuation of Physical Non-Current Assets at Fair Value". This policy adopts fair value in accordance with AASB 13 "Fair Value Measurement", AASB 116 Property, Plant and Equipment and AASB 140 "Investment Property".

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

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

Land and Buildings, including open spaces and roads, are comprehensively revalued every three years with interim revaluations performed in the years between comprehensive revaluations. The last comprehensive revaluation was undertaken by independent valuers, AON Risk Services Australia (AON) on 30 June 2021. An interim formal revaluation was completed on 31 March 2023 and subsequently updated on 30 June 2023 by AON.

Service Concession Assets as at 30 June 2023 comprise the International Convention Centre (ICC), Sydney. Service Concession Assets are comprehensively revalued every five years with interim revaluations performed in the years between comprehensive revaluations when it is necessary. The last comprehensive revaluation was performed at 30 June 2019 by Savills and AON. An interim formal revaluation was completed on 31 March 2023 and subsequently updated on 30 June 2023 by AON.

Infrastructure assets are revalued every five years. The last comprehensive revaluation was performed at 30 June 2019 by AON. Interim revaluations are conducted between comprehensive revaluations. An interim formal revaluation was completed on 31 March 2023 and subsequently updated on 30 June 2023 by AON.

AON also performed a comprehensive revaluation of Art and Artefacts at 30 June 2021 and conducted an interim revaluation at 31 March 2023 and subsequently updated on 30 June 2023 by AON. Art and Artefacts are comprehensively revalued every 5 years.

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

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

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

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

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

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

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

(iv) Service Concession Assets

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

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

Description	Service concession arrangement
Name & description of the SCA	International Convention Centre (ICC), Sydney Public Private Partnership agreement with Darling Harbour Live Partnership to design, construct and operate the ICC
Period of the arrangement	March 2013- December 2041
Terms of the arrangement	The provision of operation services is for 25 years starting from the construction completion date which was December 2016. The Private sector's interests in ICC will revert to PMNSW for no consideration at the end of the arrangement term
Rights and obligations	The operator obligations are to design, construct and operate the ICC. PMNSW makes quarterly payment to the operator as per the agreement
The carrying amount of SCA as at 30 June 2022 (\$'000)	1,140,572
The carrying amount of SCA as at 30 June 2023 (\$'000)	1,168,927

(a) Initial recognition

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

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

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(b) Subsequent to initial recognition

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

(c) At the end of the arrangement

At the end of the service concession arrangement:

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

(v) Impairment of Property, Plant and Equipment

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

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

(vi) Restoration Costs

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

(vii) Major Inspection Costs

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

(viii) Maintenance

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

11. LEASES

(a) Right-of-Use Assets Under Leases

The following table presents right-of use assets.

Infrastructure	2023	2022
	\$'000	\$'000
Carrying Amount at 1 July	2,846	2,876
Depreciation Expense (Note 2(d))	(29)	(30)
Balance at 30 June	2,817	2,846

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

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

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

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

12. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

(a) Fair Value Hierarchy

2023	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Investment Properties (Note 9)	-	596,404	-	596,404
Property, Plant and Equipment (Note 10):				
Land and Buildings	-	291,642	265,221	556,863
Service Concession Assets	-	-	1,168,927	1,168,927
Infrastructure	-	-	191,471	191,471
Art and Artefacts	-	15,883	-	15,883
	-	903,929	1,625,619	2,529,548
2022	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Investment Properties (Note 9)	-	596,342	-	596,342
Property, Plant and Equipment (Note 10):				
Land and Buildings	-	278,133	251,468	529,601
Service Concession Assets	-	-	1,140,572	1,140,572
Infrastructure	-	-	181,175	181,175
Art and Artefacts	-	15,372	-	15,372
	-	889,847	1,573,215	2,463,062

There were no transfers between Level 1 or 2 during 2022-23 (\$Nil in 2021-22).

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(b) Valuation Techniques, Inputs and Processes

For each class of property, plant and equipment, a description of the valuation technique applied and the inputs used in the fair value measurement is disclosed in the table below. For the valuation process refer to Note 10(d)(iii).

Class	Valuation Technique	Key Inputs
Investment Properties	Income approach (recurring) - assets are valued by converting income to a single current amount and includes present value techniques.	- Market rental income - Outgoings - Vacancy rate - Capitalisation rate
Land and Buildings	Market approach (recurring) - assets are valued based on comparable property sales transactions and where identical properties are not available, adjustments have been made to reflect the following characteristics of the asset, including condition, location or comparability of the asset.	- Comparable property sales values - Adjustments including condition, location, capital improvements or comparability of the asset
Specialised Buildings	Current replacement cost approach (recurring) - the assets' current replacement costs were calculated having regard to Rawlinson's Australian Construction Handbook 2022, with the costs then depreciated to reflect the assets lives already consumed.	- Capital improvements - Remaining useful lives - Current replacement cost estimates
Service Concession Assets	The assets were recognised 1 July 2021 under AASB 1059, they were valued by current replacement cost approach (recurring), same as the specialised buildings disclosed above.	- Capital improvements, remaining useful lives - Current replacement cost estimates
Infrastructure	Current replacement cost approach (recurring) - assets are valued based on the gross replacement cost of a modern equivalent asset which has been optimised for the particular purpose, which is then adjusted for depreciation to reflect the reduced lifespan of the original asset.	- Current unit replacement costs - Professional fees - Remaining useful lives
Art and Artefacts	Market approach (recurring) - assets are valued based on observable market selling prices involving identical or similar assets Cost approach (recurring) - assets are valued by referring to cost of constructing another asset that is either a replica of the original or one that could furnish equal utility.	- Market selling prices - Replication costs

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

2023	Land and Buildings	Service Concession Assets	Infrastructure	Art and Artefacts	Total Recurring Level 3 Fair Value
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value as at 1 July	251,468	1,140,572	181,175	-	1,573,215
Revaluation Increment/(Decrement)	16,205	96,924	19,053	-	132,182
Depreciation	(2,452)	(68,569)	(8,757)	-	(79,778)
Fair Value as at 30 June	265,221	1,168,927	191,471	-	1,625,619

PLACE MANAGEMENT NSW

Section C: Assets

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

2022	Land and Buildings	Service Concession Assets	Infrastructure	Art and Artefacts	Total Recurring Level 3 Fair Value
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value as at 1 July	235,249	1,118,949	179,133	-	1,533,331
Transfer between PPE	-	-	314	-	314
Revaluation Increment/(Decrement)	18,488	85,799	9,754	-	114,041
Depreciation	(2,269)	(64,176)	(8,026)	-	(74,471)
Fair Value as at 30 June	251,468	1,140,572	181,175	-	1,573,215

13. INTANGIBLE ASSETS

(a) Intangible Assets

	2023	2022
	\$'000	\$'000
Non-Current		
Intangible Assets - Computer Software		
Gross Carrying Amount	1,361	1,361
Less Accumulated Amortisation	(413)	(194)
Total Intangible Assets - Computer Software at 30 June	948	1,167

(b) Reconciliation of Opening and Closing Carrying Amounts

	2023	2022
	\$'000	\$'000
Intangible Assets - Computer Software		
Carrying Amount at 1 July	1,167	-
Transfer from Work in Progress (Note 10(a))	-	1,361
Amortisation expense	(219)	(194)
Carrying amount at 30 June	948	1,167

(c) Recognition and Measurement - Intangible Assets

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

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

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

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

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

14. CURRENT / NON-CURRENT LIABILITIES - PAYABLES

(a) Payables

	2023 \$'000	2022 \$'000
Current		
Trade Creditors	1,026	3,142
Sundry Creditors and Accruals	58,844	65,222
Service Concession Liability Interest Accruals	3,707	3,862
Goods and Services Tax Payables	1,178	-
Refundable Security Deposits and Bonds	374	2,414
Forward Deposits	25,994	20,048
Total Current Payables	91,123	94,688
Non-Current		
Refundable Security Deposits and Bonds	2,896	-
Forward Deposits	2,049	-
Total Non-Current Payables	4,945	-

(b) Recognition and Measurement - Payables

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

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

(c) Liquidity Risk

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

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

(d) Maturity Profile

All of PMNSW's trade payables, sundry payables and accruals have a maturity of less than 12 months (2022: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, PMNSW may automatically pay the supplier simple interest. The rate of interest applied by PMNSW accords with the current rate applicable under section 22 of the *Taxation Administration Act 1996*.

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

Maturity Profile	Nominal	Ageing		
	Amount	< 1 yr	>1yr < 5 yrs	> 5 yrs
	\$'000	\$'000	\$'000	\$'000
2023				
Payables:				
Security Deposits	2,967	71	4	2,892
Casual Bonds	303	303	-	-
Forward Deposits	28,043	25,994	2,049	-
	31,313	26,368	2,053	2,892
2022				
Payables:				
Security Deposits	2,286	2,286	-	-
Casual Bonds	128	128	-	-
Forward Deposits	20,048	20,048	-	-
	22,462	22,462	-	-

Interest Rate Exposure	Weighted	Nominal	Fixed	Variable	Non-interest
	Average				
	Effective	Amount	Interest Rate	Interest Rate	Bearing
	Interest Rate	\$'000	\$'000	\$'000	\$'000
	%				
2023					
Payables:					
Security Deposits	-	2,967	-	-	2,967
Casual Bonds	-	303	-	-	303
Forward Deposits	-	28,043	-	-	28,684
		31,313	-	-	31,954
2022					
Payables:					
Security Deposits	-	2,286	-	-	2,286
Casual Bonds	-	128	-	-	128
Forward Deposits	-	20,048	-	-	20,048
		22,462	-	-	22,462

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

A maturity profile analysis of PMNSW's Service Concession Financial Liabilities and TCorp Borrowings is presented at Notes 15(c) and 15(e) .

15. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS

(a) Borrowings - Current and Non-Current

	2023	2022
	\$'000	\$'000
Current		
Service Concession Financial Liabilities (b)	26,666	26,036
Total Current Borrowings	26,666	26,036
Non-Current		
Service Concession Financial Liabilities (b)	595,352	622,018
TCorp Borrowings (e)	1,067,508	1,069,139
Total Non-Current Borrowings	1,662,860	1,691,157

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(b) Service Concession Financial Liabilities

	2023	2022
	\$'000	\$'000
Movement:		
Carrying Amount at 1 July	648,054	673,475
Minimum Lease Payments	(41,099)	(41,099)
Finance Lease Interest Charges (Note 2(f))	15,063	15,678
Carrying Amount at 30 June	622,018	648,054

(c) Service Concession Commitments

	2023	2022
	\$'000	\$'000
Minimum Lease Payments:		
Payable within one year	41,099	41,099
Payable later than one year but not later than five years	164,396	164,396
Payable later than five years	563,771	604,870
Total Minimum Lease Payment Commitment	769,266	810,365
Finance Costs:		
Payable within one year	(14,433)	(15,063)
Payable later than one year but not later than five years	(51,121)	(53,798)
Payable later than five years	(81,694)	(93,450)
Total Finance Costs Commitment	(147,248)	(162,311)
Present Value of Finance Lease Commitments:		
Payable within one year	26,666	26,036
Payable later than one year but not later than five years	113,275	110,598
Payable later than five years	482,077	511,420
Total Present Value of Finance Lease Commitments	622,018	648,054

(d) Recognition and Measurement - Service concession financial liabilities

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

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(e) New South Wales Treasury Corporation (TCorp) Borrowings

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

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

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

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

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

Repayment of TCorp Borrowings	2023	2022
	\$'000	\$'000
Payable within one year	90,906	101,024
Payable later than one year but not later than five years	489,785	434,195
Payable later than five years	486,817	533,920
Total Repayment of TCorp Borrowings	1,067,508	1,069,139

16. CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

(a) Provisions

	2023	2022
	\$'000	\$'000
Current		
Personnel Services (b)	1,384	1,354
Total Current Provisions at 30 June	1,384	1,354

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(b) Personnel Services

	2023 \$'000	2022 \$'000
Movement:		
Carrying Amount at 1 July	1,354	886
Provision Recognised/Derecognised during the Year	30	468
Carrying Amount at 30 June	1,384	1,354
Provision for Personnel Services - Dissection		
	2023 \$'000	2022 \$'000
Annual Leave (i)	847	821
Long Service Leave On-costs (ii)	537	533
Carrying Amount at 30 June	1,384	1,354

During the year ended 30 June 2023, personnel services were provided by Department of Transport. Department of Transport is not a Special Purpose Service Entity and does not control PMNSW under this arrangement (Note 1(a)). As PMNSW is not an employer, the disclosure requirements of AASB 119 "Employee Benefits" in respect of employee benefits do not apply. However, for clarity and transparency, a Personnel Services Provision is disclosed where the substance of the underlying liability recognised effectively represents employee benefits.

(i) Annual Leave

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

(ii) Long Service Leave On-costs

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

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

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

(c) Recognition and Measurement - Provisions

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

PLACE MANAGEMENT NSW

Section D: Liabilities

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

17. CURRENT / NON-CURRENT LIABILITIES - OTHER

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Current		
Lease Receipts in Advance (i)	2,020	180
Deferred Income - Refinancing Gain (ii)	1,021	933
Deferred Income - Other	13	13
Total Current Liability at 30 June	<u>3,054</u>	<u>1,126</u>
Non-Current		
Lease Receipts in Advance (i)	2,794	2,844
Revenue in Advance	-	938
Deferred Income - Refinancing Gain (ii)	25,862	26,882
Deferred Income - Other	1,255	1,268
Total Non-Current Liability at 30 June	<u>29,911</u>	<u>31,932</u>

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

PLACE MANAGEMENT NSW

Section E: Equity

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

18. EQUITY

(a) Asset Revaluation Reserve

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

Asset Revaluation Reserve - Movement	2023	2022
	\$'000	\$'000
Carrying Amount at 1 July	462,754	329,010
Net Increase in Property, Plant and Equipment Revaluation Surplus (i)	150,635	133,744
Carrying Amount at 30 June	613,389	462,754
Asset Revaluation Reserve - Asset Class	2023	2022
	\$'000	\$'000
Land and Buildings	547,007	415,936
Infrastructure	51,026	31,973
Plant and Equipment	4,084	4,084
Art & Artefacts	11,272	10,761
Total Asset Revaluation Reserve at 30 June	613,389	462,754

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

	2023	2022
	\$'000	\$'000
Land and Buildings (Note 10(a))	34,147	37,410
Service concession Assets (Note 10(a))	96,924	85,799
Infrastructure (Note 10(a))	19,053	9,754
Art & Artefacts (Note 10(a))	511	781
Net Increase in Property, Plant and Equipment Revaluation Surplus	150,635	133,744

(b) Accumulated Funds

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

Accumulated Funds - Movement	2023	2022
	\$'000	\$'000
Carrying Amount at 1 July	680,571	694,638
Net Result for the Year	134,330	(14,067)
Carrying Amount at 30 June	814,901	680,571

PLACE MANAGEMENT NSW

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

19. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial Instrument Categories

(i) As at 30 June 2023

Class	Category	Notes	Carrying amount \$'000
Financial Assets			
Cash and Cash Equivalents	Amortised Cost	6	286,980
Loans and Receivables at Amortised Cost (i)	Amortised Cost	7	300,773
Financial Liabilities			
Payables (ii)	Financial Liabilities measured at Amortised Cost	14	59,870
Borrowings	Financial Liabilities measured at Amortised Cost	15	1,689,526

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

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

(ii) As at 30 June 2022

Class	Category	Notes	Carrying amount \$'000
Financial Assets			
Cash and Cash Equivalents	Amortised Cost	6	244,925
Loans and Receivables at Amortised Cost (i)	Amortised Cost	7	204,732
Financial Liabilities			
Payables (ii)	Financial Liabilities measured at Amortised Cost	14	68,364
Borrowings	Financial Liabilities measured at Amortised Cost	15	1,717,193

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

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

(b) Derecognition of Financial Assets and Financial Liabilities

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

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

PLACE MANAGEMENT NSW

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

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

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

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

(c) Offsetting Financial Instruments

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

(d) Financial Risks

(i) Credit Risk

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

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

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

Cash and cash equivalents

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

Receivables - trade debtors

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

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

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

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

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

PLACE MANAGEMENT NSW

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

The loss allowance for trade debtors as at 30 June 2023 and 30 June 2022 was determined as follows:

30 June 2023

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	3%	2%	2%	14%	22%	7%
Estimated total gross carryin amount at default	5,125	1,151	2,082	755	2,460	11,573
Expected credit loss	142	25	39	103	535	844

30 June 2022

	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	0%	38%	0%	16%	8%
Estimated total gross carryin amount at default	3,242	1,449	149	3,015	8,049	15,904
Expected credit loss	1	1	56	15	1,266	1,339

Notes: The analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 7. PMNSW is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2023.

(e) Liquidity Risk

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

PMNSW have credit card facility of \$0.5 million at 30 June 2023.

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

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

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	Payables		Borrowings -Service Concession Fin Liabilities		TCorp Borrowings	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Weighted Average Effective Interest Rate %	0.00%	0.00%	2.42%	2.42%	3.07%	2.93%
Nominal Amount	59,870	68,364	769,266	810,365	1,089,270	1,067,414
Interest Rate Exposure						
Fixed Interest Rate	-	-	769,266	810,365	1,089,270	1,067,414
Non-interest Bearing	59,870	68,364	-	-	-	-
Maturity Dates						
< 1 year	59,870	68,364	41,099	41,099	90,000	100,000
1 to 5 years	-	-	164,396	164,396	489,431	428,929
> 5 years	-	-	563,771	604,870	509,839	538,485

PLACE MANAGEMENT NSW

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

(f) Market Risk

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

(g) Fair Value of Financial Instruments

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

20. COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments

	2023 \$'000	2022 \$'000
Capital expenditure contracted at balance date but not provided for:		
Within one year	22,137	36,738
Later than one year and not later than five years	-	11,349
Total Capital Expenditure Commitments (Incl GST)	22,137	48,087

Total capital expenditure commitments relate to contracted upgrading and refurbishment works on various owned buildings and infrastructure assets. Capital expenditure commitments at 30 June 2023 include GST recoverable input tax credits of \$2.01 million (\$4.37 million at 30 June 2022) that are expected to be recoverable from the Australian Taxation Office.

(b) Subvention Costs Commitments

	2023 \$'000	2022 \$'000
Subvention costs contracted at balance date but not provided for:		
Payable within one year	5,408	3,471
Payable later than one year but not later than five years	7,056	10,058
Payable later than five years	1,317	1,317
Total Subvention Costs Commitments (Incl GST)	13,781	14,846

Subvention costs commitments at 30 June 2023 include GST recoverable input tax credits of \$1.3 million (\$1.3 million at 30 June 2022) that are expected to be recoverable from the Australian Taxation Office.

(c) Service Concession Commitments

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

21. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

PMNSW is not aware of any contingent assets or liabilities at 30 June 2023 (\$Nil at 30 June 2022).

PLACE MANAGEMENT NSW

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2023

22. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

During the 2022-23, PMNSW incurred \$Nil in respect of its Key Management Personnel services (\$Nil in 2021-22).

(b) Transactions and Outstanding Balances with Other Related Parties

During 2022-23, PMNSW has not entered into other transactions with Key Management Personnel, their close family members and controlled or jointly controlled entities thereof (\$Nil in 2021-22).

(c) Transactions and Outstanding Balances with Other Government Entities

During 2022-23, PMNSW entered into transactions with other entities that are controlled/jointly controlled/significantly influenced by NSW Government. These transactions are collectively, but not individually, a significant portion of PMNSW's property rental income, fees for services rendered and grant and contribution revenue.

23. EVENTS AFTER THE REPORTING PERIOD

As a result of Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 5) 2023, in pursuance of part 7 of the *Constitution Act 1902*, PMNSW will be transferred from Transport cluster to Department of Planning and Environment (DPE) cluster, effective 1 July 2023.

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

End of Audited Financial Statements

Luna Park Reserve Trust



INDEPENDENT AUDITOR'S REPORT

Luna Park Reserve Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Luna Park Reserve Trust (the Trust), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Trust Manager's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Min Lee
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 October 2023
SYDNEY



Luna Park Reserve Trust

Financial Statements

For the Year Ended 30 June 2023

Statement by the Accountable Authority

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

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly Luna Park Reserve Trust's financial position, financial performance and cash flows.

A handwritten signature in black ink that reads 'Anita Mitchell'.

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

Date: 13 October 2023

LUNA PARK RESERVE TRUST
Start of Audited Financial Statements
Statement of Comprehensive Income
For the Year Ended 30 June 2023

	Note	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
Expenses				
Other Operating Expenses	2(a)	1,483	1,009	1,850
Depreciation Expense	2(b)	1,052	816	979
Total Expenses		2,535	1,825	2,829
Revenue				
Sale of Goods and Services	3(a)	2,603	1,934	1,558
Investment Revenue	3(b)	35	175	1
Total Revenue		2,638	2,109	1,559
NET RESULT		103	284	(1,270)
Other Comprehensive Income				
<i>Item that will not be Reclassified to Net Result:</i>				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	2,433	-	4,165
Total Other Comprehensive Income		2,433	-	4,165
TOTAL COMPREHENSIVE INCOME		2,536	284	2,895

The accompanying notes form part of these financial statements.

LUNA PARK RESERVE TRUST

Statement of Financial Position

As at 30 June 2023

Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	5(a) 564	1,728	1,259
Receivables	6(a) 1,863	1,507	941
Total Current Assets	2,427	3,235	2,200
Non-Current Assets			
Receivables	6(a) 1,408	-	1,312
Property, Plant and Equipment	7(a) 46,610	40,272	45,229
Total Non-Current Assets	48,018	40,272	46,541
TOTAL ASSETS	50,445	43,507	48,741
LIABILITIES			
Current Liabilities			
Payables	9(a) 11	27	843
Total Current Liabilities	11	27	843
TOTAL LIABILITIES	11	27	843
NET ASSETS	50,434	43,480	47,898
EQUITY			
Accumulated Funds	10(a) 6,513	6,156	6,410
Asset Revaluation Reserve	10(b) 43,921	37,324	41,488
TOTAL EQUITY	50,434	43,480	47,898

The accompanying notes form part of these financial statements.

LUNA PARK RESERVE TRUST

Statement of Changes in Equity

For the Year Ended 30 June 2023

	Notes	Accumulated Funds \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at 1 July 2022		6,410	41,488	47,898
Net Result for the Year		103	-	103
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	-	2,433	2,433
Total Other Comprehensive Income		-	2,433	2,433
Total Comprehensive Income for the Year		103	2,433	2,536
Balance at 30 June 2023		6,513	43,921	50,434
Balance at 1 July 2021		7,680	37,323	45,003
Net Result for the Year		(1,270)	-	(1,270)
Other Comprehensive Income:				
Net Increase/(Decrease) in Property, Plant and Equipment Revaluation Surplus	10(b)	-	4,165	4,165
Total Other Comprehensive Income		-	4,165	4,165
Total Comprehensive Income for the Year		(1,270)	4,165	2,895
Balance at 30 June 2022		6,410	41,488	47,898

The accompanying notes form part of these financial statements.

LUNA PARK RESERVE TRUST

Statement of Cash Flows

For the Year Ended 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Payment to Suppliers		(2,312)	(1,009)	(1,057)
Total Payments		(2,312)	(1,009)	(1,057)
Receipts				
Sale of Goods and Services		1,582	1,932	848
Interest Received		35	175	1
Grants and Contributions		-	-	-
Total Receipts		1,617	2,107	849
NET CASH FLOWS FROM OPERATING ACTIVITIES	5(c)	(695)	1,098	(208)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
		(695)	1,098	(208)
Opening Cash and Cash Equivalents		1,259	630	1,467
CLOSING CASH AND CASH EQUIVALENTS	5(a)	564	1,728	1,259

The accompanying notes form part of these financial statements.

LUNA PARK RESERVE TRUST

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

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

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

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

The Department of Transport, a principal department, is a separate reporting entity and does not control the Trust for financial reporting purposes. The Trust was under the Planning and Environment cluster until 31 March 2022. The Trust was under the Transport cluster from 1 April 2022 to 30 June 2023.

These financial statements for the Year Ended 30 June 2023 have been authorised for issue by the PMNSW's Chief Executive Officer on 13 October 2023.

(b) Basis of Preparation

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

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

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

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

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

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

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

(c) Statement of Compliance

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

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

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

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

LUNA PARK RESERVE TRUST

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

- (ii) receivables and payables are stated with the amount of GST included.

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

(e) Comparative Information

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

(f) Fair Value Measurement and Hierarchy

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

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

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

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

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

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

- (i) Effective for the First Time in 2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year except as a result of the following revised Australian Accounting Standards that have been applied for the first time in 2022-23:

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

The adoption of the above revised Australian Accounting Standards has not had any significant impact on the Trust's financial statements.

LUNA PARK RESERVE TRUST

Section A: Entity Information and Basis of Preparation

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

(ii) Issued but Not Yet Effective

NSW public sector entities are not permitted to adopt new Australian Accounting Standards in advance of their implementation date unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period.

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

- AASB 17 Insurance Contracts
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments
- AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

LUNA PARK RESERVE TRUST

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

2. EXPENSES

(a) Other Operating Expenses

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Repairs and Maintenance (i)	1,060	1,405
Management Fee	357	350
Auditor's Remuneration - Audit of Financial Statements	16	21
Other Contractors	50	66
Shared Service Fees	-	8
	<u>1,483</u>	<u>1,850</u>

(i) Repairs and Maintenance

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

(b) Depreciation Expense

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Depreciation Expense (Note 7(a))	1,052	979
	<u>1,052</u>	<u>979</u>

Recognition and Measurement - Depreciation of Property, Plant and Equipment

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

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

Asset Class	<u>2023</u>	<u>2022</u>
	<u>Years</u>	<u>Years</u>
Buildings	20-50	20-50
Infrastructure	50	50

Land is not a depreciable asset.

Heritage buildings are depreciated in accordance with the useful life ranges above.

3. REVENUE

Recognition and Measurement - Revenue

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

(a) Sale of Goods and Services

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Property Rental Income - Operating Lease Income	942	648
Heritage and Infrastructure Rental Income - Operating Lease Income	1,661	910
	<u>2,603</u>	<u>1,558</u>

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

LUNA PARK RESERVE TRUST

Section B: Financial Performance

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

(b) Investment Revenue

	2023	2022
	\$'000	\$'000
Interest	35	1
	<u>35</u>	<u>1</u>

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

4. BUDGET REVIEW

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

(a) Net Result

The Net Result of \$0.1 million surplus was \$0.2 million lower than budget, primarily due to increase in Other Operating Expenses by \$0.5 million (mainly from the Repair and Maintenance expense) and increase in Depreciation Expense by \$0.2 million as a result of the revaluation of Property, Plant and Equipment in prior financial year, offset by increase in Sale of Goods and Services of \$0.7 million and decrease in Investment Revenue of \$0.1 million.

(b) Assets and Liabilities

Total Assets of \$50.5 million were \$6.9 million higher than budget, primarily due to increase in Property, Plant and Equipment from current financial year and prior financial year revaluations. The increase in Receivables and decrease in Cash and Cash Equivalents were mainly due to the rental payment deferral that was in place due to COVID-19. There is a rental repayment plan arranged with payments from January 2023.

Total Liabilities were in line with the budget.

(c) Cash Flows

Closing Cash and Cash Equivalents of \$0.6 million were \$1.2 million lower than budget as a result of the rental payment deferral that continued into December 2022.

LUNA PARK RESERVE TRUST

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

(a) Cash and Cash Equivalents

	2023 \$'000	2022 \$'000
Current		
Cash at Bank	133	298
Restricted Cash:		
Luna Park Heritage Infrastructure Fund (b)	431	961
	<u>564</u>	<u>1,259</u>

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

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

Interest Rate Risk

The effect on the Net Result and Equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at 30 June 2023. The analysis is performed on the same basis as for 2022. The analysis assumes that all other variables remain constant.

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

Interest Rate Risk - 2023	Carrying Amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial Assets					
Cash and Cash Equivalents	564	(6)	(6)	6	6
Interest Rate Risk - 2022	Carrying Amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial Assets					
Cash and Cash Equivalents	1,259	(13)	(13)	13	13

(b) Restricted Cash

	2023 \$'000	2022 \$'000
At the Beginning of Financial Year	961	-
Transfer from Cash at Bank	-	1,056
Collection of Heritage and Infrastructure Rental	992	961
Payment for Heritage and Infrastructure Works During the Period	(1,491)	(960)
Interest received	19	-
GST Transfers	(50)	(96)
At the End of Financial Year	<u>431</u>	<u>961</u>

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

LUNA PARK RESERVE TRUST

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

	2023	2022
	\$'000	\$'000
Net Cash Flow From Operating Activities	(695)	(208)
Non-Cash Revenue/(Expenses):		
Depreciation	(1,052)	(979)
Changes in Operating Assets and Liabilities:		
Increase/(Decrease) in Receivables	1,018	709
Decrease/(Increase) in Payables	832	(792)
Net Result	103	(1,270)

6. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

(a) Receivables

	2023	2022
	\$'000	\$'000
Current		
Trade Debtors - Rent Receivable	1,725	810
GST Receivable	15	-
Accrued Revenue	123	131
Total Current Receivables	1,863	941
Non-Current		
Trade Debtors - Rent Receivable	1,408	1,312
Total Non-Current Receivables	1,408	1,312

(b) Recognition and Measurement - Receivables

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

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

(i) Subsequent measurement

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

(ii) Impairment

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

For trade receivables, the Trust applies a simplified approach in calculating ECLs. The Trust recognises a loss allowance based on lifetime ECLs at each reporting date.

LUNA PARK RESERVE TRUST

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

(a) Total Property, Plant and Equipment

	2023	2022
	\$'000	\$'000
Non-Current		
Land		
At Fair Value	21,002	20,613
Carrying Amount at 30 June	21,002	20,613
Buildings		
At Fair Value	32,797	30,116
Accumulated Depreciation	(15,558)	(13,662)
Carrying Amount at 30 June	17,239	16,454
Infrastructure		
At Fair Value	20,462	19,083
Accumulated Depreciation	(12,093)	(10,921)
Carrying Amount at 30 June	8,369	8,162
Total Property, Plant and Equipment		
At Fair Value	74,261	69,812
Accumulated Depreciation	(27,651)	(24,583)
Total Property Plant and Equipment Carrying Amount at 30 June	46,610	45,229
Reconciliation of Opening and Closing Carrying Amounts		
	2023	2022
	\$'000	\$'000
Land		
Carrying Amount at 1 July	20,613	18,135
Net Revaluation Increment/(Decrement) (Note 10(b))	389	2,478
Carrying Amount at 30 June	21,002	20,613
Buildings		
Carrying Amount at 1 July	16,454	15,826
Depreciation Expense (Note 2(b))	(649)	(599)
Net Revaluation Increment/(Decrement) (Note 10(b))	1,434	1,227
Carrying Amount at 30 June	17,239	16,454
Infrastructure		
Carrying Amount at 1 July	8,162	8,082
Depreciation Expense (Note 2(b))	(403)	(380)
Net Revaluation Increment/(Decrement) (Note 10(b))	610	460
Carrying Amount at 30 June	8,369	8,162
Total Property Plant and Equipment Carrying Amount at 30 June	46,610	45,229

LUNA PARK RESERVE TRUST

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

	2023 \$'000	2022 \$'000
Non-Current		
Land		
At Fair Value	21,002	20,613
Carrying Amount at 30 June	21,002	20,613
Buildings		
At Fair Value	32,797	30,116
Accumulated Depreciation	(15,558)	(13,662)
Carrying Amount at 30 June	17,239	16,454
Infrastructure		
At Fair Value	20,462	19,083
Accumulated Depreciation	(12,093)	(10,921)
Carrying Amount at 30 June	8,369	8,162
Total Property, Plant and Equipment		
At Fair Value	74,261	69,812
Accumulated Depreciation	(27,651)	(24,583)
Total Property Plant and Equipment Carrying Amount at 30 June	46,610	45,229
Reconciliation of Opening and Closing Carrying Amounts		
	2023	2022
	\$'000	\$'000
Land		
Carrying Amount at 1 July	20,613	18,135
Net Revaluation Increment/(Decrement)	389	2,478
Carrying Amount at 30 June	21,002	20,613
Buildings		
Carrying Amount at 1 July	16,454	15,826
Depreciation Expense	(649)	(599)
Net Revaluation Increment/(Decrement)	1,434	1,227
Carrying Amount at 30 June	17,239	16,454
Infrastructure		
Carrying Amount at 1 July	8,162	8,082
Depreciation Expense	(403)	(380)
Net Revaluation Increment/(Decrement)	610	460
Carrying Amount at 30 June	8,369	8,162
Total Property Plant and Equipment Carrying Amount at 30 June	46,610	45,229

LUNA PARK RESERVE TRUST

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

(i) Acquisitions of Assets

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

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

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

(ii) Capitalisation Thresholds

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

(iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with Valuation of Physical Non-Current Assets at Fair Value Policy and Guidelines Paper (TPP21-09) and Treasurer's Direction Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). This policy adopts fair value in accordance with AASB 13 "Fair Value Measurement" and AASB 116 "Property, Plant and Equipment".

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

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

The Trust re-values each class of property, plant and equipment at least every three years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. A desktop update revaluation was performed for Land, Buildings and Infrastructure assets on 31 March 2023 and was subsequently updated on 30 June 2023 by AON Global Risk Consulting Valuation Services (AON).

Interim revaluations are conducted between comprehensive revaluations.

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

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

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

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

LUNA PARK RESERVE TRUST

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

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

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

(iv) Impairment of Property, Plant and Equipment

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

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

(v) Major Inspection Costs

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

(vi) Restoration Costs

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

8. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

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

(a) Fair Value Hierarchy 2023

	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment (Note 7)				
Land	-	21,002	-	21,002
Buildings	-	-	17,239	17,239
Infrastructure	-	-	8,369	8,369
	-	21,002	25,608	46,610
2022				
	Level 1	Level 2	Level 3	Total Fair Value
	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment (Note 7)				
Land	-	20,613	-	20,613
Buildings	-	-	16,454	16,454
Infrastructure	-	-	8,162	8,162
	-	20,613	24,616	45,229

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

LUNA PARK RESERVE TRUST

Section C: Assets

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

(b) Valuation Techniques, Input and Processes

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

Class	Valuation Technique	Key Inputs
Land	Market approach (recurring) - assets are valued based on comparable property sales transactions having regard to matters such as heritage restrictions, zoning, location, topography, aspect, frontage, size, shape, date of contract and current market conditions	- Comparable property sales values - Adjustments including condition, location, heritage restrictions topography
Buildings	Depreciated replacement cost approach (recurring) - assets are valued based on the structure, fabric and finishes as a heritage structure, rates reflect modern building techniques with regard to Rawlinson's Australian Construction Handbook 2023	- 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 2023	- Current unit replacement costs - Adjustments including capital improvements, remaining useful lives of infrastructure

(c) Reconciliation of Recurring Level 3 Fair Value Measurements

	Buildings	Infrastructure	Total Recurring Level 3 Fair Value
	\$'000	\$'000	\$'000
2023			
Fair Value as at 1 July 2022	16,454	8,162	24,616
Revaluation Increments/(Decrements)	1,434	610	2,044
Depreciation	(649)	(403)	(1,052)
Fair Value as at 30 June 2023	17,239	8,369	25,608
2022			
Fair Value as at 1 July 2021	15,826	8,082	23,908
Revaluation Increments/(Decrements)	1,227	460	1,687
Depreciation	(599)	(380)	(979)
Fair Value as at 30 June 2022	16,454	8,162	24,616

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

LUNA PARK RESERVE TRUST

Section D: Liabilities

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

9. CURRENT LIABILITIES - PAYABLES

(a) Payables

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Current		
Accrued Expenses	11	802
GST Payable	-	41
	<u>11</u>	<u>843</u>

(b) Recognition and Measurement - Payables

Payables are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Payables represent liabilities for goods and services provided to the entity and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

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

(c) Maturity Profile

All of the Trust's payables and accruals have a maturity of less than 12 months (2022: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasury Circular TC 11/12. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasury Circular TC 11/12 allows the Minister to award interest for late payment.

LUNA PARK RESERVE TRUST

Section E: Equity

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

10. EQUITY

(a) Accumulated Funds

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

Accumulated Funds Movement	2023	2022
	\$'000	\$'000
Carrying Amount at 1 July	6,410	7,680
Net Result for the Year	103	(1,270)
Carrying Amount at 30 June	6,513	6,410

(b) Asset Revaluation Reserve

The revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Trust's policy on the Revaluation of Property, Plant and Equipment as discussed in Note 7.

Asset Revaluation Reserve Movement	2023	2022
	\$'000	\$'000
Carrying Amount at 1 July	41,488	37,323
Net Increase in Revaluation Reserve (i)	2,433	4,165
Carrying Amount at 30 June	43,921	41,488

Dissection by Asset Class:

Land	16,182	15,793
Buildings	19,118	17,684
Infrastructure	8,621	8,011
Total Asset Revaluation Reserve at 30 June	43,921	41,488

(i) Net Increase in Revaluation Reserve

	2023	2022
	\$'000	\$'000
Land (Note 7(a))	389	2,478
Buildings (Note 7(a))	1,434	1,227
Infrastructure (Note 7(a))	610	460
Net Increase in Revaluation Reserve	2,433	4,165

LUNA PARK RESERVE TRUST

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

11. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial Instrument Categories

(i) As at 30 June 2023

Class	Notes	Category	Carrying amount \$'000
Financial Assets			
Cash and Cash Equivalents	5	Amortised Cost	564
Receivables (i)	6	Amortised Cost	3,256
Financial Liabilities			
Payables (ii)	9	Financial Liabilities measured at Amortised Cost	11

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

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

(ii) As at 30 June 2022 under AASB 9

Class	Notes	Category	Carrying amount \$'000
Financial Assets			
Cash and Cash Equivalents	5	Amortised Cost	1,259
Receivables (i)	6	Amortised Cost	2,253
Financial Liabilities			
Payables (ii)	9	Financial Liabilities measured at Amortised Cost	802

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

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

The Trust determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

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

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

LUNA PARK RESERVE TRUST

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

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

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

(c) Offsetting financial instruments

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

(d) Financial Risks

(i) Credit Risk

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

Credit risk arises from the financial assets of the Trust, including cash and receivables (Notes 5 and 6). No collateral is held by the Trust and the Trust has not granted any financial guarantees. Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and cash equivalents

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

Accounting policy for impairment of trade debtors and other financial assets under AASB 9

Receivables - trade debtors

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

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

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

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

LUNA PARK RESERVE TRUST

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

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

The loss allowance for trade debtors as at 30 June 2023 and 30 June 2022 was \$Nil.

(ii) Liquidity Risk

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

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

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	Payables	
	2023	2022
	\$'000	\$'000
Weighted Average Effective Interest Rate %	0%	0%
Nominal Amount	11	843
<u>Interest Rate Exposure</u>		
Non-interest Bearing	11	843
<u>Maturity Dates</u>		
< 1 year	11	843

(iii) Maturity Profile

All of LPRT's trade payables, sundry payables and accruals have a maturity of less than 12 months (2022: less than 12 months). Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, LPRT may automatically pay the supplier simple interest. The rate of interest applied by LPRT accords with the current rate applicable under section 22 of the *Taxation Administration Act 1996*.

(iv) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's exposures to market risk are primarily through interest rate risk on the Trust's Cash and Cash Equivalents (Note 5). The Trust has no exposure to foreign currency risk and does not enter into commodity contracts.

(v) Fair Value of Financial Instruments

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

LUNA PARK RESERVE TRUST

Section F: Financial Instruments and Other Notes

Notes to and Forming Part of the Financial Statements For the Year Ended 30 June 2023

12. COMMITMENTS FOR EXPENDITURE

The Trust has no expenditure commitments at 30 June 2023 (\$Nil at 30 June 2022).

13. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Trust is not aware of any contingent assets or liabilities at 30 June 2023 (\$Nil at 30 June 2022).

The Trust may be liable for reimbursement to the lessee for maintenance costs of Heritage and Infrastructure. The amount involved cannot be accurately determined as the reimbursement is subject to collection of future Heritage and Infrastructure operating lease income from the lessee. The Trust is not aware of any other contingent liabilities at 30 June 2023 (\$Nil at 30 June 2022).

14. RELATED PARTY DISCLOSURES

(a) Key Management Personnel Compensation

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

(b) Transactions and Outstanding Balances with Other Related Parties

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

(c) Transactions and Outstanding Balances with Other Government Entities

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

15. EVENTS AFTER REPORTING DATE

As a result of Administrative Arrangements (Administrative Changes – Miscellaneous) Order (No 5) 2023, in pursuance of part 7 of the Constitution Act 1902, the Trust was transferred from Transport cluster to Department of Planning and Environment (DPE) cluster, effective 1 July 2023.

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

End of Audited Financial Statements

Investment and Liability Management Performance

Investment Performance

Refer Place Management NSW Financial Statements: Financial Instruments Note 19.

Liability Management Performance

Refer Place Management NSW Financial Statements: Borrowings Note 15 – All Place Management NSW debt relates to SICEEP PPP.

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