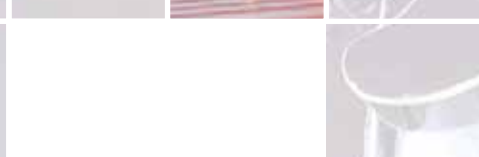
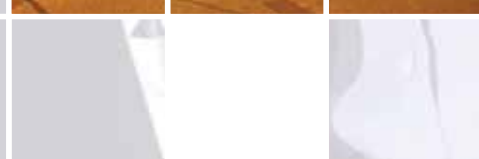
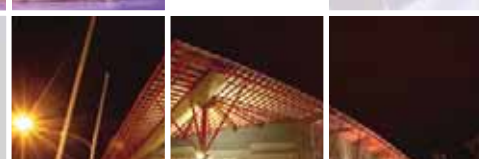
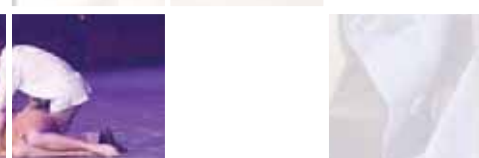
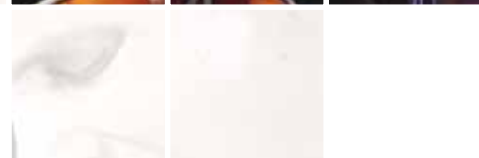




Illawarra Venues Authority

Annual Report 10-11



Illawarra Venues Authority Annual Report 2010-2011



Illawarra
Venues
Authority

GENERAL INFORMATION

THE VENUES

WIN Stadium has been in the Illawarra Venues Authority's (formerly the Wollongong Sportsground Trust) care and control since 1986. The Stadium is used for rugby league, soccer and rugby union games, as well as other special events. The adjacent WIN Entertainment Centre became the responsibility of the Authority when completed in September 1998. The Entertainment Centre hosts a rich variety of events such as basketball, tennis, boxing, music concerts, family shows, conferences, exhibitions and dinners.

CAPACITY OF VENUES

WIN Stadium has a total capacity of 20,000 public spectators. Of these, there are around 7,200 covered seats in the western, southern and northern grandstands, around 4,300 uncovered seats and spaces in the grandstand concourses, and a licensed capacity for a further 8,500 spectators on the eastern hill. When the new Western Grandstand opens in 2012, the new WIN Stadium capacity will be 22,500 with 13,500 covered seats. The WIN Entertainment Centre has a total capacity of around 6,000 patrons. A typical concert set-up will have 3,500 to 5,000 seats, while the venue can be reconfigured into a more intimate space for as few as 500 patrons for dinners or small conferences.

ACCESS

The Illawarra Venues Authority's office is located in Level 1 of the WIN Entertainment Centre. The office is open from 9am-5pm, Monday to Friday, and during major events. In 2012 it will move to the Western Grandstand, Harbour Street frontage.

PUBLIC TRANSPORT

The Stadium and Entertainment Centre are located approximately 15 minutes walk from Wollongong Railway Station. There are also bus stops and taxi ranks just outside the venues on Crown Street.

DISABLED PATRONS

Special services are provided for patrons with disabilities including designated seating, parking, tactile signage and toilet facilities. Seating and parking spaces can be reserved for events by phoning the Entertainment Centre Box Office on (02) 4220 2828.

EVENT SCHEDULE

An event schedule for both venues can be viewed on our website.

CONTACT INFORMATION

Office: WIN Entertainment Centre, Cnr Crown and Harbour Streets, Wollongong
NSW 2520

Postal Address: PO Box 3100, Wollongong NSW 2520

Telephone: (02) 4220 2800

Fascimile: (02) 4220 2801

Email: info@wec.org.au

Website: www.wec.org.au

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LETTER TO THE MINISTER



**Illawarra
Venues
Authority**

Dear Minister Annesley,

On behalf of the Illawarra Venues Authority, I have pleasure in submitting to you its Annual Report for the period 1st July 2010 to 30th June 2011 for presentation to Parliament.

The Report is submitted in accordance with Section 9A (a) of the Annual Reports (Statutory Bodies) Act 1984.

Chris Christodoulou
Chairman, Illawarra Venues Authority

Stuart Barnes
General Manager, Illawarra Venues Authority

*CNR CROWN & HARBOUR STREETS POST OFFICE BOX 3100 WOLLONGONG EAST NSW 2520
TELEPHONE (02) 4220 2800 FACSIMILE (02) 4220 2801*

MINISTER'S FOREWORD

2010/11 ANNUAL REPORT FOREWORD

It is with great pleasure I provide the Foreword to the 2010/11 Annual Report of the Illawarra Venues Authority.

The Illawarra Venues Authority (IVA) has experienced an exciting and challenging year overseeing the construction of the new western grandstand at WIN Stadium.

Due to circumstances beyond its control the Board and staff of the Authority were confronted with a major issue concerning the Stadium roof structure.

The challenges presented by this incident were confronted in a professional and methodical manner to ensure any disruption to stakeholders and hirers were kept to an absolute minimum.

At the time of writing the Authority continues to work diligently with all parties involved to ensure a resolution that I am confident will ultimately deliver a high quality sporting facility the people of the Illawarra can be justifiably proud of.

The WIN Entertainment Centre has had another successful year playing host to over 160,000 people who attended a diverse and exciting range of music concerts, family shows, exhibitions, dinners, sports and community events. Management and staff of the IVA are to be congratulated for continuing to promote the Entertainment Centre as one of the best facilities of its kind in regional NSW. The economic and social benefits derived from its activities are appreciated throughout the Illawarra community.

2012 promises to be a year of challenges for the IVA with the NSW Government focussed and committed to ensuring the best possible outcomes are achieved by delivering in key areas associated with government owned and managed facilities.

I am confident the Illawarra community will reap the rewards of Government investment in both WIN Stadium and the Entertainment Centre by continuing to attract national and international events to the region for many years to come.



GRAHAM ANNESLEY
Minister for Sport and Recreation



CHAIRPERSON'S REPORT

2010/11 IVA ANNUAL REPORT

Following the announcement of the State Government to amalgamate the Illawarra Venues Authority (IVA), Parramatta Stadium Trust and the Hunter Venues Authority under Venues NSW, it is incumbent on me in my last message as the Chairperson of the Illawarra Venues Authority to pay tribute to the work of the regional body over the last decade.



I have been on the IVA Board in its various incarnations since the construction of the Entertainment Centre in 1998. I want to pay tribute to my previous Chairs, Peter Bolt and Bill Barnetson, and all of their Trust and Board members who worked so hard to create what is now one of the best Entertainment and Sports precincts in NSW. They did it without remuneration and always put the interests of the community first.

Over that period of time, we worked together with our key stakeholders to boast the following record; the construction of the WIN Entertainment Centre, the upgrade of the playing surface of WIN Stadium, the construction of the Northern Grandstand and cleared the debt left over from the commissioning of the Entertainment Centre.

In addition to the above achievements the current IVA Board has operated over the last 5 years without financial assistance from the state government. It has worked hard to enhance governance of the business and improve links with the community. In 2007, we successfully renegotiated a 5 year agreement with the St George-Illawarra Dragons to maintain half their NRL games in Wollongong. We commissioned the publication of the history of the precinct titled 'On Common Ground', and achieved the funding for the near to be completed western grandstand.

I want to place on record my thanks to all of those persons involved in making safe the Western Grandstand roof when it failed during the construction period. No person was injured or other property damaged. Notwithstanding this unfortunate incident, the new western grandstand will be of major benefit to the users and patrons of WIN Stadium. It will be the legacy that is left behind by the IVA Board. I look forward to the official opening of the facility, in 2012.

During this year, the IVA signed an historic agreement with the Southern Youth and Family Services to assist many of their young clients, some of whom are disadvantaged, homeless and without work. Our agreement enables us to provide everything from work experience through to complimentary tickets for events. The objective is to provide some of the clients of SYFS with positive experiences by helping build their self esteem and basic work skills.

Whilst the Board has been busy again this year overseeing the direction operations of our facilities, it has been our staff that have made sure we secured major events for the region. I want to particularly thank all of our key personnel who have made an invaluable contribution to the organisation over many years including Stuart Barnes, Peter Lanyon, Marc Swan, Lenny Fairclough, Joanne Kocovski, Michael Barsby, Grant Melbert, Corrina Matasic, Roslyn Young, Christine Daly, Mathew Spicer, Vanessa Pedley-Smith, Tony Augustson and Eddy Thompson.

Finally, let me pay tribute to the work of my fellow Board members whose term has been cut short by the Government's restructure to create a new body called Venues NSW, David Farmer, Nick Hartgerink, Judith Henderson, Ian Hunt, Lyn Kofod, and Vicki Tiegs. These were great Board members with great skills to look after the overall governance and management of the facilities.

A handwritten signature in black ink, appearing to read 'Chris Christodoulou'. The signature is fluid and cursive, with a long horizontal stroke at the end.

CHRIS CHRISTODOULOU
IVA Chairperson

GENERAL MANAGER'S REVIEW



WSEC 2010/11 HIGHLIGHTS

Although 2010/11 was a very different year to former years at the WIN Sports and Entertainment Centres, it was still a very exciting one, with some great events staged at our two venues.

Despite the construction of the new Western Grandstand at WIN Stadium, that restricted WIN Stadium events, last financial year the IVA still hosted 85 events at the WIN Entertainment Centre (WEC) and 29 days at WIN Stadium, with 313,000 people attending events at the two venues.

14 national and international artists appeared at the WEC, including Powderfinger, Chicago, America, John Farnham, Billy Connolly, Bob Dylan, Chris Isaak and ZZ Top whilst children and families were well catered to at the WEC with Disney on Ice, Southern Stars (school spectacular), The Wiggles, Rock Eisteddfod and Wakakiri and with 52,000 people attending these shows.

At WIN Stadium local junior and senior sports were provided with community rate access for Rugby League, Rugby Union and Football events. Community access for organisations with limited funding to hire the WEC was provided last year, for 10 different clients at the WEC, including the KidzWish Xmas party for 3000 special children, the Wollongong Eisteddfod, three local dance schools and some local schools.


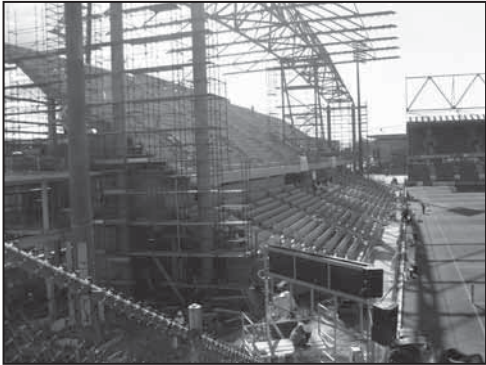
Once again I pay tribute to a wonderful team of passionate people who, as members of the IVA management and staff, bring the WSEC to life. I also greatly appreciate the advice and support we receive from the IVA Board and from being part of the Office of Communities.

The following Highlights ably demonstrate the activity of our facilities last year.

STUART BARNES
General Manager

	MAJOR EVENTS	OPERATIONAL
July 2010	<ul style="list-style-type: none"> ✦ Disney on Ice (9 shows over 5 days) ✦ Illawarra Mercury Bridal Expo ✦ Retail Sale ✦ Wolves V Sydney Olympic Football Game 	<ul style="list-style-type: none"> ✦ Demolition of the Western Grandstand
August 2010	<ul style="list-style-type: none"> ✦ Wakakirri (Primary school music and dance festival) ✦ Check It—(Inaugural Men's Health event) ✦ Southern Stars (School Spectacular—2000 performers—4 shows) ✦ Carlton League Final Series (Local Rugby League—7 days) 	<ul style="list-style-type: none"> ✦ New owner of the Five Islands Brewing Company takes over tenancy ✦ DA for Western Grandstand Stage 1 approved by JRP
September 2010	<ul style="list-style-type: none"> ✦ John Butler Trio concert ✦ Powderfinger concert (Farwell Tour) ✦ Mundine v Waters Boxing night ✦ Roller Derby - Four Cities Challenge ✦ St. Marys College Graduation Mass and Dinner ✦ Mixed Martial Arts Fight Night ✦ Illawarra District Rugby Union Grand Finals 	<ul style="list-style-type: none"> ✦ New Grounds Equipment Facility, for WIN Stadium, completed. ✦ Lipman Constructions Pty Limited announced as the Builder of the Western Grandstand.

	MAJOR EVENTS	OPERATIONAL
October 2011	<ul style="list-style-type: none"> ✦ Australian Irish Dancing Championships (6 days – 2000 participants) ✦ Dragons NRL Championship ‘Live Site’ and ‘Welcome Home’ ✦ Brian Wilson, Chicago, America and Peter Frampton concert ✦ Mary Mckillop Canonisation Celebration ✦ 2 Wollongong ahm Hawks NBL games ✦ NRMA AGM ✦ Caritas - “Towards a better World” exhibition 	<ul style="list-style-type: none"> ✦ IVA joins the Wollongong Precinct Liquor Accord as a voluntary member. ✦ The old Western Grandstand fully demolished ✦ Southern Grandstand ‘Early Works’ completed. ✦ IVA installs new computerised Risk Management system ✦ IVA and Southern Youth and Family services sign a ‘Memorandum of Understanding’ for cooperation.
November 2011	<ul style="list-style-type: none"> ✦ 2 x John Farnham concerts (7000 pax) ✦ Crowded House concert ✦ Illawarra Business Awards (1030 guests) ✦ KidzWish Party and Dinner (3000 disadvantaged children and 720 guests respectively) ✦ 2 x Wollongong ahm Hawks NBL games ✦ Thirroul Dance Academy Production ✦ Sydney FC W-League Home game 	<ul style="list-style-type: none"> ✦ Dragons resume training at WIN Stadium ✦ Harbour Street rezoning gazetted, allowing construction of the Western Grandstand over Harbour Street. ✦ Lenny Fairclough appointed IVA Manager Operations & Facilities
December 2011	<ul style="list-style-type: none"> ✦ Theatrix Studio Production ✦ Breanna’s Academy of Dance Production ✦ Innaburra School production ✦ 3 x Wollongong ahm Hawks NBL games ✦ 2 x Wiggles concerts ✦ NRE Xmas Dinner (1000 guests) ✦ Sydney FC W-League Home game 	<ul style="list-style-type: none"> ✦ 6 x Dragons 2011 NRL ‘Early Occupancy Games’ agreed. ✦ New electricity Sub-Stations commissioned. ✦ Western Grandstand Stage 2 DA approved
January 2011	<ul style="list-style-type: none"> ✦ Retail Sale ✦ 1 x Wollongong ahm Hawks NBL games ✦ 1 x Illawarra Steelers trial 	<ul style="list-style-type: none"> ✦ Internal Review of IVA Operations and Facilities Department undertaken ✦ Contingency Planning for Dragons games prepared. ✦ Accelerated Builders program considered
February 2011	<ul style="list-style-type: none"> ✦ 2 x Billy Connelly concerts ✦ 2 x Wollongong ahm Hawks NBL games ✦ 3 x Illawarra Steelers NSWRL games ✦ Dragons Mercury Challenge game v Bulldogs 	<ul style="list-style-type: none"> ✦ Joint Dragons/IVA Board Meeting ✦ Management attend ‘Working in Government’ Training ✦ Annual IVA Stakeholder Luncheon held. ✦ New format IVA Staff Consultative Committee commences meeting. ✦ New Waste Management contract tendered and awarded.

	MAJOR EVENTS	OPERATIONAL
<p>March 2011</p>	<ul style="list-style-type: none"> ✦ 4 x Wollongong ahm Hawks NBL games ✦ 3 x Illawarra Steelers NSWRL games ✦ Illawarra Rugby League Centenary Knockout Championships ✦ Nitro Circus Stunt Show (WIN Stadium) ✦ Chris Isaak concert 	<ul style="list-style-type: none"> ✦ \$2.1 million funding provided for additional projects for the Western Grandstand construction, including car parking, electrical sub-stations and relocation of a gas main.
<p>April 2011</p>	<ul style="list-style-type: none"> ✦ 1 x Illawarra Steelers NSWRL games ✦ Bob Dylan concert ✦ ZZ Top concert 	<ul style="list-style-type: none"> ✦ Negotiations commence with the Dragons, for a new Venue Hire agreement post 2011. ✦ Future 'Major Event Traffic Plan' in preparation. ✦ Communities NSW change to 'Office of Communities', following the outcome of the 2011 NSW State Election. ✦ WSEC wins the rights to host the Australian Judo Championships for four years from 2012-15. ✦ Northern Grandstand stairs restoration completed.
<p>May 2011</p>	<ul style="list-style-type: none"> ✦ Retail Sale ✦ Red Hot Summer concert (featuring Jimmy Barnes) ✦ Michael Jackson's HIStory ✦ Parkway Drive concert 	<ul style="list-style-type: none"> ✦ 3 IVA Managers attend the Venue Managers Association Congress ✦ Joint Hawks/IVA Board luncheon meeting ✦ Matthew Spicer commences as new Operations Supervisor.
<p>June 2011</p>	<ul style="list-style-type: none"> ✦ Wollongong Eisteddfod Choral Sections ✦ Illawarra Coal Conference and Dinner ✦ Dragons v Sea Eagles NRL game (First Early Occupancy game for Western Grandstand) 	<ul style="list-style-type: none"> ✦ Much engagement with Football South Coast and FFA in regard to future football games at WIN Stadium. ✦ Pre-cast concrete, seats, roof truss and basic services in place by Dragons v Sea Eagles game in the Western Grandstand. ✦ DA for Illawarra Rugby League Centenary Statue (outside the new Western Grandstand) approved. ✦ New Management Strategy for 'Patrons with Disabilities' prepared. ✦ Sales Trip to Canberra for MICE events. ✦ Evacuation Procedures for both venues reviewed and upgraded.

AUTHORITY CHARTER

CHARTER/CONSTITUTION

The Illawarra Venues Authority replaced the Wollongong Sportsground Trust in December 2009, and is constituted under the provisions of the Sporting Venues Authorities Act 2008.

VISION

The Vision Statement of the Illawarra Venues Authority is: "To be the most successful integrated and sustainable sports, tourism, entertainment, events and conference destination in regional Australia"

MISSION

The Mission Statement of the Illawarra Venues Authority is: "We strive to operate and develop sustainable, integrated sports, entertainment and conference facilities for our community"

OBJECTIVES

In accordance with its Mission, the Authority's objectives are:

- Identify and implement the most appropriate opportunities for the Authority's facilities, to ensure the viability of the venues and to maximise return on assets to the Authority and Government.
- Efficiently and effectively manage all Authority affairs.
- Fully develop Authority venue and facilities to meet our clients' needs.
- To become 'first choice', in regional NSW, of our identified clients.
- Assume financial independence and commercial sustainability.
- Provide significant regional, economic, community, social and image benefits to the Illawarra.

AUTHORITY BOARD MEMBERS

The Illawarra Venues Authority has a Board of Management consisting of 7 members, and in the exercise of its functions is subject to the direction and control of the Minister for Sport and Recreation.

Board Members of the Authority are appointed by the Governor, on the recommendation of the Minister, for a term of up to 4 years.

AUTHORITY COMMITTEES

The Authority has established a Finance & Audit Committee, and a Business & Community Development Committee.

The Finance & Audit Committee's purpose is to oversee the integrity of the Authority's financial statements, financial strategy and objectives, compliance with legal, regulatory and other government requirements, the performance of the internal audit function and independent external auditors, and prepare the finance and audit committee report included in the Annual Report.

The Finance & Audit Committee members are Ian Hunt (Chairperson), Chris Christodoulou, Lyn Kofod, Judith Henderson, Stuart Barnes and Peter Lanyon.

The purpose of the Events and Business Development Committee is to consider and advise the Board of Management in relation to strategy and policy for the business and community development functions of the Authority.

The Business & Community Development Committee members are Vicki Tiegs (Chairperson), Chris Christodoulou, David Farmer, Nick Hartgerink, Stuart Barnes, Peter Lanyon and Marc Swan.

BOARD OF MANAGEMENT

Chris Christodoulou BA - Chairperson

Chris Christodoulou has been a member of the Illawarra Venues Authority (formerly the Wollongong Sportsground Trust) since 1998 and was first appointed Chairperson on the 18th March 2005. Chris is the Assistant Secretary of the Unions NSW. He has had a distinguished career in the Trade Union Movement including coordinating industrial relations issues during the 2000 Sydney Olympics and major construction infrastructure projects in NSW. He was a member of Sydney Olympic Park Authority Board for 10 years, is a Director of the NSW Industry Capability and Network, a member of the Building and Construction Industry Long Service Leave Corporation Advisory Committee, a Director of the Sydney Alliance for Community Building Ltd and a Director of ASSET Super. In December 2009 Chris was reappointed Chairperson and Board Member for another 4 year term.



Judith Henderson BA, DipT, CLEF (France)

Judith Henderson has extensive experience as a consultant in the private, public and nongovernment sectors in Australia and internationally. Judith has her own consulting business and has consulted in areas such as strategic planning and development, business strategy, leadership and change, succession planning, government relations and knowledge management to small and large enterprises. She is Patron of the Illawarra International Women's Day Committee and was appointed to the Authority in March 2005 and in December 2009 was reappointed for a second term.



Ian Hunt BComm, MComm

Ian is a self-employed tax agent and accountant who has degrees in accounting and management. Ian has had a long interest in public administration including membership of the boards of Tourism Wollongong, Wollongong Art Gallery, Wollongong Conservatorium of Music and the Illawarra Academy of Sport. Ian has also been involved in the administration of the sport of rugby league. While serving as a Councillor on Wollongong City Council, he chaired Council's Sports Liaison Committee and the North Dalton Park Board of Management during a period of rapid change and development. Ian was appointed Illawarra Venues Authority in April 2009.



Vicki Tieg

With over 20 years experience in marketing, publicity and event management, Vicki Tieg has a skill-set drawn from working in finance, retail, charity and media. Vicki is a Director of Waples Marketing Group that she established in January 2003 as a marketing consultancy and advertising agency with offices in Wollongong and Sydney. In late 2007 she established and is a Director of BlueJuice Events, the Waples' event arm followed by the establishment of The Grants & Funding Institute in 2009 of which she is also a Director. Before Waples, she spent an exciting 13 years with the WIN Corporation.

During her time at WIN, Vicki was Network Promotions and Publicity Director. She is Chair of the International Women's Day Illawarra Committee and member of the Legacy Business Community Support Committee.



BOARD OF MANAGEMENT

David Farmer B Comm, MLGMA

David Farmer was born, raised and educated in Wollongong. An accountant by training, he was formerly the General Manager of Mudgee Shire Council in Western NSW, and from 2000 to 2007 the CEO of Cairns City Council in Far North Queensland. He has a Bachelor of Commerce in Accountancy and Management Studies from the University of Wollongong. Currently the General Manager of Wollongong City Council.



David was appointed to the Illawarra Venues Authority in April 2009.

Lyn Kofod B Comm, MBA

Lyn has a background in business systems and corporate governance drawn from experience in both the private and public sectors. She has been working in the local government sector since 1982, the past 18 years as a senior manager at Wollongong City Council. Lyn is also a Director on the Board of a local secondary school and a graduate of the Australian Institute of Company Directors.



Lyn was appointed to the Illawarra Venues Authority in April 2009.

Nick Hartgerink BA

Nick Hartgerink has 35 years experience in media and communications, having worked as a journalist for the Illawarra Mercury from 1977-2001, where he was editor from 1995-2001. He has also written five books, including a history of the University of Wollongong for its 60th anniversary and the best-selling biography of world motorcycle champion Wayne Gardner.



Nick runs a media and communications consultancy based in the Illawarra. His services to local and national clients include media campaigns, public relations, marketing and writing, designing and editing books, brochures and other publications. Nick was appointed to the Illawarra Venues Authority in April 2009.

BOARD MEETINGS

During 2010/11 there were 12 General Meetings and 5 Committee Meetings held. Attendance by Board Members at the General Meetings was as follows:

Board Members	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Meetings
Chris Christodoulou	Y	Y	Y	Y	Y	Y	L	L	L	Y	Y	Y	9/12
Judith Henderson	Y	Y	Y	-	Y	Y	Y	Y	Y	-	Y	Y	10/12
Ian Hunt	Y	Y	Y	Y	-	Y	-	Y	Y	Y	Y	Y	10/12
Vicki Tieggs	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	11/12
David Farmer	L	L	L	Y	Y	Y	Y	Y	-	Y	Y	Y	8/12
Lyn Kofod	-	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	Y	10/12
Nick Hartgerink	Y	Y	Y	-	Y	Y	Y	Y	Y	Y	Y	Y	11/12

Note: In the above table, L signifies periods of leave approved by the Minister. Judith Henderson acted as Chairperson during Chris Christodoulou's period of leave.

GOVERNANCE - Authority Board Members and Managers

GOVERNANCE

On the 30th November 2009, the Wollongong Sportsground Trust was dissolved and the Illawarra Venues Authority was constituted under the Sporting Venues Authorities Act 2008.

The primary reason for transferring the organisation was to provide more consistency in the governance around the management of the State's sporting venues.

The people of New South Wales have a right to expect the business of the State to be conducted with efficiency, fairness, impartiality and integrity.

Trusteeship of State assets and public employment carries with it a particular obligation to the public interest. It requires standards of professional behaviour from Board members and staff that promote and maintain the public's confidence and trust in the work of government agencies.

The Illawarra Venues Authority Governance Charter is designed to convey the obligations and standards of behaviour expected of Authority Board members and managers, and to resolve any ethical issues that may arise during the course of their duties.

The following excerpts from the Charter highlight the key elements:

CONFLICTS OF INTEREST

The potential for a conflict of interest arises when a Authority Board member or manager is placed in a situation where private interests could influence or appear to influence judgments made during the course of his/her professional duty to the Authority.

To resolve any conflicts of interest that occur, Authority Board members and managers follow the following guidelines:

- Disclose any interests to the Authority (which include positions and pecuniary interests) incorporations, partnerships or other businesses that may be relevant to the activities of the Authority.

An Authority Board member or manager's interests could include those of an associate or close relative.

- These interests are recorded annually in the Authority's General Conflicts of Interest Register.
- Declare any private interest that may impinge on a Authority decision. When an issue arises, the Authority Board member or manager must as soon as practicable disclose full and accurate details of the interest or issue to the Authority.
- Depending on the seriousness of the conflict of interest, the Authority determines whether the Authority Board member or manager should participate in any discussion on the matter, or in any final decision-making. The Authority records their reasons for the determination.
- With any direct or indirect pecuniary interest, the Authority Board member or manager does not take part in any discussion or decision relating to the issue or interest, nor vote on the matter.
- The Authority Board member or manager is absent from the meeting room when any discussion or vote is taking place and does not receive any relevant Authority papers. The disclosure is recorded in the Authority meeting minutes and the Public Access Register.

ACCEPTANCE OF GIFTS OR BENEFITS

Authority Board members and managers must not accept gifts or benefits that could place them under an actual or perceived financial or moral obligation to other organisations or to individuals.

FAIRNESS AND EQUITY

Issues or decisions considered by Authority Board members and managers should be dealt with consistently promptly and fairly. This involves dealing with matters in accordance with approved procedures, in a non-discriminatory manner, and in conformity with natural justice.

GOVERNANCE - Authority Board Members and Managers

DISCRIMINATION AND HARASSMENT

Authority Board members or managers must not discriminate against or harass colleagues or members of the public on any grounds including sex, marital status, pregnancy, age, race, ethnic or national origin, physical or intellectual impairment, homosexuality, trans-sexuality and HIV/AIDS.

Such harassment or discrimination could constitute an offence under the *Anti Discrimination Act 1977* or various federal laws. In addition, Authority Board members or managers must not harass or discriminate on the grounds of political or religious conviction.

Authority Board members and managers must make sure that the Authority workplace is free from all forms of harassment and discrimination. They should understand and apply the principles of equal employment opportunity and ensure that their employees are informed of these principles.

Authority Board members and managers should take all necessary steps, such as training and other active measures, to prevent and deal with harassment and discrimination in their work area.



From the Air—WIN Sports & Entertainment Centres

OCCUPATIONAL HEALTH AND SAFETY

The Authority Board members and managers are committed to the provision of a safe and healthy working environment for staff, clients, customers and the public. As a consequence of this, the Authority encourages all members of staff to regard accident prevention and working safely as a collective and individual responsibility.

PUBLIC COMMENT ON THE WORK OF THE AUTHORITY

Authority Board members or managers, as individuals, have the right to make public comment and enter into public debate on political and social issues. However there are circumstances in which this is inappropriate.

For example, situations where the public comment, although made in a public capacity, may appear to be an official comment on behalf of the Authority.

In general, public comment is only to be made by the Chairman, General Manager, Business Development & Marketing Manager or an Authority member nominated by the Authority.

PROTECTING CONFIDENTIAL INFORMATION

Authority Board members or managers that have access to confidential and sensitive personal, commercial and political information should take special caution to ensure that it is not disclosed without clear authority. Official information must only be used for the workrelated purpose intended and not for personal benefit.

USE OF OFFICIAL FACILITIES AND EQUIPMENT

Authority Board members and managers are expected to be efficient and economical in their use and management of public resources. Unless express permission has been granted, Authority resources are not to be used for private purposes.

SECONDARY EMPLOYMENT

The General Manager must have the official approval of the Chairman and the other managers, the approval of the General Manager, before they engage in any form of paid employment outside their official duties.

Managers must also carefully consider whether the organisation offering them secondary employment may adversely affect the performance of their Authority duties and responsibilities or give rise to a conflict of interest. This principle applies whether they are working full-time, part-time or only temporarily.

POLITICAL AND COMMUNITY PARTICIPATION

Authority Board members and managers must make sure that any participation in party political activities does not conflict with their primary duty as a public employee to serve the government of the day in a politically neutral manner.

If Authority Board members or managers become aware that a potential conflict has arisen or might arise, they should inform the Chairman immediately and may have to stop the political activity or withdraw from the areas of their work where the conflict is occurring.

REPORTING CORRUPT CONDUCT

Corrupt conduct can be generally understood as the dishonest or partial exercise of public official functions. It may also involve the conduct of non-public officials which adversely affects the honest and impartial exercise of a public official's functions.

A principal officer of a public authority is required to report corrupt conduct or suspected corruption to the Independent Commission Against Corruption (Section 11 of the Independent Commission Against Corruption Act). The principal officer of the Illawarra Venues Authority is the Chairperson.

POST SEPARATION EMPLOYMENT

Authority Board members or managers should not use their position to obtain opportunities for future employment. They should not allow themselves or their work to be influenced by plans for, or offers of,

employment outside the Authority. If they do, there is a conflict of interest and the integrity of the individual and the Authority is at risk.

HONOUR BOARD

The Illawarra Venues Authority has a policy of acknowledging members of the community who have contributed significantly to the establishment and development of the Authority venues.

The Authority's Honour Board currently includes the following inductees: Mervyn Nixon, John Cleary, Sid Hayes AM, Ack Wilton, Bill Barnetson, Laurie Kelly, Peter Bolt OAM, Bob Millward, Richie Hetherington and T.S. (Bob) Lowrie, Bruce Gordon and Ted Tobin, OAM.



Honour Board

BUSINESS OPERATIONS

The Authority operates two adjoining venues, the 6,000 seat indoor WIN Entertainment Centre (WEC) and the 20,000 capacity outdoor WIN Stadium. The venues are hired by event promoters and sporting teams to stage a variety of entertainment, sporting, business and community events throughout the year.

The Authority raises revenue from these events mainly through venue hire fees, event costs recovered from hirers, signage fees, catering commissions, merchandising and ticketing fees.

ENTERTAINMENT CENTRE

In 2010/11 the WEC hosted 14 home games of the NBL Wollongong Hawks basketball team, attracting 39,989 fans at an average of 2,856 per game (down 3% from the previous season).

Australian concert promoters hired the WEC for 14 days to stage performances by national and international artists including Powderfinger, Brian Wilson, Chicago, America, Peter Frampton, John Farnham, Billy Connolly, Bob Dylan, John Butler Trio, Crowded House, Chris Isaak, ZZ Top and Parkway Drive.

These music/comedy attendances totalled 39,772 patrons, with an average attendance of 2,841 (down 14% from last year).

Family shows were again popular, with 11 major shows starring Disney on Ice and The Wiggles. Local schools also staged another successful season of rock eisteddfods, musical presentations and dance spectaculars. The family show market attracted a total attendance this year of 52,018 patrons (up 39% from last year).

The remainder of the WEC's event calendar was filled with 3 sporting events, 5 retail/trade expos, 5 major dinners in the auditorium, and 5 community events.

For 2010/11, the WEC's total event days were 85, while total attendance was 160,240 (up 11% from last year).

WIN STADIUM

WIN Stadium hosted only 1 trial and 1 home game of the NRL St. George-Illawarra Dragons in this financial year, due to the construction of the new Western Grandstand.

The Stadium also played host to 2 Wollongong Wolves football games, the Steelers Juniors RL games, local Carlton League rugby league finals series, the Illawarra District rugby union grand finals, several junior and women's football games and the spectacular Nitro Circus Stunt Show.

For 2010/11, WIN Stadium's total event days were 29, while total attendance was 52,515 (down 60% on last year's figures), as expected



Illawarra Business Awards

OTHER BUSINESS OPERATIONS

In addition to major events at the venues, the Authority currently raises revenue through a business that operate on the site. The Five Islands Brewing Company (FIBC) occupies a space at the eastern end of the WEC for its restaurant and micro-brewery.

In 2012, there will be several new spaces available for lease on Level 1 of the new western grandstand.

These spaces facing Harbour Street will be available for a variety of uses such as offices, shops, cafes or restaurants (subject to DA).

BUSINESS OPERATIONS (cont.)

Inside the northern grandstand at WIN Stadium, the Authority manages a function area, the Premiers Room Function Centre, that is hired out for small events such as business meetings, staff training seminars, dinners, parties and exhibitions.

In 2010/11, the Premiers Room hosted 36 events, with total attendance of 3,237 (down 21% from last year). The Room is also used to host the corporate clients of the Dragons, Hawks and other sporting teams on game days.

In 2012, the Authority will launch two new functions rooms within the Western Grandstand. The Winners and Victory Rooms will form part of a new function room marketing program and brand, "The Grandstand".

It is expected the new rooms will be in great demand for a variety of functions such as dinners, business lunches, parties and weddings. The function rooms will also provide additional corporate hospitality facilities for WIN Stadium and WEC conference, sporting and other events.

COMMUNITY SUPPORT

The Authority is very aware that it has an important part to play in the Wollongong and Illawarra communities. Despite its status as a Government Trading Enterprise, the Authority believes that it should, wherever possible, support the local community and the people that it services.

During the 2010/11 Financial Year, the Authority gave direct community support to a number of organisations to assist them with their events or fundraising. This support is mainly through the provision of free tickets for sporting and entertainment events that were then used as prizes in raffles or auctions.

- International Women's Day
- ARAFFMI
- Banquet on the Beach
- Angels of Hope
- Johnny Warren Football Foundation
- Wollongong West Public School
- Aerial Patrol Golf Day - 2011
- Biggest BBQ - WCC
- Relay for Life - WCC
- Balgownie Public School P&C
- Camp Quality Fundraising Ball

Several community events take place at the WEC and WIN Stadium each year, with the Authority recovering its costs but with reduced rates for hiring the venues. The following organisations/events benefited from this service in 2010/11:

- Southern Youth and Family Services
- St Mary's Star of the Sea College
- The Diocese of Wollongong
- KidzWish Charity Xmas Party
- Thirroul Dance Academy
- Theatrix Performing Arts
- Breanna's Academy of Dance
- Innaburra School Performance Night
- Wollongong Eisteddfod

In 2010 the Illawarra Venues Authority signed a Memorandum of Agreement with Southern Youth and Family Services (SYFS) to provide support and opportunities for SYFS clients (disadvantaged youth and families) and in their fundraising.

The WEC also continues to allow local artists to display their works in the foyers. This program assists the art community with low-cost display space for the promotion of new and emerging local artistic talents.

RISK MANAGEMENT & INSURANCE

In 2009, the Authority established a more formal framework for the management of its risks and to identify areas where additional controls or monitoring are required. The approach taken was consistent with the Australian Risk Management Standard (AS/ NZS 4360) and included the completion of a Business Risk Assessment and an Internal Audit Plan.

In consultation with Deloitte Touche Tohmatsu, the agreed objectives of the Business Risk Assessment were to:

- Identify key business risks, both strategic and operational
- Identify principle management activities to control these risks
- Document management responsibilities for those controls
- Define the residual risk
- Document assurance activities to address residual risks
- Develop a three year strategic Internal Audit Plan

The Business Risk Assessment identified a number of key risk areas which had a relatively high or significant net exposure. The area of Financial Close and Financial Management was selected for inclusion in the 2010/11 Internal Audit Plan.

In conjunction with the above risk management activities, the Authority took steps to comply with the NSW Treasury Internal Audit and Risk Management Policy. This included the involvement of an independent Audit & Risk Committee and the preparation of the following attestation:

Internal Audit & Risk Management Statement for the 2009-2010 Financial Year

The Board of the Illawarra Venues Authority is of the opinion that Illawarra Venue Authority has internal audit and risk management processes in place that are, excluding the exception described below, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 Internal Audit and Risk Management Policy.

The Board of the Illawarra Venues Authority is of the opinion that the internal audit and risk management processes for the Illawarra Venues Authority depart from the following core requirement as set out in Treasury Circular NSW TC09/08 and that the Illawarra Venues Authority has implemented the following practicable alternative measure that will achieve a level of assurance equivalent to the requirement:

Departure : Core Requirement 2

Reason for Departure and Measure

Implemented :

- The requirement to establish an Audit & Risk Committee as required by the Internal Audit and Risk Management Policy was considered to have a material impact on Illawarra Venues Authority operating budget due to resourcing constraints.
- The former Communities NSW established an Audit and Risk Committee with compliant membership for the Department's core divisions and statutory authorities.

Illawarra Venues Authority has entered into an arrangement for the Communities NSW Audit and Risk Committee to oversee and monitor the Illawarra Venues Authority's governance, risk and control issues affecting its operations as a practical measure that achieves a level of assurance equivalent to the requirements of the Policy.

These processes, including the practicable alternative measure implemented, provide a level of assurance that enables the senior management of Illawarra Venues Authority to understand, manage and satisfactorily control risk exposures.

The Board of the Illawarra Venues Authority is of the opinion that the Audit and Risk Committee of the former Communities NSW which provided oversight of governance, risk and control arrangements as a shared service for the Illawarra Venues Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

RISK MANAGEMENT & INSURANCE (cont.)

The Chair and Members of the Office of Communities Audit and Risk Committee are:

- Gerry Brus - independent Chair (29 April 2009 to 31 October 2011)
- David Roden - independent Member (15 June 2009 to 31 October 2011)
- Janet Milligan - non-independent Member (29 April 2009 to 31 October 2011)

In accordance with a resolution of the Board of the Illawarra Venues Authority made this day.



Chris Christodoulou
Chairperson

14 August 2011

As in previous years, the Authority also identifies the major risks that could impact on the achievement of its business objectives, and develops a range of strategies to mitigate these risks. For 2011/12, the focus will be on the following key objectives:

- Increasing the occupancy of both venues, through an ongoing focus on Sales and Marketing of the Entertainment Centre, Stadium and Premiers Room
- Reducing where possible the fixed cost structure of the business, such as R&M, electricity, water, business hospitality, etc through implementation of the FIS and other programs
- Implementing more cost effective delivery of venue services to increase event yields, attract more events to both venues and reduce variable costs

- Completing the replacement of the Western Grandstand to cement the Dragons as key tenants at WIN Stadium for the foreseeable future, and to attract new business such as Super 15 Rugby, A League football, and other national and international events.
- Obtaining sufficient Capital Works funding to ensure the condition of the venues remain safe, appropriate and relevant to today's patrons and clients.
- Finalisation and implementation, where possible, of the Development Master Plan involving future mixed commercial development at the WEC/Stadium site to provide additional non-event-related revenue opportunities from alternative business developments.

Insurance

From September 2003, The Authority moved its insurance requirements to the Treasury Managed Fund (TMF). The Authority's contribution to the TMF in 2010-11 was \$99,630.

The Authority's insurance program provides the appropriate level of cover for insurable risk for its' staff, assets, clients and patrons of the WIN Entertainment Centre and WIN Stadium.

Occupational Health and Safety

There were 2 lost time injuries for the year. All injuries and safety incidents were logged for further investigation.

The Authority has established an Occupational Health and Safety Committee with representatives from all departments which meets monthly to address OH&S issues, discuss previous month's incidents, carry out inspections and identify improvement plans.

BUSINESS STRATEGY

MAJOR CHALLENGES

The Authority operates the Entertainment Centre and WIN Stadium within an extremely challenging business environment. Under its Charter, the Authority does not usually create nor promote events itself, but hires the facilities to other parties to stage events.

As a result, the Authority's commercial success is largely dependent on the health and activity levels of the Australian event industry, event promoters and locally-based national sporting teams and event organisers.

Today, the major challenges the Authority faces in attracting events to the Entertainment Centre include:

- Identifying viable target markets and building strong relationships with event organisers
- Working in an industry that suffers ups and downs in the international concert touring market
- Maintaining revenue and maximising yields from the Hawks NBL games in the face of fickle public and corporate support
- Optimising the use of in-house labour to reduce client costs and improve event contribution margins
- Attracting major events to Wollongong and overcoming perceptions of its proximity to Sydney, being an impediment to strong ticket sales
- Continually reducing operational costs whilst maintaining service level standards
- Encouraging the creation and development of locally-based events

At WIN Stadium, the business issues are different, but no less challenging. The Authority is largely reliant on one major hirer, the NRL St George-Illawarra Dragons. The commercial success of the Stadium is directly tied to the Dragons long-term tenancy there, continued financial strength and successful onfield performance.

In 2011, the Authority's 5 year Venue Hire Agreement with the Dragons expires. This Agreement effectively secures future revenues and usage for the venue from the Dragons and their affiliated rugby league teams. The key issue for the Authority this year is to negotiate an appropriate commercial agreement that sees the Dragons playing home games at WIN Stadium for the foreseeable future.

Some other key challenges facing the Authority in the Stadium are:

- Working closely with Office of Communities, NSW Public Works, Lipman Construction and a host of contractors to ensure that the construction of the new Western Grandstand delivers the core elements that will underpin the future financial viability of the Stadium. The grandstand has a total budget of \$31M, while a total of \$15.4M having been spent up to the end of 2010/11. Due to the roof damage incident in September 2011, the grandstand is not expected to be finished until mid 2012.
- Working with the anchor tenant, the St George-Illawarra Dragons, to continually improve the operations and financial returns from their games each season, including the revamped Southern Grandstand and the new Western Grandstand.
- Using the new Western Grandstand to attract major league football (soccer) back to the Stadium, engaging with Football Federation Australia (FFA) and Football South Coast and including supporting moves to have a South Coast team playing in the national A League competition.
- Using the new Western Grandstand to engage with the Australian Rugby Union (ARU) and NSW Rugby (Waratahs) to explore possibilities of attracting regional, national and international rugby union matches to the Stadium.

BUSINESS STRATEGY (cont.)

CORE BUSINESS STRATEGIES

As identified in the Authority's Business Plan, the intention is to concentrate on the following core business strategies during 2010/11:

Events & Program Delivery

Host a varied and appropriate program of events at the venue, which appeal to a wide range of markets, and as much as possible, are evenly spread throughout the year.

Financial

At a minimum, deliver a break-even financial return from the Authority business units and provide basic maintenance to its' facilities.

Business Opportunities

Maximise business opportunities, including a close liaison with its current users, the community and its peak organisations, to develop existing business and create business activity for the IVA, including events, activities, sponsorship, grants and signage/advertising.

Progress the Development Master Plan for the Authority's site, including the replacement of the current Western Stand at WIN Stadium and to establish a range of other venue improvements and commercial facilities.

Facilities & Resources

Optimise the use of the IVA facilities and resources, in the most cost-efficient manner possible, creating the optimum revenue, whilst providing the best Maintenance Program possible within the capabilities of available diminished revenue.

Human Resources

Continue to improve the capability of Authority staff and quality of services to provide world class service to patrons and clients, in the most cost-efficient manner possible.

Marketing

Develop new markets for all the Authority's business units to ensure maximum usage of the most profitable kind possible in this economic environment, including attracting Business Tourism activity and the hosting of elite rugby union and football at WIN Stadium.

Action Plans and Performance Indicators for the above strategies form a key part of the Business Plan implementation and monitoring.

FUTURE DIRECTIONS

The Authority is expecting to see some continued improvement in economic conditions over the following year, which should see an upturn in event activity at its venues. During 2011/12, the Authority intends to concentrate its energies in the following key areas of business:

- Complete, occupy and market the new Western Grandstand, to begin to establish it on the sports-event scene, optimise revenue from the leased areas and maximise return on investment.
- Establish "The Grandstand" brand, incorporating the new and existing function rooms, in the local and national market, to create interest and improve occupancy.
- Work with Office of Communities and NSW Treasury to attract further Capital Maintenance of Effort funding to continue to maintain the value of the assets (IVA facilities).
- Attract more events into the WEC and to WIN Stadium.
- Implement, in early 2012, a re-negotiated Dragons Venue Hire Agreement and associated Joint Supply Arrangements.

EVENTS CALENDAR 2010-11

WIN ENTERTAINMENT CENTRE

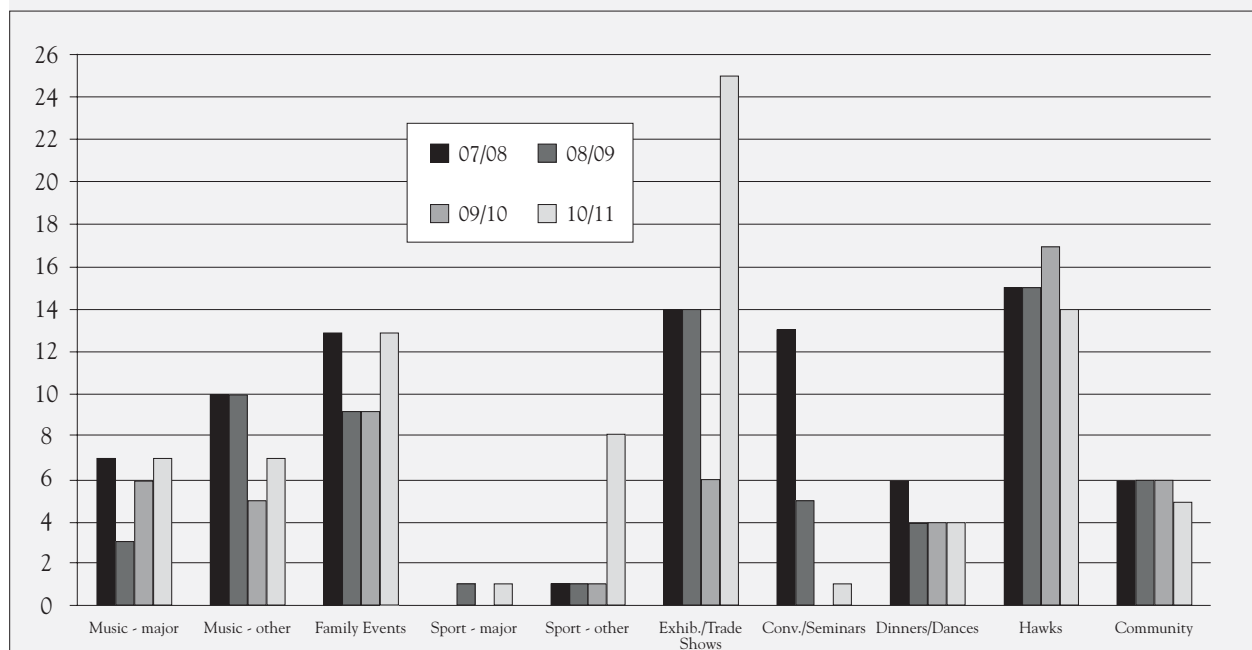
No.	Date	Event	Attendance	Event Days
1	18/07/10	2010 Illawarra Mercury Bridal Expo	2,536	1
2	21/07/10	Disney on Ice - A Disneyland Adventure (9 Shows)	19,600	5
3	29/07/10	Underwear Retail Sale	1,500	4
4	18/08/10	Wakakirri 2010	1,806	1
5	20/08/10	Check-It Men's Health Expo	1,200	1
6	27/08/10	Southern Stars 2010	11,023	1
7	02/09/10	John Butler Trio	2,027	1
8	09/09/10	Powderfinger	4,891	1
9	15/09/10	Mundine v Waters Fight Night	2,248	1
10	19/09/10	Roller Derby	607	1
11	20/09/10	St Mary's College Graduation Dinner	320	1
12	22/09/10	St Mary's College Graduation Mass	1,000	1
13	25/09/10	MMA Fight Night	714	1
14	03/10/10	2010 Irish Dance National Championships	1,500	6
15	04/10/10	Dragon Welcome Home to the Gong	3,000	1
16	15/10/10	HAWKS v GOLD COAST	2,902	1
17	22/10/10	HAWKS v TOWNSVILLE	2,765	1
18	27/10/10	NRMA Annual General Meeting	500	1
19	29/10/10	Brian Wilson, Chicago, America, Peter Frampton	3,296	1
20	31/10/10	Mary McKillop Canonisation Celebration	6,000	1
21	05/11/10	John Farnham - Show 1	2,690	1
22	06/11/10	John Farnham - Show 2	4,351	1
23	12/11/10	IBC Business Awards Dinner	1,030	1
24	14/11/10	HAWKS v MELB TIGERS	3,015	1
25	16/11/10	Crowded House	2,608	1
26	18/11/10	KidzWish Xmas Concert	3,000	1
27	19/11/10	KidzWish Charity Ball	730	1
28	26/11/10	HAWKS v SYDNEY KINGS	3,500	1
29	27/11/10	Review 2010 - The Circus is in Town	1,041	1
30	04/12/10	A Decade of Dance	1,389	1
31	05/12/10	Celebration Twenty 10	1,034	1
32	08/12/10	Inaburra School Presentation Night	1,000	1
33	10/12/10	HAWKS v ADELAIDE 36ERS	2,543	1
34	16/12/10	Wiggles 2010 - 'Greatest Hits' (2 Shows)	7,125	1
35	17/12/10	HAWKS v NZ BREAKERS	2,848	1
36	18/12/10	NRE Staff Xmas party	750	1
37	23/12/10	HAWKS v GOLD COAST	2,753	1
38	08/01/11	Underwear Retail Sale	4,500	9
39	28/01/11	HAWKS v CAIRNS	3,068	1

EVENTS CALENDAR 2009-10

WIN ENTERTAINMENT CENTRE (cont.)

No.	Date	Event	Attendance	Event Days
40	01/02/11	Billy Connolly - Show	1 4,372	1
41	02/02/11	Billy Connolly - Show 2	4,262	1
42	12/02/11	HAWKS v PERTH	2,732	1
43	27/02/11	HAWKS v NZ BREAKERS	2,505	1
44	05/03/11	HAWKS v TOWNSVILLE	2,366	1
45	12/03/11	HAWKS v ADELAIDE	2,791	1
46	19/03/11	HAWKS v CAIRNS	3,198	1
47	25/03/11	Chris Isaak	1,919	1
48	27/03/11	HAWKS v SYDNEY KINGS	3,003	1
49	23/04/11	Bob Dylan	3,841	1
50	25/04/11	ZZ Top	1,845	1
51	06/05/11	DVD Retail Sale	4,000	10
52	19/05/11	Red Hot Summer Tour (Jimmy Barnes, Thirsty Merc & Noiseworks)	1,73	1
53	21/05/11	Michael Jackson HIStory Show	894	1
54	22/05/11	Parkway Drive	1,041	1
55	07/06/11	Illawarra Coal Conference Dinner	326	1
56	07/06/11	Wollongong Eisteddfod	1,000	1
Totals			160,240	85

WIN ENTERTAINMENT CENTRE - EVENT DAYS COMPARISON



EVENTS CALENDAR 2010-11

WIN STADIUM

No.	Date	Event	Attendance	Event Days
1	18/07/10	WOLVES v SYDNEY OLYMPIC	471	1
2	25/07/10	WOLVES v WEST SYDNEY	555	1
3	07/08/10	RL Finals - Mod league 10-12 yrs	500	1
4	14/08/10	Carlton League Elimination Finals (Sat) 1,154 1		
5	15/08/10	Red V BBQ	200	1
6	15/08/10	Carlton League Elimination Finals (Sun)	1,379	1
7	21/08/10	Carlton League Semi Finals (Sat)	1,241	1
8	22/08/10	Carlton League Semi Finals (Sun)	1,683	1
9	29/08/10	Carlton League Finals	1,775	1
10	04/09/10	IDRL Junior Merged Comp Grand Finals	1,800	1
11	12/09/10	Carlton League Grand Final	3,622	1
12	19/09/10	IDRU Junior Grand Finals	1,710	1
13	25/09/10	IDRU Senior Grand Finals	2,066	1
14	03/10/10	NRL Grand Final Live Site	500	1
15	20/11/10	Sydney FC Youth & Womens League Games	594	1
16	11/12/10	Sydney FC Womens & Youth League games	375	1
17	29/01/11	Steelers v Roosters	200	1
18	05/02/11	Steelers v Eels trial game	400	1
19	12/02/11	Steelers v St George trial game	400	1
20	18/02/11	DRAGONS v BULLDOGS - TRIAL GAME	5,058	1
21	26/02/11	Steelers v Manly	400	1
22	05/03/11	Steelers v Melbourne	400	1
23	06/03/11	IDRL Centennial Knock-Out	1,338	1
24	19/03/11	Steelers v Perth	400	1
25	23/03/11	Nitro Circus	9,694	1
26	26/03/11	Steelers v Balmain	400	1
27	02/04/11	Steelers v Central Coast	300	1
28	14/04/11	Dragons Football Clinic for Juniors	200	1
29	27/06/11	DRAGONS v SEA EAGLES	13,700	1
Totals			52,515	29

EVENT HIGHLIGHTS

MUSIC/COMEDY

This year there were 14 live performances, up from last year's total of 11. Highlights included major music/comedy concerts from Powderfinger, Brian Wilson, Chicago, America, Peter Frampton, John Farnham (2), Billy Connolly (2) and Bob Dylan which attracted a combined total of 27,703 fans, at an average 3,958 per concert.

Other memorable performances were delivered by John Butler Trio, Crowded House, Chris Isaak, ZZ Top and Parkway Drive.

FAMILY SHOWS

Disney on Ice returned to the WEC in 2010/11, with nine 'A Disneyland Adventure' shows during July, drawing a total audience of 19,600.

This year's other major family show were two performances by The Wiggles.

Performances by local schools including Wakakirri, Southern Stars and several dance schools filled out the remainder of the family event calendar which remained strong with a total of 13 event days this year.

BASKETBALL

The IMB Wollongong Hawks had another good season. The 14 NBL home games attracted 39,989 spectators, at an average of 2,856 per game, which was down 3% on last season.

The number of Hawks corporate supporters catered for by the WEC this year was an average of 189 per game (up 52% on last season).



The Hawks in action at The Sandpit

OTHER SPORTS

Sport events returned in numbers to the WEC this year, including an Anthony Mundine fight, the first ever Roller Darby night, a Mixed Martial Arts (MMA) fight night and the 2010 Irish Dance National Championships. Total attendance for these events was 5,069.

RUGBY LEAGUE

The Stadium hosted just 1 trial and 1 home game of the NRL St George-Illawarra Dragons during the 2010/11 financial year, due to the impact of the western grandstand construction.

The games attracted a total of 18,758 spectators.

The Premiers Room continued to allow the Dragons to implement their corporate hospitality program, with the games attracting a total of 644 corporate guests for the games.

Another 17 local rugby league game days were staged, including the Carlton League final series, Steelers junior games, and IDRL Centennial Knock-out day and the Illawarra Junior league grand finals.

FOOTBALL (SOCCER)

The Wolves returned to WIN Stadium in 2010/11, playing 2 home games in the NSW Premier League. A total of 1,026 local fans attended the games.

Sydney FC also staged several of their Y-League and W-League (youth and women's league) games at the Stadium.

RUGBY UNION

The Illawarra District Rugby Union (IDRU) senior and junior grand finals were held at the Stadium, attended by a total of 3,776 local supporters.

HUMAN RESOURCES

STAFF STRUCTURE

All Illawarra Venues Authority staff are employed by the Office of Communities (OOC) under a local site Award. There were 8 full time and 3 part time staff employed by OOC at the venues by the close of 2010/11.

	08/09	09/10	10/11
Management	4	3	4
Staff	10	8	7

In addition to the above positions, the Authority utilises casual and contract staff for events and the provision of other services.

Casual event staff are used to fill event-related roles including security, crowd control, operational set-ups and pull-downs, rigging of sound and lighting equipment, ushering and cleaning.

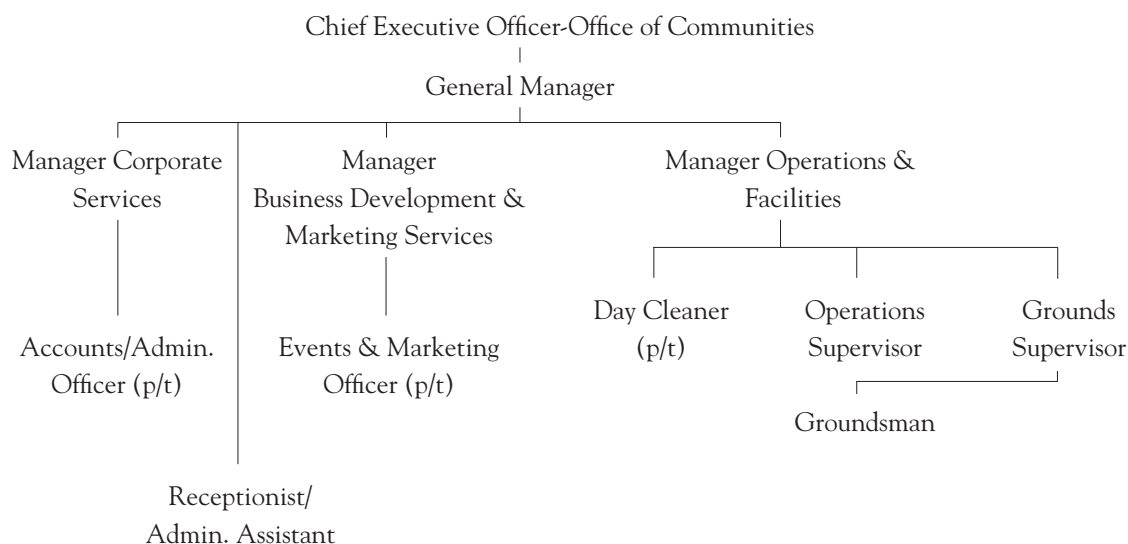
Contract staff are used by the Authority to provide the following venue services:

- Catering (Delaware North Companies)
- Ticketing (Ticketek)
- Merchandising (Playbill)
- Sound and Lighting (Arena AV)
- Repairs and Maintenance (various)

PERMANENT IVA EMPLOYEES AND POSITIONS HELD DURING 2009/10

General Manager	Stuart Barnes
Manager Corporate Services.....	Peter Lanyon
Manager Business Development & Marketing Services.....	Marc Swan
Manager Operations & Facilities	Lenny Fairclough
Operations Supervisor	Matthew Spicer
Ground Supervisor	Michael Barsby
Groundsman.....	Grant Melbert
Events & Marketing Officer (p/t)	Corrina Matasic
Receptionist/Admin. Assistant	Roslyn Young
Accounts/Admin Officer (p/t).....	Joanne Kocovski
Day Cleaner (p/t).....	Christine Daly

ORGANISATION CHART



HUMAN RESOURCES

MANAGEMENT QUALIFICATIONS

Stuart Barnes has been General Manager since 1997 and next year will celebrate twenty years experience in venue and event management. He is also on the boards of the Illawarra Business Chamber, Tourism Wollongong, St Mary's Star of the Sea College and is a councillor of the Venue Management Association (Asia and Pacific) Ltd. Stuart's qualifications include Diplomas in Teaching and Public Sector Management.

Peter Lanyon has been Manager Corporate Services since 1998 and has over twenty years experience in finance, administration and business management. Peter's qualifications include a Bachelor of Commerce and a Master of Business Administration.

Marc Swan has been Manager Business Development & Marketing Services since January 2010. Marc has over 10 years experience in the event and venue management industry, and has qualifications in Sports Administration, is a graduate of the Public Venue Management School and is currently studying a Bachelor of Commerce.

Lenny Fairclough has been Manager Operations & Facilities since February 2011 after holding various other positions with the Authority since 1998. Lenny is a graduate of the Public Venue Management School, and also holds qualifications in rigging, Small Business Enterprise, Bookkeeping, Financial Skills and Events & Venues.

INDUSTRIAL RELATIONS

There were no industrial disputes during 2010-11.

Employees of the Authority are currently employed under the Illawarra Venues Authority Australian Workers Union (State) Award 2009.

The Award is generally renewed every 2 years.

TRAINING

The management and staff training conducted during the year included:

- The General Manager, Manager - Business Development & Marketing Services and Manager Operations & Facilities attended the 2011 Venue Managers Association Conference & Trade Show, and Working in Government seminars.
- The Manager - Corporate Services attended seminars on NSW Govt. Wages Policy and Working in Government.
- The Accounts/Admin. Officer attended Taxation & Payroll, and Attaché accounting system training.
- Other permanent and casual staff also undertook White Card, First Aid, Occupational Health & Safety, Manual Handling, Chemical Handling, Fire Fighting & Evacuation, Incident & Emergency Management, Forklift, EWP, Rigging, Security License and Customer Service training.

EXECUTIVE REMUNERATION

	Year ending	
	2009	2010
Number of Executive Officers with remuneration equal to or exceeding equivalent of SES Level 1	1	1
Number of Executive Officers with remuneration equal to or exceeding equivalent of SES Level 5	0	0

HUMAN RESOURCES

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

The Authority is committed to the implementation of its' Equal Employment Opportunity (EEO) Policy, and through Communities NSW, observes EEO principles in its' recruitment of staff, workplace practices and development of training programs.

The following tables provide statistical EEO information on the venues' permanent workforce. In 2010/11 80 casual employees also worked at the venues, 46% of which were women.

Table A. Trends in the Representation of EEO Groups

EEO Group	% of Total Staff		
	Benchmark Or Target	2009/10	2010/11
Women	50%	45%	36%
Aboriginal people and Torres Strait Islanders	2.6%	0%	0%
People whose first language was not English	19%	0%	0%
People with a disability	N/A	0%	0%
People with a disability requiring work-related adjustment	1.1%	0%	0%

Table B. Trends in the Distribution of EEO Groups

EEO Group	Distribution Index		
	Benchmark Or Target	2009/10	2010/11
Women	100	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	-	-
People whose first language was not English	100	-	-
People with a disability	100	-	-
People with a disability requiring work-related adjustment	100	-	-

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

The Authority has reviewed its program for the release of government information under the Government Information (Public Access) Act 2009.

For the period of 1 July 2010 to 30 June 2011, the Authority received no requests under the Government Information (Public Access) Act 2009 (GIPA Act).

Further material on accessing government information and the role of the GIPA Act is available at the Authority's website at www.wec.org.au.

CODE OF CONDUCT - Employees

CODE OF CONDUCT

In line with the Board Members' and Management Governance Policy, a Code of Conduct Policy has been developed for Authority employees. The aim of the Policy is to ensure all staff observe the highest standards of ethics, integrity and behaviour during their employment with the Authority.

Key elements of the Code of Conduct include the following:

- Compliance with all Authority policies, procedures, rules, regulations and contracts;
- Compliance with all reasonable and legal instructions of managers;
- To be honest and fair in dealings with customers, clients, co-workers, Authority management and the general public;
- To maintain punctuality;
- To observe Occupational Health & Safety rules;
- To respect the Authority's ownership of all Authority funds, equipment, supplies, records and property;
- Unless express permission has been granted, Authority equipment, facilities or resources are not to be used for private purposes;
- The Authority's computing and Internet facilities should not be used to access, download, transmit or display material which might be offensive to co-workers or the public, and is not relevant to their work.
- To maintain during employment with the Authority and after the termination of employment, the confidentiality of any confidential information, records, or other materials acquired during the course of employment with the Authority;
- While employed at the Authority, to not accept any employment with another organisation that is a supplier of competitor of the Authority, or any other employment that is in conflict with your position at the Authority;
- To dress in an appropriate manner and to ensure that appearance is presentable, clean, neat and tidy;
- To not make any unauthorised statements to the media about the Authority's business (requests for media statements are to be referred to the General Manager)
- No discrimination or harassment of coworkers, customers, clients or members of the public on any grounds including sex, marital status, pregnancy, age, race, ethnic or national origin, physical or intellectual impairment, political or religious conviction, homosexuality, transsexuality, and HIV/AIDS;
- No fighting in the workplace;
- No swearing in the workplace;
- No drugs or alcohol in the workplace.

Breaches of the Code of Conduct are dealt with in accordance with the Authority's Discipline and Termination Policy.

TIMES FOR PROVISIONS OF SERVICE

Authority Management endeavours to acknowledge correspondence within seven working days, although detailed responses may vary according to the nature of the enquiry.

If requested, the Authority will provide financial settlement advances with hirers immediately after the event. Otherwise, settlements and balances are generally settled within five working days of the event.

MULTICULTURAL POLICIES

MULTICULTURAL POLICIES AND SERVICE PROGRAM

In line with NSW Government policy, the Illawarra Venues Authority has prepared a Multicultural Policies and Services Program (formerly an Ethnic Affairs Priority Statement or EAPS).

The Illawarra Venues Authority recognises the cultural and linguistic diversity of the people of New South Wales. The Authority also acknowledges and values the rich benefits these people bring to a community, and will provide the opportunity for all people to participate in and contribute to the Authority's activities.

After consultation with management and staff in June 2003, the Authority prepared an EAPS that aims to improve the management and delivery of services to people from culturally and linguistically diverse groups.

The Authority especially recognises the diversity of its' event patrons and clients, and the Implementation Plan is designed to improve their enjoyment at all sports, entertainment and other events, as well as their interaction with venue staff.

The following illustrates the Authority's multicultural strategy in the three key result areas:

1. Social Justice

- Develop Authority policies and programs that are responsive and sensitive to linguistic, cultural, racial and religious diversity
- Develop and support initiatives that support and utilise cross cultural skills of employees
- Develop policies and procedures to inform staff about access to interpreters and translators

2. Community Harmony

- Support the use of sport and entertainment as a mechanism to improve community relations and valuing of cultural diversities
- Develop a work environment that is harmonious and sensitive to religious beliefs
- Address racial vilification issues in the work and event environment
- Use a broader range of materials when developing communication materials and other publications
- Develop venue signage that is sensitive to the needs of linguistically diverse groups
- All staff will be aware of Government and Authority's anti-harassment and antidiscrimination policies and practices

3. Economic and Cultural Opportunities

- Provide improved employment opportunities for people from culturally diverse backgrounds
- Provide improved industry related training opportunities for people from culturally diverse backgrounds

ENVIRONMENT

WASTE REDUCTION AND PURCHASING POLICY (WRAPP)

The NSW Government's Waste Reduction and Purchasing Policy (WRAPP) requires all state government agencies, including the Illawarra Venues Authority, to develop and implement a WRAPP plan to reduce waste in four scheduled areas:

- paper products
- office equipment and components
- vegetation material; and
- construction and demolition material.

It also requires that priority be given to buying materials with recycled content where they are cost and performance competitive.

WRAPP plans provide information on strategies each agency will undertake to reduce waste and increase purchases of recycled content products and provide data on:

- total quantities of scheduled wastes being generated and recycled; and
- total quantities of materials being purchased which contain recycled content.

The Illawarra Venues Authority is committed to implementing a WRAPP Plan at its facilities, and to reporting on progress.

The Plan includes strategies to reduce waste and increase purchases of recycled content products. Strategies target key areas of activity such as:

- Inclusion of WRAPP principles in corporate plans and operational policies and practices
- Including contract specifications requiring the supply of recycled content products
- Improving waste avoidance and recycling systems
- Establishing data collection systems

- Increasing the range and quantity of recycled content materials being purchased
- Raising staff awareness about the WRAPP

The waste reduction component of the WRAPP Plan requires that the Authority minimises the creation of waste, and that wastes they generate are separated for collection and recycling.

In developing its WRAPP Plan, the Authority will:

- (a) assess the nature and sources of waste, and
- (b) develop strategies for minimising waste, and the reuse and recycling of waste created.

Regarding the materials buying component of the WRAPP Plan, the Authority will:

- (a) assess current purchases of recycled products, materials and equipment
- (b) review its' product purchasing practices, standards and specifications to remove impediments to the purchase of preferred products, and
- (c) identify preferred products to be purchased under its new purchasing plans.

During 2010-11, the Authority's major WRAPP outcomes included:

- Further refined the post-event cleaning operations to better collect and dispose of recyclable waste, including improvements to the dual collection facilities and cardboard collection and recycling.
- Continued education and awareness for staff, contractors and the public regarding recyclable waste and the importance of reducing land fill.
- Contracting of a new organic waste collection service.
- Ongoing distribution of super food to "Oz Harvest"

FINANCE

OPERATING RESULT

For 2010/11, the Authority delivered a surplus of \$23,502,583 compared to a surplus of \$1,330,042 in 2009/10. The 2010/11 result included revenue from Government grants of \$25,253,635 for the new western grandstand and other minor capital projects.

Excluding the effects of Government grants, depreciation and asset sales, there was a deficit of (\$451,018) in 2010/11, compared to a surplus of \$468,019 last year (see table p. 35).

The deficit for 2010/11 was an unfavourable variation of \$237,599 over the budgeted deficit of \$213,419. This variation was mainly due to the reduction in Dragons games and the subsequent event returns at WIN Stadium to accommodate the Western Grandstand construction program that started in July 2010.

REVENUE

Excluding government grants, total revenue for the year was \$3,192,176 compared to \$3,327,735 in 2009/10 (4% decrease).

Venue Hire

Revenue from venue hire fees for the year was \$699,955 compared to \$632,870 in 2009/10. The 11% increase was due to the increased number of and returns from WEC events.

Cost Recovery

Cost recovery from hirers of the venues was \$1,028,842 compared to \$1,196,194 in 2009/10. The 14% decrease arose mainly from the reduction in Dragons games.

Catering

Catering services at the venues are provided by Delaware North Companies Australia Pty Ltd (DNCA) under a 10 year contract (2010-2020).

The commissions paid to the Authority by DNCA on the sale of food and beverage was \$265,469 compared to \$415,773 last year. The nett decrease of 36% was due mainly to the reduction in Dragons games at WIN Stadium.

Ticketing

Ticketing services at the venues are provided by Ticketek Pty Ltd under a 5 year contract (2009-2014).

The share of ticketing fees to the Authority for 2010/11 was \$215,431 compared to \$261,159 last year.

Advertising

Advertising revenue arises from the sale of signage spaces on the interior and exterior of the venues.

This year advertising sales generated \$67,784 compared to \$169,050 in 2009/10.

EXPENDITURE

Excluding depreciation, the total expenditure for the year was \$3,643,257 compared to \$2,859,716 in 2009/10.

Salaries

In 2010/11, the salaries paid to permanent staff (see positions in Organisation Chart on page 22) totalled \$814,447 compared to \$847,283 last year.

Casual Staff

The wages paid to casual event staff (security, ushers, cleaners and operations) in 2010/11 was \$612,566 compared to \$564,788 in 2009/10. The majority of this cost was recovered from the hirers of the venues.

Repairs and Maintenance

During the year (including the Northern Grandstand re-paint cost), a total of \$837,652 was spent on repairs and maintenance compared to \$167,233 last year.

The maintenance activity is performed by a mix of in-house staff, service contracts and trade subcontractors under the control of the Manager - Operations & Facilities.

Advertising, Marketing and Promotion

Expenditure on advertising, marketing and promotion totalled \$22,787 this year compared to \$29,603 last year.

Utilities

The cost of electricity, gas and water was \$264,241 in 2010/11, compared to \$252,401 last year.

FINANCE

Consultants

A total of \$39,454 was spent on consultants for the 2010/11 year as follows:

- RiskWorks for development of emergency evacuation policies and procedures, \$12,274.
- APP Corporation for business case revision for the replacement of the Western Grandstand at WIN Stadium, \$18,185.
- JBA Planning for development application planning services related to the Northern Grandstand at WIN Stadium, \$8,995.

Cost of Printing Annual Reports

The 2010/11 Annual Report was produced for a total external cost of \$2,361.90, and is also available at www.wec.org.au.

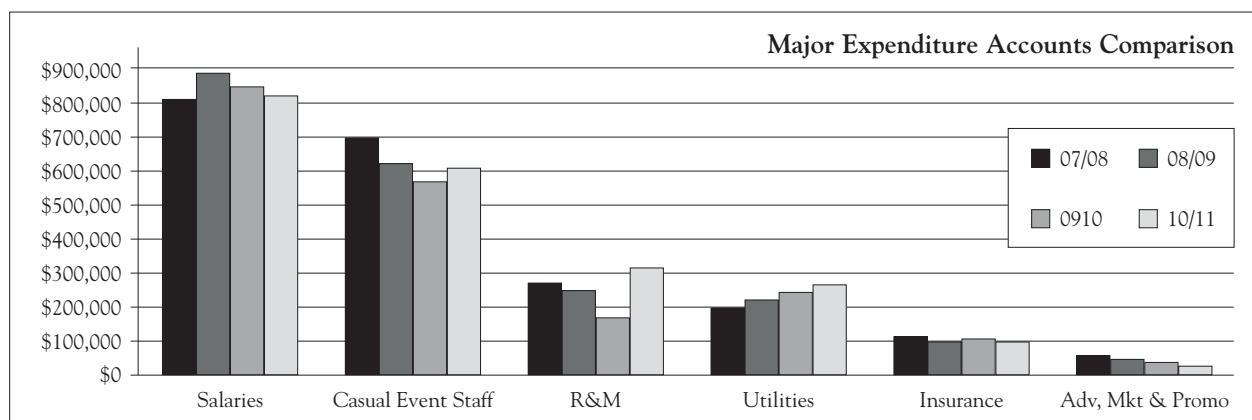
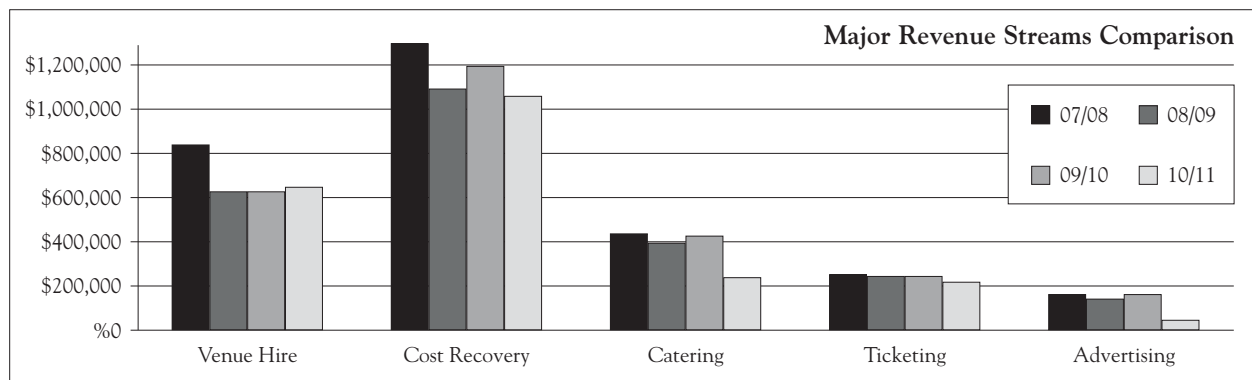
FUTURE OPERATING POSITION

For the 2011/12 financial year, the Authority is forecasting a surplus of \$883,994, excluding the effects of Government grants, depreciation and asset sales (see Page 35).

Total Revenue is forecast to be up by 35% compared to last year. Although the Authority is not forecasting a significant increase in Entertainment Centre event days, revenue from WIN Stadium was expected to be significantly boosted due to the completion of the Western Grandstand, the return of a full season of Dragons games, and a program of new sporting and other events. However, due to the wind damage sustained to the new western grandstand roof in September 2011, the revenue for early 2012 remains uncertain.

The Authority's focus on containing, and where possible reducing, the fixed and variable costs of running the venues will continue. However, expenditure for the year is forecast to increase by 8% compared to 2010/11, mainly due to a rise in event-related expenditure at WIN Stadium.

REVENUE AND EXPENDITURE DRIVERS



FINANCE

TIME FOR PAYMENT OF ACCOUNTS

The Authority endeavours to comply with NSW Treasury requirements regarding prompt settlement of all invoices received. Any delays in payment during the year were mainly due to disputed claims, missing invoices or short-term cash flow restrictions. Disputed claims are resolved as quickly as possible by prompt discussions with the staff member who placed the order and the supplier. If invoices are missing, new ones are requested, authorised and paid. Authority cash-flow restrictions have occasionally led to payment outside of suppliers' trading terms, but where possible, suppliers are contacted and new payment terms agreed.

The following schedules indicate the Authority's payment performance in 2010/11:

Aged Accounts Analysis at the end of each quarter

	Quarter Ended 30.9.10	Quarter Ended 31.12.10	Quarter Ended 30.3.11	Quarter Ended 30.6.11
Current (ie within due date)	220,032	278,668	221,393	116,650
Less than 30 days overdue	1,577	3,504	72,674	32,347
Between 30 and 60 days overdue	3,371			
Between 60 and 90 days overdue		1,611		
More than 90 days overdue				
	224,980	283,783	294,067	148,997

Accounts paid on time within each quarter

	Quarter Ended 30.9.10	Quarter Ended 31.12.10	Quarter Ended 30.3.11	Quarter Ended 30.6.11
Percentage of Accounts paid on time	90.33%	88.49%	77.91%	77.55%
Total dollar amount of accounts paid on time	561,564	654,147	765,648	787,049
Total dollar amount of accounts paid	621,708	739,195	982,687	1,014,839
The target is to have 100% accounts paid on time.				

FINANCE

PERFORMANCE AGAINST BUDGET

Revenue	2009/10	2010/11	2010/11	2011/12
	Actual	Budget	Actual	Budget
Advertising	169,050	38,000	67,784	163,000
Catering commissions	415,773	289,690	265,469	535,340
Corporate sponsorships (incl. WIN Naming Rights)	311,235	483,409	474,494	483,409
Costs recovered from hirers	1,196,194	1,009,960	1,028,842	1,517,340
Interest	74,486	72,000	157,854	72,000
Merchandising commissions	48,075	72,100	33,538	36,500
Rent	123,570	137,181	128,191	167,702
Ticketing charges, fees	261,159	232,850	215,431	287,200
Net Ticket Sales - WST Promotions	3,968	-	12,598	-
Venue hire fees & commissions	632,870	753,600	699,955	927,650
Other revenue	91,354	89,000	108,020	94,000
Total revenue	3,327,735	3,177,790	3,192,176	4,284,140
Expenditure				
Advertising	17,732	20,000	9,921	12,000
Amortisation of leased assets	4,292	-	-	-
Audit fees	25,020	41,000	25,020	41,000
Bank charges	1,806	3,000	782	3,000
Borrowing costs	20,973	17,040	17,438	-
Casual staff	564,788	534,920	612,566	707,980
Catering services - recovered from clients	4,023	-	50,992	-
Consultants	19,000	-	39,454	-
Cleaning materials	30,739	34,000	24,958	34,000
Co-Promotions Expenses/Buy-ins	-	-	-	-
Electricity and gas	193,952	203,600	203,759	239,600
Entertainment	13,781	8,100	8,208	8,100
Equipment hire	79,264	134,895	106,324	101,550
General expenses	447,263	273,780	420,769	444,580
Insurance	116,228	120,000	101,207	120,000
Legal fees	19,074	23,000	4,088	23,000
Marketing and promotion	11,871	15,000	12,866	15,000
Payroll Tax	50,229	57,411	47,437	71,399
Provisions for leave entitlements	-53,985	12,000	17,810	12,000
Repairs and maintenance	167,233	770,000	837,652	370,000
Salaries and wages	847,283	830,560	814,447	844,000
Security - building	6,267	3,000	6,058	3,000
Playing Surface Maintenance	36,638	42,000	28,738	57,000
Stationery, printing and postage	13,969	10,000	12,029	13,300
Superannuation	112,015	122,893	118,409	139,678
Telephone	26,526	28,360	29,489	28,360
Ticketing staff	21,767	21,650	15,035	37,600
Travelling expense	3,519	4,000	4,135	4,000
Water	58,449	61,000	60,482	70,000
Total expenditure	2,859,716	3,391,209	3,643,257	3,400,147
Net (deficiency)/surplus	468,019	(213,419)	(451,018)	883,994

Note: This Income Statement excludes the effects of Government Grants and Depreciation.



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Illawarra Venues Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Illawarra Venues Authority (the Authority), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Board's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- 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.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Sally Bond
Director, Financial Audit Services

18 October 2011
SYDNEY

ILLAWARRA VENUES AUTHORITY

ABN 14 088 284 434

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

**Illawarra Venues Authority
Financial Statements**

For the Year Ended 30 June 2011

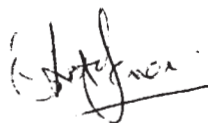
Statement by Members of the Board

Pursuant to the requirements of Section 41C of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the members of the Illawarra Venues Authority, we declare on behalf of the Board that in our opinion:

- a) the accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* (as applicable) and the Treasurer's Directions;
- b) the statements exhibit a true and fair view of the financial position and transactions of the Illawarra Venues Authority for the year ended 30 June 2011
- c) further we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Mr Chris Christodoulou
Chairman



Mr Stuart Barnes
General Manager

14 October 2011

Illawarra Venues Authority

**Statement of Comprehensive Income
for the Year Ended 30 June 2011**

	Note	2011 \$	1/12/09 - 30/6/10 \$
Revenue			
Venue hire fees		699,956	371,066
Cost recoveries		1,028,842	695,781
Advertising and sponsorships		542,278	302,106
Grants and contributions		25,253,635	1,852,504
Other revenue		921,101	601,791
Total Revenue	2	28,445,812	3,823,248
Expenses			
Personnel services		1,660,755	892,284
Finance costs		782	12,648
Other operating		1,993,181	773,881
Depreciation and amortisation		1,299,973	814,393
Loss/(gain) on disposal of assets		(11,461)	-
Total Expenses	3	4,943,229	2,493,206
SURPLUS/(DEFICIT) FOR THE PERIOD BEFORE INCOME TAX		23,502,583	1,330,042
Income Tax Equivalent Expense		-	-
SURPLUS/(DEFICIT) FOR THE PERIOD AFTER INCOME TAX		23,502,583	1,330,042
Other Comprehensive Income			
Net increase in Property, Plant and Equipment Valuation	6	2,144,173	1,989,947
Total Other Comprehensive Income for the Period		2,144,173	1,989,947
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		25,646,756	3,319,989

The accompanying notes form part of these financial statements.

Illawarra Venues Authority

Statement of Financial Position as at 30 June 2011

	Note	2011 \$	2010 \$
Assets			
Current Assets			
Cash and cash equivalents	4	13,364,247	2,285,025
Trade and other receivables	5	359,698	292,002
Total Current Assets		13,723,945	2,577,027
Non-Current Assets			
Property, Plant and Equipment			
- Land and infrastructure		77,500,077	62,827,252
- Plant and equipment		893,906	816,780
Total Property, Plant and Equipment	6	78,393,983	63,644,031
Total Non-Current Assets		78,393,983	63,644,031
Total Assets		92,117,928	66,221,058
Liabilities			
Current Liabilities			
Trade and other payables	7	1,931,177	1,380,145
Provisions - personnel services	8	162,064	154,146
Income in advance	9	752,753	701,481
Total Current Liabilities		2,845,994	2,235,773
Non-Current Liabilities			
Provisions - personnel services	8	71,459	61,567
Income in advance	9	3,972,500	4,342,500
Total Non-Current Liabilities		4,043,959	4,404,067
Total Liabilities		6,889,953	6,639,839
NET ASSETS		85,227,975	59,581,219
Equity			
Asset Revaluation Reserve		4,134,120	1,989,947
Accumulated funds		81,093,855	57,591,272
TOTAL EQUITY		85,227,975	59,581,219

The accompanying notes form part of these financial statements.

Illawarra Venues Authority

**Statement of Changes in Equity
for the Year Ended 30 June 2011**

	Accumulated Funds		Asset Revaluation Reserve		Total	
	2011 \$	1/12/09 - 30/6/10 \$	2011 \$	1/12/09 - 30/6/10 \$	2011 \$	1/12/09 - 30/6/10 \$
Balance at the beginning of the Year/Period	57,591,272	-	1,989,947	-	59,581,219	-
Surplus/(Deficit) for the Period after Income Tax	23,502,583	1,330,042	-	-	23,502,583	1,330,042
Other Comprehensive Income						
Increase in Property, Plant and Equipment Valuation	-	-	2,144,173	1,989,947	2,144,173	1,989,947
Total Other Comprehensive Income for the Period	23,502,583	-	2,144,173	1,989,947	2,144,173	1,989,947
Transfers Within Equity						
Asset revaluation reserve balance transferred to accumulated funds on disposal of asset	-	-	-	-	-	-
Total Transfers Within Equity	-	-	-	-	-	-
Transactions with owners in their capacity as owners						
Increase in net assets from equity transfers	-	56,261,232	-	-	-	56,261,232
	-	56,261,232	-	-	-	56,261,232
Balance at the end of the Year/Period	81,093,855	57,591,272	4,134,120	1,989,947	85,227,975	59,581,219

The accompanying notes form part of these financial statements.

Illawarra Venues Authority
Statement of Cash Flows
for the Year Ended 30 June 2011

	Note	2011 \$	1/12/09 - 30/6/10 \$
Cash Flows from Operating Activities			
Payments			
Suppliers and personnel services		(3,472,217)	(1,662,440)
Total Payments		<u>(3,472,217)</u>	<u>(1,662,440)</u>
Receipts			
Receipts from operations		3,034,240	2,224,819
Interest received		157,854	43,817
Government grants		25,253,635	1,852,504
Other			
Total Receipts		<u>28,445,729</u>	<u>4,121,140</u>
Net Cash Flows from Operating Activities	12	<u>24,973,511</u>	<u>2,458,700</u>
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		40,182	-
Purchase of property, plant and equipment		(13,934,471)	(1,880,214)
Net Cash Flows Used in Investing Activities		<u>(13,894,289)</u>	<u>(1,880,214)</u>
Cash Flows from Financing Activities			
Repayment of finance lease liabilities		-	(11,306)
Net Cash Flows from Financing Activities		<u>-</u>	<u>(11,306)</u>
Net Increase in Cash and Cash Equivalents		11,079,222	567,180
Opening cash and cash equivalents		2,285,025	-
Cash transferred in as a result of administrative restructuring		-	1,717,845
CLOSING CASH AND CASH EQUIVALENTS	4	<u>13,364,247</u>	<u>2,285,025</u>

The accompanying notes form part of these financial statements.

Illawarra Venues Authority

Notes to and forming part of the Financial Statements

for the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Illawarra Venues Authority (the Authority) is a reporting entity. There are no other entities under its control which are required to be consolidated in these financial statements.

The mission of the Authority is to operate and develop sustainable, integrated sports, entertainment and conference facilities for the community. The Authority's venues comprise the WIN Entertainment Centre and WIN Stadium, Wollongong. These venues are available to event promoters, sporting teams and community groups to stage a wide variety of sports, entertainment and other community events.

The Authority is domiciled in Australia and its principal place of business is Harbour Street, Wollongong.

The Authority is a not-for-profit entity (as profit is not its principal objective) and is consolidated as part of the NSW Total State Sector Accounts.

As a result of the *Public Sector Employment Legislation Amendment Act 2006*, employees of the Authority are now reported as employees of Communities NSW. The Authority reports employee related information as "personnel services" in its financial statements.

These financial statements for the year ended 30 June 2011 have been authorised for issue by the Board on 14 October 2011.

(b) Basis of Preparation

The financial statements have been prepared as general purpose financial statements on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the Public Finance and Audit Act and Regulations and
- Treasurer's directions

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

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

All amounts are expressed in Australian currency.

The Authority was constituted on 30 November 2009. As a result the comparative period is only seven months. As a result, the amounts presented in the financial statements are not entirely comparable.

(c) Statement of Compliance

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

Illawarra Venues Authority

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Income Recognition

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

(i) Grants

Contributions from the NSW Government and other bodies are recognised as income when the Authority obtains control over the assets comprising the contributions. Control is normally obtained upon the receipt of cash.

(ii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion of the transaction at balance date.

(iii) Rental Income

Rental revenue is recognised in accordance with AASB 117 *Leases* on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income.

(iv) Cost Recoveries

Where venue hire agreements specify that the hirer should contribute to the variable costs of staging an event, the costs recovered from the hirer are disclosed as a separate revenue item in the Statement of Comprehensive Income. Costs incurred are disclosed in the relevant expenditure categories in the Statement of Comprehensive Income.

(v) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(vi) Income in Advance – WIN Naming Rights & Prepaid Catering Rights

The total contract values have been recognised as income in advance and are being amortised in equal instalments over the life of the contract, being 25 years and 10 years respectively.

(vii) Advertising and sponsorship

Advertising and sponsorship includes payments under contract with various companies for naming rights, exclusive product rights, sponsorship and advertisements that are displayed around the Entertainment Centre and the Stadium. Revenue is recognised over the period of the contract.

(e) Personnel Services and Provisions

Personnel Services to the Authority are provided by the Office of Communities, Department of Education and Communities.

The superannuation expense included in Personnel Services is calculated as a percentage of the employees' gross salaries.

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that are expected to be paid as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Illawarra Venues Authority

Notes to and forming part of the Financial Statements

for the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Personnel Services and Provisions continued

Non-accumulating non-monetary benefits, such as cars, are expensed based on the net marginal cost as the benefits are taken by the employees.

The net obligation in respect of long-term service benefits, that are not expected to be settled within 12 months, are the amount of future benefits that employees have earned in return for their service in the current and prior periods. Long service leave entitlements have been valued using the short-hand method to approximate the present value. It is unlikely that the difference between the present value and the nominal value will be material.

(f) Insurance

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

(g) Goods and Services Tax (GST)

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

- the amount of GST incurred by the Authority as a purchaser is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(h) Income Tax

Under the NSW Treasury Commercial Policy Framework the Authority is included in the Tax Equivalent Regime for Government Business. Under Treasury Policy Paper TPP 03-4, the Authority pays a tax equivalent to the Office of State Revenue calculated at 30% of accounting profit, adjusted for certain transactions. Under the framework, the Authority is not required to apply AASB 112 'Income Taxes'.

(i) Acquisition of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific 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 amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

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

Illawarra Venues Authority Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper TPP 07-01. This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Authority re-values each class of property, plant and equipment at least every five years or with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2008 by the former Wollongong Sportsground Trust and was based on an independent assessment.

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 re-valued (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 existing at the revaluation date in respect of those assets are credited to the asset account to which they relate. The net asset accounts are 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 an expense 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 re-valued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

Illawarra Venues Authority
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of Property, Plant and Equipment

As a not-for-profit entity the Authority is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(m) Subsequent Costs

The Authority recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Authority and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

(n) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Authority. Land is not a depreciable asset.

All material separately identifiable components of assets are recognised and depreciated over their useful lives. Useful Lives of the Authority's assets have been determined as follow:

	<u>Average Useful Life Years</u>	
	<u>2011</u>	<u>2010</u>
Buildings/Infrastructure	40	40
Plant and Equipment	4-10	4-10
Computer Hardware	3	3
Motor Vehicles	3-10	3-10

The residual value, useful life and depreciation method applied to an asset are reassessed at least annually.

(o) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred. However, where they relate to the replacement of a component of an asset, which restores the service potential and extends the life of the asset beyond that which it had originally, the costs are capitalised and depreciated.

(p) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

Illawarra Venues Authority Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Statement of Comprehensive Income when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(r) Cash and Cash Equivalents

Cash and cash equivalents, comprises cash on hand and bank balances.

(s) Other Assets

Other assets are recognised on a cost basis.

(t) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value when the Authority become obliged to make future payments as a result of purchases of assets or services. 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.

(u) Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

(v) Provisions – Other

A provision is recognised in the statement of financial position when the Authority has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(w) Equity

(i) Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Authority policy on the revaluation of property, plant and equipment as discussed in Note 1 (l).

(ii) Accumulated Funds

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

Illawarra Venues Authority
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Accounting Estimates and Judgements

Preparation of the financial statements in conformity with Australian Accounting Standards requires the making of estimations and assumptions that affect the recognised amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

(y) 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.

(z) New Australian Accounting Standards issued but not Effective

At reporting date a number of Australian Accounting Standards have been issued by the AASB but are not yet operative. These have not been early adopted by the Authority.

It is considered implementation of these standards will not have a material impact on the Authority's financial statements.

Illawarra Venues Authority
Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

2 REVENUE	2011	1/12/09 - 30/6/10
	\$	\$
(a) Venue hire fees		
Hire of facilities	699,956	371,066
(b) Cost recoveries		
Event related expenditure recovered from hirers	1,028,842	695,781
(c) Advertising and sponsorship revenue		
Advertising and sponsorship revenue is recognised over the period of the contract	542,278	302,106
(d) Grants		
NSW Government through the Office of Communities/ Communities NSW	25,253,635	1,852,504
Western Grandstand construction funding - NSW Govt grant of \$24.4m in 2011		
IVA TAM projects - NSW Govt grant of \$0.838m in 2011		
(e) Other revenue		
Investment income	157,854	43,817
Catering commissions	265,469	260,018
Merchandising commissions	33,538	20,068
Rental income	128,191	60,195
Ticketing commissions	215,431	155,506
Other	120,618	62,187
Total	921,101	601,791
3 EXPENSES		
(a) Personnel services		
Salaries and wages (including recreation leave)	1,417,401	823,440
Superannuation	118,409	65,722
Provision for leave entitlements	17,811	(53,985)
Workers' compensation insurance	30,910	19,367
Payroll tax and fringe benefits tax	76,224	37,740
Total	1,660,755	892,284
(b) Finance costs		
Bank charges	782	860
Lease fees	-	11,788
	782	12,648
(c) Other operating		
Advertising, marketing & promotion	22,788	15,797
Audit fees	25,020	14,595
Catering services - clients	50,992	2,490
Cleaning materials	24,958	16,364
Contractors - event staff	194,136	114,132
Entertainment	8,208	10,194
Electricity and gas	203,759	114,897
Equipment hire	106,324	43,202
General expenses	245,390	150,343
Insurance	70,298	48,617
Legal fees	4,088	6,751
Repairs and maintenance (incl. major repaint Northern Grandstand \$518k in 2011)	866,390	128,874
Security - building	6,058	3,887
Stationery, printing and postage	12,029	9,828
Telephone	29,489	15,725
Ticketing staff	15,035	14,334
Travelling expense	4,135	2,395
Waste removal	43,602	28,585
Water rates	60,482	32,871
Total	1,993,181	773,881

Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

	2011 \$	1/12/09 - 30/6/10 \$
3 EXPENSES (continued)		
(d) Depreciation and amortisation		
Depreciation		
Buildings	1,195,180	750,576
Plant and equipment	104,793	61,313
Total	<u>1,299,973</u>	<u>811,889</u>
Amortisation		
Amortisation of leased assets	-	2,504
Total	<u>-</u>	<u>2,504</u>
Total depreciation and amortisation	<u>1,299,973</u>	<u>814,393</u>
(e) Gain/(Loss) on Disposal of Assets		
Gain/(Loss) on disposal of plant and equipment		
Proceeds from disposal	40,182	-
Less Written down value of assets disposed	(28,721)	-
Total	<u>11,461</u>	<u>-</u>
	2011	2010
	\$	\$
4 CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash on hand	350	350
Cash at bank	13,363,897	2,284,675
Total	<u>13,364,247</u>	<u>2,285,025</u>
For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand and short term deposits.		
Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:		
Cash and cash equivalents (per Statement of Financial Position)	13,364,247	2,285,025
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	<u>13,364,247</u>	<u>2,285,025</u>
Refer Note 13 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.		
5 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES		
Venue hire and cost recoveries	115,793	60,176
Advertising and sponsorships	116,225	184,651
Rent receivable	76,861	64,194
GST recoverable from Australian Taxation Office	21,523	-
Other debtors	29,296	22,768
	<u>359,698</u>	<u>331,789</u>
Less Allowance for impairment*	-	(39,787)
Total	<u>359,698</u>	<u>292,002</u>
* Movement in the allowance for impairment:		
Balance at the beginning of the financial year	(39,787)	-
Amounts written off during the year	39,787	-
Amounts recovered during the year	-	-
Increase in allowance recognised in surplus/deficit	-	(39,787)
Balance at the end of the financial year	<u>-</u>	<u>(39,787)</u>

Illawarra Venues Authority
Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

	2011 \$	2010 \$
6 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT		
(a) Freehold land		
At Fair Value	<u>17,500,000</u>	<u>17,500,000</u>
(b) Buildings/Infrastructure		
At Fair Value	85,851,906	69,983,901
Less: Accumulated Depreciation	<u>(25,851,829)</u>	<u>(24,656,649)</u>
Net carrying amount	<u>60,000,077</u>	<u>45,327,252</u>
(c) Plant and equipment		
At Fair Value	1,036,894	850,557
Less: Accumulated Depreciation	<u>(142,988)</u>	<u>(33,777)</u>
Net carrying amount	<u>893,906</u>	<u>816,780</u>
Total Property, Plant and Equipment		
At Net Carrying Amount	<u>78,393,983</u>	<u>63,644,031</u>

Comparative amounts for Buildings/Infrastructure 'at fair value' and 'accumulated depreciation' have been restated by increasing both amounts by \$23.9m to present the replacement cost of the Buildings/Infrastructure in accordance with TPP 07-1. There is no effect on the net carrying amount as a result of this restatement.

Reconciliation

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

	Land \$	Buildings/ Infrastructure \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
Year ended 30 June 2011					
Carrying amount at start of financial year	17,500,000	45,327,252	816,780	-	63,644,032
Additions		308,451	210,639		519,090
Disposals			(28,721)		(28,721)
Net revaluation increment		2,144,173			2,144,173
Work in progress		13,415,381			13,415,381
Depreciation expense		(1,195,180)	(104,793)		(1,299,973)
Net Carrying amount at end of financial year	<u>17,500,000</u>	<u>60,000,077</u>	<u>893,906</u>	-	<u>78,393,983</u>

	Land \$	Buildings/ Infrastructure \$	Plant and Equipment \$	Leased Plant and Equipment \$	Total \$
Period ended 30 June 2010					
Carrying amount at start of financial period	-	-	-	-	-
Acquisitions through administrative restructure	17,500,000	40,549,521	628,666	20,748	58,698,935
Additions	-	2,344,011	235,839	-	2,579,850
Disposals	-	-	(4,656)	-	(4,656)
Net revaluation increment	-	1,989,947	-	-	1,989,947
Transfer	-	-	18,244	(18,244)	-
Work in progress	-	1,194,349	-	-	1,194,349
Depreciation expense	-	(750,576)	(61,313)	(2,504)	(814,393)
Net Carrying amount at end of financial period	<u>17,500,000</u>	<u>45,327,252</u>	<u>816,780</u>	-	<u>63,644,032</u>

(d) Revaluations

Land and buildings

The Authority's valuation of freehold land of \$17,500,000 and buildings of \$62,500,000 is based on an independent valuation performed as at 30 June 2008 by the former Department of Lands

The building's replacement cost has been revalued annually since 2008 using an indexation factor of 5% per annum as advised by the independent valuer.

Illawarra Venues Authority
Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

6 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (continued)

(e) Work in progress

Work in progress relates to expenditure to date on the construction of the Western Grandstand which will not commence to be depreciated until construction is completed.

	2011 \$	2010 \$
Works in progress - Buildings/Infrastructure	<u>14,609,730</u>	<u>1,194,349</u>

7 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

Trade payables	215,325	186,393
Deposits held	<u>1,715,852</u>	<u>1,193,752</u>
Total	<u>1,931,177</u>	<u>1,380,145</u>

8 CURRENT/NON-CURRENT LIABILITIES - PERSONNEL SERVICES

Current

Liability for annual leave	90,604	92,579
Liability for long service leave	<u>71,459</u>	<u>61,567</u>
Total	<u>162,064</u>	<u>154,146</u>

Non-Current

Liability for long service leave	<u>71,459</u>	<u>61,567</u>
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9 CURRENT/NON-CURRENT LIABILITIES - INCOME IN ADVANCE

Current

Income received in advance	<u>752,753</u>	<u>701,481</u>
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Non-Current

Income received in advance	<u>3,972,500</u>	<u>4,342,500</u>
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10 COMMITMENTS FOR EXPENDITURE

a) Operating lease commitments

Future non-cancellable operating lease rentals not provided for and payable:

Not later than one year	-	17,438
Later than one year and not later than five years	-	-
Total (including GST)	<u>-</u>	<u>17,438</u>

b) Capital expenditure commitments

Future capital expenditure not provided for and payable:

Not later than one year	15,597,115	-
Later than one year and not later than five years	-	-
Total (excluding GST)	<u>15,597,115</u>	<u>-</u>

11 REMUNERATION OF AUDITORS

Audit Office of NSW - audit of financial statements*	<u>25,020</u>	<u>14,595</u>
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* No other amounts were paid to the Audit Office of NSW

12 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE PERIOD AFTER INCOME TAX

Surplus/(deficit) for the Period after Income Tax	23,502,583	1,330,042
Depreciation and amortisation	1,299,973	814,393
Net (profit)/loss on disposal of plant and equipment	(11,461)	-
Increase/(decrease) in personnel services provisions	17,810	(53,985)
(Increase)/decrease in receivables	(67,696)	163,016
Increase in creditors	551,032	340,974
(Decrease) in income received in advance	<u>(318,728)</u>	<u>(135,740)</u>
Net Cash Flows from Operating Activities	<u>24,973,512</u>	<u>2,458,700</u>

Illawarra Venues Authority
Notes to and forming part of the Financial Statements for the Year Ended 30 June 2011

13 FINANCIAL INSTRUMENTS

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

The Authority's main risks arising from financial instruments are outlined below, together with its objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report. The Authority's Board, with advice from the IVA Finance & Audit committee, has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the IVA Finance & Audit Committee and Internal auditors on a regular basis.

(a) Financial instrument categories

Class :	Note	Category	Carrying Amount 2011 \$	Carrying Amount 2010 \$
Financial Assets				
Cash and cash equivalents	5	N/A	13,364,247	2,285,025
Receivables (excluding prepayments and GST)	6	Receivables (at amortised cost)	308,880	278,085
			<u>13,673,127</u>	<u>2,563,110</u>
Financial Liabilities				
Payables (excluding unearned revenue)	8	Financial liabilities (at amortised cost)	1,931,177	1,380,145
Borrowings		Financial liabilities (at amortised cost)	-	-
			<u>1,931,177</u>	<u>1,380,145</u>

(b) Credit risk

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

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

(i) Cash on hand and cash equivalents

Cash comprises predominantly cash on hand and bank balances with the Westpac Banking Corporation (WBC). Interest is earned on daily bank balances at the WBC daily cash rate.

(ii) Receivables - trade debtors

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

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are less than 3 months past due (2011: \$62k, 2010: \$86k) and between 3 months and 6 months past due (2011: \$112k, 2010: \$4k) are not considered impaired and together these represent (2011: 100%, 2010: 69.2%) of the total trade debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are sales of goods and services in the 'receivables' category of the statement of financial position.

	\$		
	Total	Past due but not impaired	Considered impaired
2011			
Less than 3 months overdue	62,469	62,469	-
3 months to 6 months overdue	112,420	112,420	-
Greater than 6 months overdue	-	-	-
Total	<u>174,889</u>	<u>174,889</u>	<u>0</u>
2010			
Less than 3 months overdue	109,541	85,469	24,072
3 months to 6 months overdue	20,170	4,455	15,715
Greater than 6 months overdue	-	-	-
Total	<u>129,711</u>	<u>89,924</u>	<u>39,787</u>

Illawarra Venues Authority
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13 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring cash flows to ensure adequate holding of cash reserves. The objective is to maintain continuity of cash balances to maximise earnings and to meet payment commitments as they fall due.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. 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. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was awarded in 2011 (\$nil in 2010).

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

Maturity Analysis on Interest Rate Exposure of Financial Liabilities

	Weighted Average Effective Int. Rate	\$				Maturity Dates		
		Interest Rate Exposure				< 1 year	1-5 years	> 5 years
		Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing			
2011								
Borrowings	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	
2010								
Borrowings	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2011. The analysis assumes that all other variables remain constant.

(i) Interest rate risk

Exposure to interest rate risk arises primarily through the Authority's cash assets. This risk is minimised by placing the majority of cash funds with WBC. The Authority 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 surplus/(deficit) equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

	\$				
	Carrying amount	Profit	-1% Equity	1% Profit	Equity
2011					
Financial assets					
Cash and cash equivalents	13,364,247	(133,642)	(133,642)	133,642	133,642
Trade & other receivables	359,698	-	-	-	-
Financial liabilities					
Trade & other payables	1,931,177	-	-	-	-
2010					
Financial assets					
Cash and cash equivalents	2,285,025	(22,850)	(22,850)	22,850	22,850
Trade & other receivables	292,002	-	-	-	-
Financial liabilities					
Trade & other payables	1,380,145	-	-	-	-

Illawarra Venues Authority
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14 RELATED PARTIES

Key management personnel compensation

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Authority. Key management personnel includes the most highly remunerated management employees for the Authority.

The key management personnel compensation is as follows:

	2011 \$	2010 \$
Short term employee benefits	466,612	304,637
Other long term benefits	94,139	58,602
Post employment benefits	41,388	27,227
	<u>602,139</u>	<u>390,466</u>

Board members

The names of each person currently holding the position of Board members of the Illawarra Venues Authority are C Christodoulou, I Hunt, D Farmer, N Hartgerink, J Henderson, V Tiegs and L Kofod.

No remuneration, superannuation or retirement payments were received by any Board member of the Authority during the financial period.

No loans, advances or other payments have been provided to any Board member of the Authority.

No Board member has entered into a contract with the Authority since the end of the previous financial year and there were no contracts involving members' interests subsisting at year end.

15 ECONOMIC DEPENDENCY

The Authority derives the majority of its WIN Stadium rental income from the St George-Illawarra Rugby League Football Club Pty Ltd. The level of Stadium income to the Authority is dependant on the continued tenancy arrangements with the Club.

16 CONTINGENT LIABILITIES

The Board Members are not aware of any significant or material contingent liability in existence at reporting date or which has emerged subsequent to reporting date which would materially impact on the financial position of the Authority as shown in the financial statements.

17 EVENTS SUBSEQUENT TO BALANCE DATE

On the 20 September 2011, the roof of the new western grandstand under construction at WIN Stadium was damaged by a significant wind event. As construction of the western grandstand was not completed when the incident occurred, it is expected the cost of the rectification will be borne by the parties directly associated with the building project, not the Authority. It is uncertain how the roof rectification will affect the future operations of the Authority, however insurance policies are held that are expected to cover the Authority for any lost revenue or additional costs incurred as a result of the incident.

The Government introduced the Sporting Venues Authority Amendment (Venues NSW) Bill 2011 into Parliament on the 11th October 2011. The Bill allows for the abolition of the Illawarra Venues Authority and the transfer of its assets, rights and liabilities to a newly created sporting venues authority - Venues NSW on a date to be proclaimed by Government. At this point, it is uncertain how the establishment of the new authority will affect the future operations of the venues currently managed by the Illawarra Venues Authority.

There has not arisen in the interval between the end of the financial year and the date of this report being authorised for issue, any other item, transaction or event, of a material and unusual nature likely, in the opinion, of the members of the Authority, to affect significantly the operations of the Authority or the state of affairs of the Authority in future financial years.

End of audited financial statements

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**Illawarra
Venues
Authority**

Cnr Crown & Harbour
Streets
Wollongong NSW 2500
Tel: 4220 2800
Fax: 4220 2801

www.wec.org.au