



ANNUAL REPORT **2019-20**



STADIUMS
QUEENSLAND

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Stadiums Queensland Annual Report 2019-20

18 September 2020

The Honourable Mick de Brenni MP
Minister for Housing and Public Works,
Minister for Digital Technology and Minister for Sport
PO Box 2457, Brisbane QLD 4001

Dear Minister

I am pleased to present the Annual Report 2019-20 for Stadiums Queensland.

I certify this Annual Report complies with;

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*; and
- the detailed requirements set out in the Annual Report requirements for Queensland Government agencies.

A checklist outlining the annual reporting requirements can be accessed at www.stadiums.qld.gov.au.

Yours sincerely



Cathy McGuane
Chair
Stadiums Queensland



Queensland
Tennis Centre

great venues – amazing experiences.

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STADIUMS QUEENSLAND

AT A GLANCE

Stadiums Queensland (SQ) is a statutory authority which manages, operates and promotes the use of the State's major sport, entertainment and recreation facilities.

SQ is overseen by a Board of Directors and began operations on 21 December 2001, under the *Major Sports Facilities Act 2001*.

Recent economic research shows SQ contributes approximately **\$355 MILLION ECONOMIC BENEFIT** per annum to the Queensland economy while supporting approximately **7400 FULL TIME EQUIVALENT JOBS** across a range of event-related industries, including catering, cleaning and security.¹

In 2019-20, SQ:

HOSTED
2.6 MILLION
patrons across all venues

Took over operation and management of the new

\$293.5 MILLION
NORTH
QUEENSLAND
STADIUM

in Townsville

Led Australia with

THE RETURN
OF CROWDS

to venues under COVID-Safe plans approved by Queensland Health

Began a

\$35 MILLION

upgrade of The Gabba, undertook construction of a world-class international ski-jump training facility at Sleeman Sports Complex (SSC) and began planning for the \$10 million redevelopment of the Queensland Academy of Sport (QAS) at the Queensland Sport and Athletics Centre (QSAC)

Across our venue portfolio achieved a

92%

fan satisfaction rating amongst survey patrons

¹ AEC Group Ltd Stadiums Queensland Economic Impact Assessment

SQ venue highlights:

QSAC hosted the INAS Global Games Track and Field events and Closing Ceremony and also welcomed more than

16,000

participants for public athletics training at the State Athletics Facility and Main Stadium

Cbus Super Stadium hosted approximately

24,000

patrons at the NRL All Stars game

Metricon Stadium demonstrated its multi-use facility credentials hosting an

International 50-over cricket match

between an Australian XI and the British Lions XI and almost 40,000 patrons attended the Queen + Adam Lambert concert

THE GABBA

hosted two AFL finals fixtures and celebrated a triumphant Brisbane Lions, which finished second at the end of the home and away AFL season

1300SMILES stadium hosted more than

15,000

 patrons at its last ever game

SSC hosted approximately

13,000

 patrons

at the 2020 KAP7 Australian Youth Water Polo Championships and also welcomed almost 30,000 patrons for public swimming at the Chandler Aquatic Centre

33 performances

were hosted at Brisbane Entertainment Centre (BEC) including its most popular event, Hugh Jackman – *The Man. The Music. The Show*

The QUEENSLAND TENNIS CENTRE (QTC)

hosted the ATP Cup and WTA Brisbane International tournament with a combined attendance of almost 92,000

Suncorp Stadium

hosted a U2 concert with an attendance of approximately 46,000 and a Queen + Adam Lambert concert with attendance of almost 40,000

Secured naming rights for the North Queensland Stadium, now known as **Queensland Country Bank Stadium (QCBS)**, which officially opened its doors in February 2020, with more than

8,000

 locals attending opening activities

OVERALL PATRONAGE*

| | 2019-20 | 2018-19 |
|---------------------------------------|------------------|------------------|
| 1300SMILES Stadium | 59,832 | 184,262 |
| Brisbane Entertainment Centre | 413,273 | 815,866 |
| Cbus Super Stadium | 74,799 | 197,956 |
| The Gabba | 394,654 | 506,931 |
| Metricon Stadium | 183,309 | 212,617 |
| Queensland Country Bank Stadium | 57,759 | - |
| Queensland Sport and Athletics Centre | 341,170 | 332,409 |
| Queensland Tennis Centre | 178,999 | 214,920 |
| Sleeman Sports Complex | 532,576 | 695,363 |
| Suncorp Stadium | 417,535 | 1,064,601 |
| Total | 2,653,906 | 4,224,925 |

* Impacted by COVID-19

CORPORATE OVERVIEW

OUR VISION

Great venues – amazing experiences

OUR PURPOSE

To develop, manage, maintain and promote major facilities in Queensland for staging sport, recreational or entertainment events

OUR VALUES

- Team
- Achievement
- Agility
- Integrity

OUR CORE SERVICES

- Asset portfolio management
- Venue management
- Major event management
- Community and high performance access

OUR KEY SUCCESS MEASURES

- Customer experience rating
- Ongoing financial viability
- Ongoing sustainability
- Venue content
- Stakeholder feedback rating
- Improved employee engagement

SQ'S KEY CHALLENGES AND OPPORTUNITIES

- Supporting and enhancing fan experiences at venues
- Enhance relationships with key stakeholders
- Funding for venue maintenance, capital enhancement and commercial resourcing
- Telling the SQ story – celebrate successes and highlight value propositions

STRATEGIC OBJECTIVES

1. Amazing customer experiences

- Explore and define SQ's 'fan experience' – insights and co-design with hirers
- Enhance customer service in all venues
- Enhance venue access, precinct activation, place making and atmosphere
- Explore options for digital enhancement and engagement / smart venue technology
- Undertake regular benchmarking of customer experience

2. Financial growth and viability

- Explore and grow commercial revenues
- Continue focus on cost efficiencies
- Plan for long-term capital investment and associated funding
- Optimise maintenance expenditure across portfolio
- Review / refine data capture, analysis and knowledge management for decision-making

3. Maximise content

- Develop growth plans for content portfolio
 - Major event attraction (core and additional events)
 - High performance sport maximisation
 - Community place making / recreation / participation / events
- Work with SQ key partners on content development and attraction

4. Collaborative stakeholder relations

- Continue to develop government relations strategies to maximise outcomes for SQ and its stakeholders
- Continuously improve, build and maintain mutually beneficial and positive relationships with hirers
- Improve strategic relationships with content influencers
- Tell the SQ Story (performance reporting; extent of venue usage; brand positioning; proactive engagement across all stakeholders; media plan)

5. High performing organisation

- Drive 'OneSQ' culture across all sites (living the values)
- Improve talent management and succession planning
- Implement a career and development strategy for staff
- Design and implement a new performance cascade and accountability culture across the organisation

OUR FUTURE STATE – ADVANCING QUEENSLAND'S PRIORITIES

Queensland is on the road to economic recovery from the impacts of the COVID-19 pandemic. While *Our Future State: Advancing Queensland's Priorities* remains the Queensland Government objective for the community, the government's recent goals have been to protect Queenslanders and save lives, and 'unite and recover' for Queensland jobs.

The government's Economic Recovery Strategy announced in May 2020 outlines guiding principles for how it will get Queenslanders back to work with a focus on three key priorities:

- Building vital infrastructure
- Strengthening Queensland's industries
- Enabling future growth

CHAIR'S REPORT

I am pleased to present the 2019–20 SQ Annual Report. At a time when so many people around Australia and the rest of the world are struggling with the COVID-19 pandemic, it is a privilege to chair an organisation that is leading the country in finding a safe way forward for an industry that employs and entertains so many.

We have experienced a year of highs and lows with the opening of the wonderful QCBS in Townsville to the devastating effect that COVID-19 has had on our communities both here and overseas. It has produced challenges that none of us could have ever imagined but I am extremely proud of the way SQ has quickly adapted to work through this crisis both internally and externally with all our stakeholders.

The board is now in its second year and we have familiarised ourselves with the business of stadiums. It is a complex and extremely interesting business and this year we have been able to confidently move forward and implement positive change. Starting with a new Strategic Plan and a new vision for *Great Venues – Amazing Experiences*, we've embedded a new strategy and enhanced the organisation's governance structure. At its core, our vision is for a sustainably-funded, commercially-focused and accountable business that delivers for stakeholders and fans alike. The board is acutely aware of its responsibility not just to the Queensland Government but to the people of Queensland.

We are demonstrating our accountability and transparency by openly publishing our key success measures in this report as you will see on page 19.

We've continued our focus on cementing strong relationships with key venue partners and conversations with our broad range of stakeholders. Many of our stakeholders have been severely affected by the COVID-19 crisis and SQ was proactive in contacting and working closely with these organisations to find ways we could support them through this period. Many of our partners have expressed their thanks for this support.

In recent months we've undertaken further planning to consider our progress and identify adjustments to the SQ Strategic Plan, which incorporates an additional Strategic Objective – Sustainability, to reflect SQ's actions to date and a priority on positioning SQ as a leading sustainability organisation.

The board acknowledges our portfolio is made up of major infrastructure that has a significant environmental footprint and we have an obligation to ensure we are doing all we can to run sustainable venues.

We've also continued our focus on further implementation and finalisation of key recommendations from the Stadiums Taskforce Report, to enhance SQ's operations, and fan and hirer experiences. Included in the recommendations were the consolidation of ownership of assets adjacent to The Gabba, including Sports House South, which is soon to transfer to SQ to allow for the creation of a 'front door' to the stadium. This will help build on the \$35 million upgrade underway at The Gabba, as well as the Cross River Rail project, both of which will see huge improvements for fans on game day. SQ has also acquired a new carpark adjacent to Cbus Super Stadium, providing the stadium with exclusive-use undercover car parks. SQ has worked with the Gold Coast SUNS to support their proposal to develop a Metricon Stadium child care facility. The facility would increase club revenue opportunities and help build its junior fan base. This is in addition to other measures we acted on immediately, such as the \$3.10 transport cap implemented in time for the 2018-19 A-League season and 2018-19 cricket season at The Gabba and Metricon Stadium, and reduction in the AFL's annual contributions to the Metricon Stadium sinking fund. Though these changes aren't public-facing, they've given us the tools to support the long-term sustainability of our partners.

Major events make a large contribution to the Queensland economy, pumping an estimated \$800 million into the economy last financial year, with approximately \$355 million in economic benefit from our venues from regular season fixtures alone. This year is different, and the effects of the pandemic on the economy, though widely speculated, remain unknown. Despite mass event cancellations due to COVID-19, SQ managed an increase in the number of events compared to last year. There were an extra 118 events thanks in part to the inclusion of Nissan Arena (Queensland Netball Centre) in the portfolio.

However, attendance at SQ venues is well down for the period, with approximately 1.6 million less patrons attending, due to the complete closure and caps on attendance.

This of course has a big impact on our bottom line, contributing to an operating loss of approximately \$9 million in 2019-20². Event-related expenses have increased due to extra costs associated with ensuring patron safety (e.g. cleaning and sanitisation, additional public transport), and with fewer patrons to spread the cost across, hirers have needed to critically assess the benefits of re-opening the doors. Outside of events SQ's expenditure has increased due to ongoing costs associated with maintaining large depreciating venues. The impact of COVID-19 is particularly relevant for venues like the BEC, which is expected to be severely impacted by the lack of international travel, and thus international touring acts, for which there remains no estimated return date. While some restrictions have lifted, this will be an ongoing challenge for the business should the circumstances continue and I expect the impact of COVID-19 and the overall economic outlook will continue to impact the business' future operating results into the 2020-21 period.

The major events industry was one of the first to close in response to the pandemic and few other industries have been affected as severely. SQ led the nation with the return of crowds, and even paved the way for other businesses, by working closely with the government and local health authorities and implementing smart and efficient protocols. I would like to acknowledge the efforts displayed by SQ management and staff in managing the transition, while maintaining high-quality, safe services to our patrons. Queensland has become the sports mecca of Australia and SQ, working with the Queensland Government, has played a major part in making this a reality. Re-opening our venues has not only provided a glimmer of hope and sense of normality in troubled times, but also ensured ongoing employment for those associated with the events. Then there are those who indirectly benefit from the industry, such as those in tourism or accommodation, indeed whole precincts and entire regions rely on such events. The cancellation of events and reduced crowds has impacted entertainment precincts such as Caxton Street and also the Townsville CBD businesses which were expecting an increase in trade due to the opening of the QCBS this year. It's a reminder of just how valuable this industry is and how important it is for everyone that we provide a safe and sustainable return.

While our venues were closed we have taken the opportunity to do maintenance and upgrades including the \$35 million refurbishment of The Gabba. For the first time we had the opportunity to empty the dive pool at the SSC which allowed for repairs that would have been operationally difficult to do in an open venue. All this work is helping support around 70 full time jobs.

“Reopening our venues has not only provided a glimmer of hope and sense of normality in troubled times, but also ensured ongoing employment for those associated with the events.”

² Operating result before depreciation and amortisation. Excludes other revenue and expense items relating to capital such as government grants and contributions, gains and losses on disposal of assets

Now more than ever, the fan is at the heart of what we do and the centre of all our decision-making.

Live sport is an important part of Australian culture, providing a social connection that cannot be readily recreated in the home environment.

While our recent fan survey reported a pleasing 92% satisfaction rating, the realities of the post pandemic world remain challenging. We will have to work harder than ever with our partners to get fans back to stadiums and remind them there's nothing better than the exhilarating roar of a live crowd! Fan engagement is more critical than ever, and we will be continuing our efforts to provide a more enhanced and wholesome customer experience through better customer service, access, precinct activation, digital enhancement and atmosphere at our venues.

As I close off my second annual report as Chair, I would like to take this opportunity to thank the Minister for Sport, the Hon Mick de Brenni MP and the Queensland Government for their continued support of SQ, and in particular Queensland Health and the Chief Health Officer for their trust and guidance during this difficult period. I would also like to acknowledge the significant contribution of my fellow directors, the leadership of Chief Executive, Todd Harris and the ongoing commitment from our staff and partners to ensure SQ continues to deliver Great venues – Amazing experiences for the Queensland community.



Cathy McGuane
Chair

CHIEF EXECUTIVE'S REPORT

Like organisations the world over, 2019-20 has been a difficult, intense and tumultuous time for SQ due to the impacts of the COVID-19 pandemic. In the latter half of this financial year, we've had major events cancelled and witnessed our sporting teams fight for survival – the core of our business disappeared almost overnight. But recently we've begun to witness the start of a recovery, and what is hopefully a mighty second half comeback.

The turmoil followed a relatively successful period for SQ, including the Queen + Adam Lambert concerts at Suncorp and Metricon Stadiums and the Brisbane Lions AFL finals games at The Gabba. The start of the New Year was highlighted by the opening of the brand new QCBS in Townsville, after close to three years construction and many months of intense operational planning and preparation. To host a concert for international music icon Sir Elton John, in a brand new venue a week after Open Day, and then back it up two weeks later with a sold-out NRL game took a super-human effort from our fabulous and dedicated staff. Despite the unknowns that come from a new venue, a looming cyclone weather pattern and the emerging COVID-19 threat, the feedback from all our stakeholders regarding the opening was overwhelmingly positive and there was a bumper calendar of events to look forward to in 2020. However, just hours before kick-off, the Prime Minister announced a ban on mass gatherings the following week to reduce the potential spread of COVID-19.

After the highs of opening QCBS, the low of closing our venues just days later came as a crushing blow for our clubs, fans, patrons and staff. As an organisation that revolves around mass gatherings, the pandemic has had huge implications for our business, our people, our hirers, contractors, patrons and fans. Despite the uncertainty, SQ worked hard to provide ongoing support and assistance to keep our partners afloat and ensure their viability in the long-term. Provisions were made for the majority of staff to continue their work off site, with essential staff and contractors in venues for grounds management, asset maintenance and capital works projects, ensuring our venues were ready, and in some cases enhanced, for the return of patrons and fans.

While the shutdown was an unwanted disruption to our business, it also provided a unique opportunity for key projects to progress without disruption or needing to program works around heavy event and activity schedules. The \$35 million Gabba upgrade to improve fan facilities is progressing well and on time for completion in October 2020. The work, including enhancement to entries and ticketing areas, public concourses, food and beverage outlets, high use public amenity areas and media and corporate spaces, will revitalise the venue and build on its ability to attract big names and big games to Queensland. Another key project, the Winter Olympic Institute international ski-jump training facility at the SSC has also made great progress during the shut-down, and is due for completion in just a few weeks. The ski jump will feature a series of ski ramps ranging in height from eight to 36 metres and put SSC on the map for national and international ski teams training in the lead up to top level competitions such as the Winter Olympics.

As restrictions eased, the NRL was first out of the gates with fan-free matches and the AFL followed soon after. We were also able to allow our top-drawer sportsmen and women back in the pool or on the track to assist with Olympic preparations. This return hinted normality was around the corner and positioned our codes as world-leaders (with the NRL proving particularly popular with fans in the USA), but anyone watching the broadcasts knows the fans are a vital part of the experience. It's not the same without them, and from the teams to the stadiums, the fan is our whole reason for being. In anticipation of the return of the fans, SQ completed an extensive piece of work with clubs, codes and health authorities.

With detailed COVID-Safe Site Specific Plans for each venue prepared, SQ worked with Queensland Health, sporting codes and sports teams as well as venue contractors to facilitate a staged return to both stadia and our high performance and community training facilities that would maintain COVID-Safe protocols and still offer an enjoyable experience. This was an Australian first, with no interstate examples for us to follow, and it's been wonderful to see our organisation rise to the challenge, take the lead, and blaze the trail for those to come. Our team's swift and skilful response was praised by health officials and even called out by Queensland's Chief Health Officer Dr Jeannette Young as the model for other businesses to follow.

"We've seen the stadiums work very, very effectively. They've done a brilliant job at managing that social distancing. So now we're going to open that up to other venues because we've learnt from the stadiums and the assistance they've given us in about where they've seen the rub points, so that we've now been able to work with other venues about how they can increase the numbers of people in those venues³."

SQ produced a COVID-Safe venue video that has also been used by the NRL at matches nation-wide, another pleasing example that we are ahead of the game and considered an experienced and trusted partner when it comes to navigating these uncertain times.

The threat of COVID-19 has changed the game day experience with only a percentage of each venue's capacity permitted and venues undertaking increased cleaning and sanitation as well as operational measures like seating in alternative rows or checkerboard patterns, segmented zones, socially-distant queuing and cashless transactions as part of the plans. To our relief, patrons have been very understanding and thankful of the requirements undertaken to keep them safe and the level of compliance and even self-management has been fantastic. I am pleased to say we've had more than 28,000 people return to watch games at our venues as of 30 June, which is a huge accomplishment and a great example of our organisation's agility and what can be achieved when all parties work together for a common goal.

Despite the event cancellations and postponements suffered at the height of the pandemic, Queensland is now in a fortuitous and enviable position. Given our strong response to the crisis there is potential our venues will host more teams and matches as sporting codes look to continue competition.

It is also pleasing to see community members and our local sporting clubs and groups return to our community and high performance venues to make use of facilities such as the Brisbane Aquatic Centre, Anna Meares Velodrome and PACE gymnasium.

Things are looking up. Our hirers are discussing dates to reschedule their postponed events and new events are starting to be announced, like the 2023 FIFA Women's World Cup, which will hold up to nine games in Queensland. Of course we are aware of the responsibility that comes with reopening our venues, for everyone who relies on the employment our events provide, to the fans that make it all possible. This phenomenon has changed the environment in which we operate, and may continue to do so for years, even decades, to come. At a practical level, some form of COVID-Safe measures are likely to remain after the pandemic, which will impact everything from the way we run events to the types of events we can attract. Though many of our codes are back up and running, with some interstate and all international travel currently unavailable broader content such as concerts and international sports events may take some time to recover.

It remains a difficult and uncertain time for many, including our loved ones, our hirers, our contractors and fans who continue to be impacted by COVID-19. We are in a very fortunate position to have some semblance of 'normal' with patrons back in venues, and it's in large part due to the dedication, grace, and professionalism with which our team is handling these ongoing challenges. This could not have been achieved without the SQ staff, our venue management partners, our Board of Directors and our Minister, the Hon Mick de Brenni MP, as well as the team at Queensland Health, whose guidance made the return to venues possible. It's been a taxing period, but I couldn't be prouder of the way we have managed it, and hope that our stadia will be full of happy, healthy fans in the not too distant future.



Todd Harris
Chief Executive

3 Press conference Tuesday 30 June 2020; Qld Premier Anastacia Palaszczuk, Deputy Premier Steven Miles. Chief Health Officer Dr Jeannette Young and Deputy Police Commissioner Steve Gollschweski

THE BOARD

The Board is responsible for the overall corporate governance of SQ. It sets the strategic direction of the business within the parameters set down by the *Major Sports Facilities Act 2001* and determines the policies and practices that govern the day-to-day operations of SQ.

DIRECTORS

Ms Cathy McGuane (Chair)

Cathy McGuane joined the board of SQ on 1 July 2018. In October 2018 she assumed the role as Chair. Cathy is the Executive Manager, Member Experience for TUH Health Fund and is responsible for leading, developing and implementing strategy for growth, retention, marketing, communications and customer service for the fund. Before joining TUH, Cathy set up and established the Queensland branch for HESTA Superannuation Fund. She was the previous Chair of Association of Superannuation Funds Australia (ASFA) Qld and a former board director of ASFA. Cathy received an ASFA Award in recognition for her contribution to the superannuation industry in Queensland. She is a Graduate of the AICD.

Cathy was a QSuper board committee member of the Product, Services and Advice Committee from 2014 to 2019. Cathy is a self-published author of Financial Fitness for Kids books, which sold over 120,000 copies, which focus on helping parents teach their children about money.

Ms Sharron Caddie

Sharron is currently the National Director of Public Sector with United Workers Union (UWU) and has been with the Union since July 2011. Sharron is an elected official on the UWU National Executive. Sharron has worked in the Union movement for more than 25 years in Queensland, Melbourne and Sydney leading campaigns in the public and private sectors at a state and national level. Sharron has held previous directorships on an industry superannuation fund, property trust, skills council and national entitlements scheme trust. Sharron is the immediate past Company Secretary of The Parenthood Project Pty Ltd, and is Chair of Club Super.

Mr John Grant

John was the inaugural Chairman of the Australian Rugby League Commission from 2011 until 2018 and Director/Chairman of the Rugby League International Federation from 2012 to 2018. John has had a number of past directorships and Council Memberships, has had an extensive career in the ICT industry being CEO and Managing Director of Data#3 Limited from 1996 to 2015, was inducted into the ICT industry's hall of Fame in 2008, and in 2010 was awarded the ICT Industry's top accolade, the Pearcey Medal, for distinguished lifetime achievement in the ICT profession. He is currently a Director of Uniquet, the commercialisation company of the University of Queensland and Executive Chairman of Firstwave Cloud, an ASX listed cyber security technology company.

Ms Therese Smith

Therese is the Managing Director of the Gleeson Group of Companies which has significant investment and commercial property investments and developments in North Queensland. Her areas of specialty are Board governance in Not for Profit sporting and tertiary education organisations, sports management, and as an IT technology solutions provider. Therese was the inaugural Chair of Townsville Fire WNBL, inaugural Chair with James Cook University (JCU) Veterinary Hospital, inaugural Chair of Selectability Finance, Audit and Risk Committee, and has a Masters of International Sports Management.

Ms Mandy Shircore

Mandy is a senior lawyer with LawRight QLD and an Adjunct Associate Professor, College of Business, Law and Governance, JCU. She is an experienced senior academic and previous Head of Law (JCU). She has extensive management and governance experience within the tertiary sector.

Mandy has over 20 years' experience on boards and committees within the Not for Profit sector, particularly within community legal services. In both 2019 and 2020 she was named as an inspirational woman academic on the Women Lawyers Association of Queensland "Inspo List". She is a previous recipient of the Toni Dick Memorial Prize for significant contribution to the community.

Mr Greg Webb

Greg has been the Managing Director of the Black & White Cabs Group of Companies since June 1996. Black & White Cabs has businesses in Brisbane, Redcliffe, Toowoomba, Maryborough, Sydney, Melbourne and Perth. Greg is an experienced business administrator and has been associated with the taxi industry since 1982. He is a taxi licence owner, licenced motor dealer and property investor. Greg is a Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Management & Leaders.

Mr Brendan O'Farrell

Brendan is an experienced Board, Investment and Remuneration Committee Member with over 14 years as Director and Deputy Chair, as well as 25 years in Senior Executive Roles from General Manager to Chief Executive Officer. Brendan holds a Masters of Business Administration (MBA), is a Graduate from the Australian Institute of Company Directors (GAICD) and has undertaken various courses in Strategic Management from Wharton Business School and Leading and Building an Innovative Culture from Harvard Business School. His contemporary and innovative leadership capability is integrated with strong governance, strategy and business growth success, while his professional experience has provided an understanding of owning and investing into both private and listed company structures.

ATTENDANCE AT MEETINGS

In the financial year 2019-20, the SQ Board met on 11 occasions with attendance by Members as follows:

| | |
|-------------------|----|
| Cathy McGuane | 11 |
| John Grant | 11 |
| Therese Smith | 11 |
| Mandy Shircore | 11 |
| Greg Webb | 11 |
| Sharron Caddie | 10 |
| Brendan O'Farrell | 11 |

CORPORATE GOVERNANCE

Our corporate governance arrangements are structured to position SQ as:

- An efficient and effective organisation delivering quality venue experiences to the public, tenants and hirers of our facilities;
- An ethical and productive organisation that achieves high standards of accountability, transparency and performance;
- An organisation that works in partnership with sporting bodies, recreational interest groups, the tourism industry, public sector agencies and businesses to achieve the Government's policy of developing infrastructure to enhance participation in sport at both the community and high performance levels; and
- A flexible, reputable organisation that effectively manages risk.

MACHINERY OF GOVERNMENT

SQ continued to operate as a Statutory Authority. There were no changes to its statutory functions during the 2019-20 financial year. SQ has not established any related entities.

THE BOARD

The Board is responsible for the overall corporate governance of SQ. It sets the organisation's strategic direction within the parameters set down by legislation applicable to SQ and determines the policies and practices that govern its day-to-day operations.

COMMITTEES

The Board has established a series of Committees to assist it in fulfilling its governance responsibilities.

Internal Committees (Committees convened by SQ):

Executive Committee

The Executive Committee is chaired by the Chief Executive (CE) and comprises Group Executives and Venue Managers. The Executive meets monthly to ensure a consistent approach to business operations. It reviews processes and procedures for the effective management of the organisation and to enable it to meet its statutory obligations. It monitors the performance of the organisation and establishes the mechanisms required to manage capital works programs and construction projects. The Executive also performs the role of the Information and Communications Technology Steering Committee.

Board Committees

The Board has established:

- The Commercial, Operations and Assets Committee to consider and oversee venue and operational matters. The Committee comprises three Board members. The CE and nominated Senior Management personnel attend committee meetings as agenda items dictate. Issues considered at these committee meetings relate mostly to the operations at the respective venues including utilisation and promotion of venues, fan experience initiatives, commercial arrangements, the marketing and communication of SQ facilities, and the planning, prioritising and monitoring of maintenance and capital works.
- The Remuneration Committee to assist and advise the Board in relation to remuneration arrangements for the CE and Group Executive positions and remuneration policies of SQ. The Committee comprises three Board members.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee comprises three Board Members, along with the Chair of the Board as an ex officio member.

The Committee is supported by SQ's Internal Auditor, as provided for under the obligations of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard (2019)**, which provides advice on audit and audit related matters.

The CE, Group Executive Finance and Corporate Services, Group Executive Technology Services and the Financial Controller attend meetings as observers.

This ensures appropriate separation between the Committee, as the body responsible for oversight and monitoring corporate governance within SQ, and the managers responsible for the administration of the business. Officers of the Queensland Audit Office (QAO) may also attend meetings.

The Committee provides direction on the development of the frameworks and policies for effectively managing business risk and provides advice on the control mechanisms (implemented by management) to protect the organisation's assets and promote efficient and effective work practices. SQ has appointed PricewaterhouseCoopers (PwC) to undertake its internal audit function in accordance with SQ's Internal Audit Charter, reporting to the Committee. PwC has undertaken the function independent of SQ Management and the QAO. The Committee has also monitored the implementation of the Annual Internal Audit Plan.

The Audit, Risk and Compliance Committee has due regard to the terms of its charter and Queensland Treasury's Audit Committee Guidelines in the conduct of its business. The Auditor General has provided an unqualified audit opinion on the 2019-20 Financial Statements of SQ.

External Committees

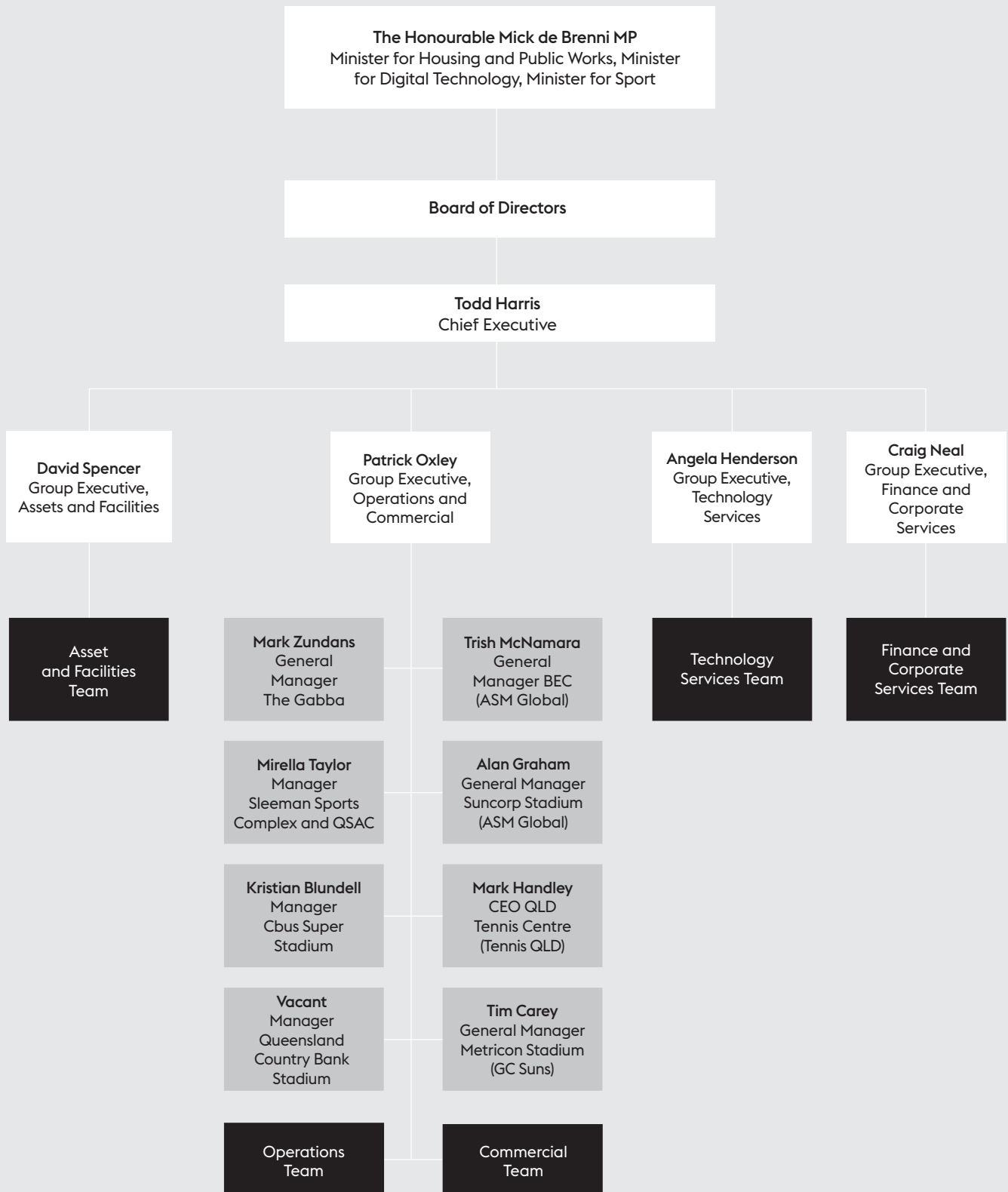
North Queensland Stadium

SQ had senior representatives on the North Queensland Stadium (NQS) Executive Steering Committee, which included representatives from Townsville City Council, Queensland Government agencies and the Federal Government. SQ also had senior representatives on the NQS Event Content Committee, alongside representatives from Queensland Government agencies, Townsville Enterprise Limited and Townsville City Council. The groups met regularly to discuss progress on the project and future content acquisition.

Stadium Management Advisory Committee

A Stadium Management Advisory Committee (SMAC) meets as a condition of the Suncorp Stadium Development Approval. Suncorp Stadium's General Manager convenes SMAC on behalf of SQ. This Committee comprises representatives of local community groups and businesses, the respective elected State and local government representatives and various Government agencies, including Queensland Police, Translink and Emergency Services. These meetings enable Stadium Management to receive a range of views regarding the operation of the stadium. Three SMAC meetings were held during the financial year. No remuneration is paid to SMAC members.

ORGANISATIONAL STRUCTURE



ORGANISATIONAL STRUCTURE

There are four Group Executives reporting to the CE, covering the following functions – Finance and Corporate Services, Technology Services, Operations and Commercial, and Assets and Facilities. The key service standards include:

- **Finance and Corporate Services** – ensuring the requirements of SQ's corporate governance framework are complied with, including secretariat responsibilities, as well as the provision of finance, human resources, information management and risk management services across SQ's total portfolio.
- **Technology Services** – ensuring effective management and application of information and communication technologies across SQ's total portfolio.
- **Operations and Commercial** – ensuring effective operation of venues and the provision of a safe environment for patrons, maintaining communication channels with stakeholders and maximising venue utilisation and commercial opportunities.
- **Assets and Facilities** – maintaining venues to be fit for purpose, implementing annual capital works and maintenance programs and overseeing the development of new facilities.

Risk Management

The identification and proper management of risk is embedded in SQ's business processes and operating procedures. SQ has several Committees that address risk management issues:

- SQ's Executive Committee provides a coordinated approach to the management of risks at the operational level; and
- The Audit, Risk and Compliance Committee focuses on key strategic risk issues facing SQ and ensures mechanisms are in place to effectively protect assets and the safe operation of the business.

Industrial Relations

SQ applies the following industrial instruments to cater for its broad range of staff:

- Stadiums Queensland Staff Certified Agreement 2019;
- Stadiums Queensland Employees Award – State 2016;
- Event Day Staff Certified Agreement 2005; and
- Common Law Contracts.

Workforce Planning, Attraction and Retention

The quality of recruitment and selection activities is vital to ensuring SQ is able to attract and retain people with the skills, knowledge and ability to deliver services to the public of Queensland as well as interstate and international visitors who attend events at SQ's venues.

SQ's business requires specialist skills across event management, operations and facilities management to ensure its nine venues are run in an efficient and cost effective manner and safe for the millions of patrons who attend events each year.

Recruitment and selection processes are based on the principles of merit, equity and fairness. They are designed to enable an assessment to be made of an applicant's skills, attributes and values against the requirements of the position and the needs of the organisation.

Given the specialist nature of the industry it is important SQ retains its people and the intellectual property created through continuous improvement to the organisation to deliver the best experience possible for patrons as well as meeting hirer and stakeholder expectations. SQ nurtures its talent through Career and Development opportunities including internal development, training, study assistance and access to external educational programs including Public Venue Management School and the Venue Management Association.

The nature of SQ's core business requires flexible arrangements for staff to achieve a reasonable work / life balance. SQ recognises and supports flexible working arrangements across the business. This is acknowledged in SQ's Human Resources Management and Work Health and Safety policies and procedures, outlined during employee induction and staff training.

| | 2019-20 | 2018-19 |
|------------------------|---------|---------|
| Full Time Equivalent | 146.5 | 137.6 |
| Permanent Separation % | 13 | 3 |

Equal Employment Opportunity (EEO) Statement

SQ is an equal opportunity employer. As such, it seeks to ensure employment practices are non-discriminatory and the talents and resources of all employees are optimally utilised. All employees are responsible for implementing EEO policies and are expected to reflect behaviours consistent with SQ's policies and values.

Work Experience and Trainee Program

SQ recognises the benefits of employing trainees and apprentices within its venues not only to develop the skill base within SQ itself but across the labour market generally. In 2019-20, SQ supported international students from recognised educational and training establishments seeking opportunities to gain valuable work experience in turf and grounds management. Additionally, SQ has facilitated and supported training contracts for apprenticeships in sports turf management and parks and gardens through employment at SQ venues.

COVID-19 Response

During the COVID-19 pandemic, SQ continued to operate by optimising flexible and remote working arrangements. This required a coordinated approach to ensure working environments were appropriate, and included an increased focus on employee mental health.

Ethical Procedures, Values and Practices

During the 2019-20 financial year, SQ met its statutory and regulatory reporting obligations to Executive Government and Parliament. During the 2019-20 financial year SQ had no disclosures under the *Public Interest Disclosure Act 2010*.

In line with the *Human Rights Act 2019*, SQ respects and protects human rights and acts and makes decisions in accordance with its obligations under the *Human Rights Act 2019* in everyday operations and interactions with the community. In response to the creation of the Act, SQ has created provisions for the capture of any complaints and continues to review policies and procedures to ensure they align with the principles of the Act, without jeopardising the security or safety of its venues. During the 2019-20 financial year SQ had no disclosures under the *Human Rights Act 2019*.

SQ has a Code of Conduct which is applicable to all employees. Training is provided regularly for existing staff and during the induction of new staff. SQ's Code of Conduct and Human Resources policies align with the *Human Rights Act 2019*. The SQ Strategic Plan has been developed with regard to the ethics and principles outlined in the Code of Conduct and includes objectives and strategies for ensuring integrity and accountability. SQ's Human Resources policies align with its Code of Conduct.

Information Systems and Recordkeeping

SQ provides quality recordkeeping through the provision of policies, procedures and systems to support decision making, accountability and ensuring compliance with the *Public Records Act 2002*, *Right to Information Act 2009*, *Information Privacy Act 2009*, and the Records Governance Policy. In 2019-20, the following initiatives and activities were undertaken:

- Recordkeeping awareness is included in the induction training for new employees. SQ's Records Management policies and procedures are available to all staff.
- SQ's Records Management policy and procedure, Archiving and Disposal policy, and Administrative Delegations set out the recordkeeping responsibilities of all staff. A review of SQ's records governance is currently being undertaken to provide the framework for further transition to comprehensive digital recordkeeping.
- The Records Management policy and procedure necessitate that all records, regardless of format, are managed in a manner that meets the requirements of the *Public Records Act 2002* and the Records Governance Policy.
- SQ utilises HPE Content Manager as the Electronic Documents/Records Management System (EDRMS) to capture and manage electronic records such as email. Hardcopy records are also digitised and managed within the EDRMS.
- Information security is constantly monitored and there have been no breaches of information security.
- Records are disposed of in accordance with the Archiving and Disposal policy and associated Administrative Delegations. SQ only uses disposal schedules approved by the Queensland State Archivist.

PERFORMANCE

During 2019-20 SQ continued its strategic direction to create even better customer experiences for fans across our diverse portfolio and build greater relationships with our valued stakeholders and communities. This strategic approach has included further innovation and technological advancement at our venues, solid commercial outcomes despite the impacts of COVID-19 and ongoing development of a highly skilled and energised workforce.

KEY SUCCESS MEASURES

| Strategic objective | Success measure | Highlights | Target | Result |
|-------------------------------------|--|---|-------------|--------------------|
| Amazing customer experiences | Fan satisfaction survey | High satisfaction rating among fans in 2019-20 driven by: <ul style="list-style-type: none"> • Venue staff • Navigation around venues • Venue maintenance • Venue appearance • Venue seating and space | 95 per cent | 92 per cent |
| Collaborative stakeholder relations | Hirer satisfaction survey | Hirer feedback: “Great crowds and well managed events” “SQ have proven to be very mature clients with well-established protocols and processes” | 70 per cent | 72 per cent |
| High performing organisation | Employee engagement | Improvement areas include: <ul style="list-style-type: none"> • Better communication and collaboration across the organisation • Enhanced career and development focus • Innovation and employee engagement | 70 per cent | 76 per cent |
| Financial growth and viability | Operating revenue to expense ratio | Significantly impacted by COVID-19 pandemic. | 62 per cent | 42 per cent |
| Maximise content | Number of additional major events (outside of regular, AFL, NRL, cricket fixtures) | Elton John – Yellow Brick Road Tour (QCBS) Queen with Adam Lambert and U2 (Suncorp Stadium) NRL All Stars (Cbus Super Stadium) | 7 | 5 |

BRISBANE ENTERTAINMENT CENTRE

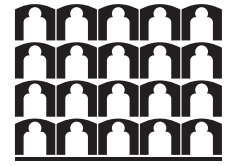
The Brisbane Entertainment Centre (BEC) is one of Australia's top venues for national and international touring acts. The main arena has a capacity of up to 14,500 and hosts top quality music and entertainment events each year. The BEC is operated by ASM Global on behalf of SQ.

TOP ACHIEVEMENTS

- Hosted 45,595 fans across five performances of the Hugh Jackman – The Man. The Music. The Show performance, which was the biggest selling event of the financial year.
- Hosted 32,935 total fans at three sold-out Fleetwood Mac performances, in addition to other high profile performances from JoJo Siwa, Michael Bublé, Shawn Mendes, Khalid, Alice Cooper and TOOL.
- Farewelled Sir Elton John with three performances of the Brisbane leg of the “Farewell Yellow Brick Road” world tour attended by 31,282 fans.
- Hosted Country 2 Country in association with TEG Live, a multi-artist festival style arrangement held across multiple stages in the Main Arena, Sports Centre and the Courtyard.
- Hosted round one of the Honda Australian Supercross Championship.

VENUE TENANTS

- ASM Global



BRISBANE ENTERTAINMENT CENTRE

CAPACITY

14,500

LOCATION

Boondall

PRIMARY USE

**Music and
community events**

NUMBER OF PEOPLE ATTENDING:

TOTAL PATRONAGE

413,273

ELITE SPORTING EVENTS

12,682

COMMUNITY EVENTS

170,000

OTHER EVENTS

230,591

MAJOR HIRERS

- Adrian Bohm Presents
- A-List Entertainment
- Australian All Star Cheerleading
- Australian Paralympics
- Basketball Queensland
- Bayliss Events
- Boondall Indoor Soccer
- Chugg Touring and Events
- Feld Entertainment
- Frontier Touring Company
- Grace Lutheran College
- Harvest Rain Theatre Company
- Live Nation Australasia
- Metropolitan North School Sport
- MJR Presents
- Netball Queensland / Netball Australia
- Northside Wizards
- Nudgee College
- PBR Australia
- Queensland Volleyball Assoc.
- Sporting Wheelies & Disabled Assoc.
- St Patricks College
- TEG Live / TEG Dainty / TEG Lifelike Touring
- The Wiggles Touring

FUTURE DIRECTION

- Work with health authorities to develop a site specific COVID-Safe plan to assist with the return to venue of events and crowds.
- Continue to build the profile of BEC with promoters to attract a diverse range of high profile concerts, family and sporting events and comedy acts.
- Continue to work with stakeholders including Queensland Police Service, Queensland Fire & Emergency Services and the Australian Defence Force on a range of tabletop exercises and workshops to benefit these organisations and enhance venue security.

CBUS SUPER STADIUM

Cbus Super Stadium, located at Robina on the Gold Coast, is regarded as one of the best regional stadia in Australia. The 27,690 seat rectangular stadium is the home of the Gold Coast Titans NRL team and has hosted Rugby Union, A-League, International Football, Nitro Circus and a range of community events.

TOP ACHIEVEMENTS

- Hosted NRL All Stars and Gold Coast Titans NRL home games.
- Undertook resurfacing works on the western tunnel and western stand seating bowl.
- Completed lighting replacement works on the field of play.
- Completed an upgrade of signage around the venue.
- Took ownership of a new 400 space car park.

VENUE TENANTS

- CAP Security
- Pandanus Catering
- Quayclean

MAJOR HIRERS

- Gold Coast Titans
- Australian Rugby Union

FUTURE DIRECTION

- Continue to work with the event promoters, community groups and stakeholders to attract major events and functions.
- Review customer service standards to ensure patrons continue to enjoy a great experience.
- Deliver upgrade and maintenance works including the delivery of a new super suite and continuation of resurfacing works.
- Continue to integrate the venue and its events with the Gold Coast community.



CAPACITY

27,690

LOCATION

Robina

PRIMARY USE

Rugby League

NUMBER OF PEOPLE ATTENDING:

TOTAL
PATRONAGE

74,799

ELITE SPORTING
EVENTS

72,997

ELITE
TRAINING

560

COMMUNITY
EVENTS

70

OTHER
EVENTS

1,172

UPCOMING EVENTS

- 2020 Gold Coast Titans NRL fixtures
- 7 News Gold Coast Running Festival

THE GABBA

First established in 1895, The Gabba has hosted many major events including cricket, AFL, baseball, rugby union, rugby league and Olympic soccer. It has also proven to be a world class concert venue with performers such as Taylor Swift and Adele appearing in recent years.

The Gabba is best known as the home of the Brisbane Lions, Queensland Bulls and Brisbane Heat and is regarded as an impenetrable fortress for the Australian cricket team, having not lost a Test at The Gabba since 1988. The Gabba is known as one of the best cricket wickets in the world. The venue has an official capacity of 42,000 and up to 60,000 for concerts as well as a range of function and meeting spaces that are used extensively throughout the year.

TOP ACHIEVEMENTS

- Hosted two AFL finals fixtures, with the Brisbane Lions finishing second at the end of the home and away season.
- Hosted international cricket with Australia successful in both a T20 against Sri Lanka, and a Test Match against Pakistan.
- Worked closely with the AFL to host a season restart match behind closed doors due to the COVID-19 pandemic.
- Commenced the \$35 million redevelopment of The Gabba, including upgrades to media, corporate, and public areas, as well as creating a sensory room and changing place facility.
- Commenced installation of permanent LED panels around the field of play and mid-tier parapet.

VENUE TENANTS

- Brisbane Lions AFL Training and Administration
- Queensland Cricketers' Club
- Queensland Sports Medicine Centre

MAJOR HIRERS

- Australian Football League
- Brisbane Heat
- Brisbane Lions AFL Club
- Cricket Australia
- Queensland Cricket (Bulls)



CAPACITY
42,000

LOCATION
Woolloongabba

PRIMARY USE
Cricket, AFL

NUMBER OF PEOPLE ATTENDING:

| | | | | |
|-----------------|-----------------------|----------------|------------------|--------------|
| TOTAL PATRONAGE | ELITE SPORTING EVENTS | ELITE TRAINING | COMMUNITY EVENTS | OTHER EVENTS |
| 394,654 | 383,592 | 2,960 | 1,240 | 6,862 |

FUTURE DIRECTION

- Continue to assist the AFL during the COVID-19 pandemic, including hosting teams from COVID-19 affected states.
- Complete the \$35 million redevelopment works and begin planning for future works.
- Continue to engage with the Brisbane Lions, Queensland Cricket and Cricket Australia to deliver improved patron experiences and commercial opportunities.

UPCOMING EVENTS

- 2020 Brisbane Lions AFL home games as well as other fixtures relocated due to COVID-19
- 2020-21 Brisbane Heat matches

METRICON STADIUM

The 25,000 seat Metricon Stadium on the Gold Coast is home to the Gold Coast SUNS (GC SUNS) AFL and AFLW teams, and was recently host to AFL teams from Western Australia and South Australia as part of the AFL's COVID-19 Return to Play hub. The stadium supported the training needs of each team and hosted AFL home matches for five AFL teams in June 2020. The venue is leased by the AFL and operated by the GC SUNS and hosts sporting, entertainment, community and cultural events.

TOP ACHIEVEMENTS

- Hosted a near sell-out Brisbane Heat match on New Year's Day as part of the BBL cricket season.
- Hosted the GC SUNS first ever AFLW home match.
- Hosted a sold-out Queen + Adam Lambert concert for almost 40,000 patrons.
- Hosted a 50-Over cricket match between the Queensland Bulls and Western Australia in the Marsh Cup One Day Domestic competition and an International 50-Over cricket match between an Australian XI and the British Lions.
- Assisted with the resumption of AFL after the COVID-19 pandemic crowd ban, including hosting the first AFL same day double-header in 34 years.

VENUE TENANTS

- GC SUNS – Merchandise shop
- O'Brien Group Australia
- Spotless/Clean Event
- Quayclean

MAJOR HIRERS

- Australian Football League
- Brisbane Heat
- Caravanning QLD
- Cricket Australia
- GC SUNS
- Melbourne Stars
- TEG Dainty



CAPACITY
25,000

LOCATION
Carrara

PRIMARY USE
AFL

NUMBER OF PEOPLE ATTENDING:

| | | | | |
|-----------------|-----------------------|----------------|------------------|---------------|
| TOTAL PATRONAGE | ELITE SPORTING EVENTS | ELITE TRAINING | COMMUNITY EVENTS | OTHER EVENTS |
| 183,309 | 109,946 | 4,478 | 12,433 | 56,452 |

FUTURE DIRECTION

- Continue to attract concerts, following the successful Queen + Adam Lambert concert.
- Continue to attract sporting content such as cricket matches and AFLW matches.
- Continue to play an integral role in the continuation of the COVID-19 affected 2020 AFL Season.

UPCOMING EVENTS

- 2020 Gold Coast Suns AFL home matches
- 2020-21 Big Bash Fixtures

QUEENSLAND COUNTRY BANK STADIUM

The 25,000 seat QCBS in Townsville was officially opened in February 2020. Construction of the \$293.5 million state of the art facility was completed on time and on budget.

The multi-purpose rectangular venue is suitable for a variety of events including rugby league, rugby union, soccer, motor sports and concerts. It featured Sir Elton John as the stadium's first ever event and the venue is home to the North Queensland Cowboys NRL Team.

TOP ACHIEVEMENTS

- Secured a six year naming rights partnership with Queensland business Queensland Country Bank and transitioned operations from the old stadium to the new venue.
- Unveiled a statue on 20 February 2020 commemorating the contributions of Johnathan Thurston to North Queensland and Rugby League.
- Hosted Sir Elton John's "Farewell Yellow Brick Road" tour on Saturday 29 February 2020.
- Hosted the first NRL event at the venue, the North Queensland Cowboys vs Brisbane Broncos match on Friday 13 March 2020, just 13 days after the concert.
- Secured a strong calendar of events for the inaugural year of the venue's operation including the Jeff Horn vs Tim Tszyu boxing bout, Crystal Palace vs Brisbane Roar and a Rugby Australia International Double Header (though these events have since been postponed due to COVID-19).

VENUE TENANTS

- Facilities First
- Pandanus Catering

MAJOR HIRERS

- Chugg Entertainment
- National Rugby League
- North Queensland Cowboys



Queensland Country Bank Stadium

CAPACITY
25,000

LOCATION
Townsville

PRIMARY USE
Rugby League

NUMBER OF PEOPLE ATTENDING:

| TOTAL PATRONAGE | ELITE SPORTING EVENTS | ELITE TRAINING | COMMUNITY EVENTS | OTHER EVENTS |
|-----------------|-----------------------|----------------|------------------|---------------|
| 57,759 | 24,312 | 550 | 11,280 | 21,617 |

FUTURE DIRECTION

- Return the venue to full utilisation in line with the Queensland Government’s Roadmap to Easing COVID-19 Restrictions.
- Attract quality event content through strategic partnerships.
- Contribute to the prosperity of Townsville and North Queensland through visitor attraction, the direct and indirect creation of jobs and community engagement.

UPCOMING EVENTS

- 2020 North Queensland Cowboys NRL Season
- Jeff Horn vs Tim Tszyu boxing bout
- Other rescheduled events postponed due to COVID-19

WILLOWS SPORTS FIELD

(formerly I300Smiles Stadium)

ELITE SPORTING EVENTS

59,832

- The venue was officially farewelled on Thursday 29 August 2019 with the Cowboys playing their final home game at the venue against the Bulldogs.
- The facility continues to be used as a training base for the North Queensland Cowboys during 2020 as they await the opening of their Centre of Excellence in early 2021.

QUEENSLAND SPORT AND ATHLETICS CENTRE

QSAC is a popular event space and a premier training hub for elite and junior athletes, as well as members of the public. QSAC features two state of the art international standard running tracks and is the only facility in Australia with two 400m ten lane tracks.

The venue has a Main Stadium with a seating capacity of 48,500, a State Athletics Facility with a seating capacity of 2,100, eight court beach volleyball complex, Nissan Arena a multi-purpose Netball facility, elite athlete recovery centre, indoor sports arena and numerous function and meeting spaces.

QSAC is home to the Queensland Academy of Sport (QAS) hub for elite athlete training, development, recovery and research.

TOP ACHIEVEMENTS

- Hosted the INAS Global Games track and field events and closing ceremony.
- Held four closed session international soccer training matches for the Chinese Women's National Team.
- Hosted the 2019 Super Netball and 2019 National Basketball League seasons at Nissan Arena.
- Commenced planning for the redevelopment of the QAS.
- Completed a range of venue upgrades and maintenance projects including security improvements, energy efficient lighting upgrades, irrigation and landscaping.

VENUE TENANTS

- AFL SportsReady
- Little Athletics Queensland
- Netball Queensland
- QAS
- Queensland Athletics
- Sandstorm Sports
- Softball Queensland
- Special Olympics Australia

MAJOR HIRERS

- Football Federation Australia
- Fuji Xerox Business Force
- Greater Public Schools Association of Queensland
- Little Athletics Queensland
- Queensland Primary and Secondary School Sport
- Queensland Athletics



CAPACITY
48,500

LOCATION
Nathan

PRIMARY USE
**Athletics, Netball,
QAS Training**

NUMBER OF PEOPLE ATTENDING:

| TOTAL PATRONAGE | ELITE SPORTING EVENTS | ELITE TRAINING | COMMUNITY EVENTS | OTHER EVENTS |
|-----------------|-----------------------|----------------|------------------|---------------|
| 341,170 | 68,190 | 21,297 | 205,804 | 45,879 |

FUTURE DIRECTION

- Engage with precinct stakeholders to identify opportunities for improved venue use, event delivery and other business service benefits.
- Continue to work closely with onsite sporting bodies and major hirers to maintain the facilities to meet the evolving requirements of both high performance sports and community needs.
- Complete Stage I of the QAS Redevelopment Project.

UPCOMING EVENTS

- 2020 Queensland Firebirds Netball Season home games at Nissan Arena
- 2020-21 Brisbane Bullets Basketball home games at Nissan Arena
- 2021 Queensland Track Classic
- 2021 Little Athletics Queensland State Championships
- 2020 Queensland Athletics State Championships

QUEENSLAND TENNIS CENTRE

The QTC comprises 23 International standard courts featuring all Grand Slam playing surfaces (17 cushioned acrylic, 5 natural clay and 1 natural grass). The courts are accessible for day to day public use, high performance player development and a range of tournaments.

The centre court, Pat Rafter Arena features under-cover seating for 5,500 spectators, 20 corporate suites, several function spaces, administration offices and off-court player facilities. The venue is the home of the QAS elite tennis high performance program and from July 2020 will become the sole national headquarters for the Tennis Australia (TA) National Academy.

TOP ACHIEVEMENTS

- Hosted two Round Robin Pools of the inaugural ATP Cup.
- Hosted the WTA Brisbane International tournament, INAS Games Tennis Event and Brisbane Pro Tour.
- Hosted the Cross-fit Games.
- Completed major capital works projects including an upgrade to LED lighting in Pat Rafter Arena and outside courts to LED and external podium resurfacing.
- Completed the Masterplan and Business Case for future expansion.

VENUE TENANTS

- Tennis Australia
- Australian Catering Services – Baseline Café & Functions Managers
- Rapyd Management Solutions

MAJOR HIRERS

- Corinda State High School
- Cross-fit Games
- St Joseph's Gregory Terrace
- Tennis Australia

FUTURE DIRECTION

- Deliver a successful ATP Cup event, WTA Brisbane International event and Cross-fit Games.
- Complete the major capital works projects including seating bowl resurfacing and Pat Rafter Arena entry signage.
- Continue to engage with stakeholders on the Masterplan to attract major events and enhance fan and player experiences.



Queensland
Tennis Centre

CAPACITY

5,500

LOCATION

Tennyson

PRIMARY USE

Tennis

NUMBER OF PEOPLE ATTENDING:

TOTAL
PATRONAGE

178,999

ELITE SPORTING
EVENTS

91,874

ELITE
TRAINING

220

COMMUNITY
EVENTS

67,375

OTHER
EVENTS

19,530

UPCOMING EVENTS

- ATP Cup
- WTA Brisbane International

SLEEMAN SPORTS COMPLEX

SSC is a centre of excellence for the development of high performance athletes in Queensland and a community sport and recreation hub for South-East Queensland. The venue is the training base for the State's high performing and developing athletes including Swimming, Diving, Gymnastics, BMX, Cycling, Basketball and Weightlifting.

The complex hosts International, National and State events and caters for a wide variety of aquatic and fitness activities, learn to swim programs, community sports, recreation and cultural events.

The Brisbane Aquatic Centre has been recognised by Swimming Australia as a National Podium Performance Centre. Other facilities onsite include the Anna Meares Velodrome, Brisbane BMX Track, Chandler Arena, Chandler Theatre, Queensland State Gymnastics Training Centre, Dry Land Diving facility and the Chandler Outdoor Velodrome. In late 2020 a international ski-jump training facility will be opened, which will be the first of its kind in the southern hemisphere.

TOP ACHIEVEMENTS

- Hosted the 2020 KAP7 Australian Youth Water Polo Championships including three test matches between Australia vs USA.
- Hosted the Tissot UCI Track Cycling World Cup in the Anna Meares Velodrome.
- Hosted various INAS Global Games events including swimming, table tennis, indoor rowing, taekwondo, track cycling and futsal.
- Undertook construction of the international ski-jump training facility.
- Completed a range of works to improve operations and services in the Chandler Theatre, the PACE at Sleeman fitness centre in the Anna Meares Velodrome and the Brisbane Aquatic Centre including the installation of a new videoboard.

VENUE TENANTS

- Acceleration Brisbane East
- Aquatic Achievers
- Aquatic Education
- Australian Weightlifting Federation
- Basketball Queensland
- BMX Queensland
- Cycling Queensland
- Diving Australia
- Diving Queensland
- Gymnastics Queensland
- Queensland Weightlifting (Cougars Weightlifting)
- Results Physiotherapy
- Swimming Queensland

MAJOR HIRERS

- Aquatic Achievers
- BMX Queensland
- Cycling Australia
- Cycling Queensland
- Diving Australia
- Diving Queensland Association



SLEEMAN
SPORTS COMPLEX

CAPACITY
4,350

LOCATION
Chandler

PRIMARY USE
**Aquatics,
Cycling, BMX**

NUMBER OF PEOPLE ATTENDING:

| TOTAL PATRONAGE | ELITE SPORTING EVENTS | ELITE TRAINING | COMMUNITY EVENTS | OTHER EVENTS |
|-----------------|-----------------------|----------------|------------------|----------------|
| 532,576 | 10,274 | 30,490 | 166,115 | 325,697 |

- Football Queensland
- Greater Public Schools Association of Queensland
- Gymnastics Queensland
- QAS
- Queensland Primary and Secondary School Sports
- Six Day Management
- Swimming Australia
- Swimming Queensland
- Water Polo Australia
- Water Polo Queensland

FUTURE DIRECTION

- Commission and open the international ski-jump training facility.
- Complete a range of works to improve security, pool filtration, fitness facilities and environmental and sustainability projects relating to lakes and grounds enhancements.
- Continue to work closely with onsite sporting bodies and major hirers to maintain the facilities to meet the evolving requirements of elite and high performance sport, whilst maintaining opportunity for community access and engagement.

UPCOMING EVENTS

- 2021 Brisbane Cycling Festival
- Gymnastics Queensland Junior State Championships
- Queensland Cyclist's Association Track Series
- 2021 Australian Youth Water Polo Championships
- Water Polo Queensland State Titles
- Queensland Swimming Championships – Short and Long Course
- National and State Championships in various sporting fields showcasing elite national, state and local athletes

SUNCORP STADIUM

Suncorp Stadium has continued to demonstrate its versatility and capability as one of Australia's Premier rectangular venues for sport and major events. The venue provides a home ground advantage for the Brisbane Broncos, the Queensland Reds, the Brisbane Roar and the Queensland Maroons. The 'Cauldron' like atmosphere produced by the stadium design and sports lighting allowing fans to become fully immersed in the event experience. The 52,500 seat Suncorp Stadium is operated by ASM Global on behalf of SQ.

TOP ACHIEVEMENTS

- Secured and hosted two concerts U2 and Queen + Adam Lambert as well as the Wallabies vs Argentina rugby union Test Match.
- Secured an English Premier League match between Crystal Palace F.C. and West Ham United (rescheduled due to COVID-19).
- Developed and implemented a COVID-Safe plan to enable the stadium to assist with the resumption of NRL after the COVID-19 pandemic crowd ban.
- Completed a lighting upgrade with best in class dynamically controlled LED sports lights for increased fan experience and security hardening projects.
- Increased the stadium's sustainability measures by adding an organic stream to the stadium's recycling regime which allows for composted material to be returned to venue gardens.

VENUE TENANTS

- ASM Global
- MakeSport
- O'Brien Group Australia
- Police Citizens Youth Club
- SQ
- What's Your Team

MAJOR HIRERS

- Brisbane Broncos
- Brisbane Roar
- Concert promoters
- National Rugby League
- Queensland Rugby Union (Reds)
- Rugby Australia



CAPACITY
52,500

LOCATION
Milton

PRIMARY USE
**Rugby League,
Rugby Union,
Soccer, Concerts**

NUMBER OF PEOPLE ATTENDING:

TOTAL PATRONAGE
417,535

ELITE SPORTING EVENTS
325,124

COMMUNITY EVENTS
2,517

OTHER EVENTS
89,894

FUTURE DIRECTION

- Use the strategic alliance with Brisbane Economic Development Agency and Tourism and Events Queensland to attract additional content and revenue opportunities.
- Conduct stadium upgrades including architectural theming lights and Members Reserve dining areas and bars.
- Upgrade and refine the stadium's sustainability initiatives including a move towards fully compostable packaging throughout the stadium.

UPCOMING EVENTS

- State of Origin
- NRL Magic Round
- Wallabies Test



FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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Stadiums Queensland
Statement of Comprehensive Income
for the year ended 30 June 2020

| OPERATING RESULT | Notes | 2020 \$000 | 2019 \$000 |
|---|-------|-----------------|-----------------|
| Income from Continuing Operations | | | |
| User charges and fees | 3.1 | 27,325 | 43,534 |
| Grants and contributions | 3.2 | 68,941 | 51,922 |
| Interest | | 1,559 | 1,833 |
| Other revenue | | 7 | 229 |
| Total Revenue | | 97,832 | 97,518 |
| Gains | | | |
| Gain on disposal/remeasurement of assets | | 60 | 14 |
| Total Income from Continuing Operations | | 97,892 | 97,532 |
| Expenses from Continuing Operations | | | |
| Supplies and services | 4.1 | 74,036 | 46,676 |
| Depreciation and amortisation | 5.4 | 73,706 | 66,182 |
| Employee expenses | 4.2 | 17,804 | 16,043 |
| Borrowing costs | 4.3 | 5,292 | 5,803 |
| Loss on disposal and write-offs | | 28 | 25 |
| Total Expenses from Continuing Operations | | 170,866 | 134,729 |
| Operating Result for the Year | | (72,974) | (37,197) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will not be reclassified subsequently to Operating Result | | | |
| Increase in asset revaluation surplus | 8.2 | 702 | 55,414 |
| Total Other Comprehensive Income | | 702 | 55,414 |
| Total Comprehensive Income | | (72,272) | 18,217 |

The accompanying notes form part of these financial statements.

Stadiums Queensland
Statement of Financial Position
as at 30 June 2020

| | Notes | 2020 \$000 | 2019 \$000 |
|--------------------------------------|-------|------------------|------------------|
| Current Assets | | | |
| Cash and cash equivalents | 5.1 | 82,535 | 80,906 |
| Receivables | 5.2 | 2,443 | 5,179 |
| Other current assets | 5.3 | 2,429 | 6,863 |
| Total Current Assets | | 87,407 | 92,948 |
| Non-Current Assets | | | |
| Property, plant and equipment | 5.4 | 1,435,772 | 1,194,093 |
| Intangible assets | | 2,288 | 2,247 |
| Total Non-Current Assets | | 1,438,060 | 1,196,340 |
| Total Assets | | 1,525,467 | 1,289,288 |
| Current Liabilities | | | |
| Payables | 6.1 | 15,269 | 32,805 |
| Other liabilities | 6.2 | 18,136 | 4,205 |
| Interest bearing liabilities | 6.3 | 8,656 | 8,625 |
| Accrued employee benefits | | 3,907 | 3,937 |
| Total Current Liabilities | | 45,968 | 49,572 |
| Non-Current Liabilities | | | |
| Other liabilities | 6.2 | 1,512 | 1,446 |
| Interest bearing liabilities | 6.3 | 68,666 | 76,923 |
| Accrued employee benefits | | 517 | 622 |
| Total Non-Current Liabilities | | 70,695 | 78,991 |
| Total Liabilities | | 116,663 | 128,563 |
| Net Assets | | 1,408,804 | 1,160,725 |
| Equity | | | |
| Contributed equity | | 1,086,706 | 763,306 |
| Accumulated deficit | | (278,105) | (202,082) |
| Asset revaluation surplus | 8.2 | 600,203 | 599,501 |
| Total Equity | | 1,408,804 | 1,160,725 |

The accompanying notes form part of these financial statements.

Stadiums Queensland

Statement of Changes in Equity

for the year ended 30 June 2020

| | Accumulated Deficit | Asset Revaluation Surplus (Note 8.2) | Contributed Equity | Total |
|---|------------------------|---|-----------------------|------------------|
| | \$000 | \$000 | \$000 | \$000 |
| Balance as at 1 July 2018 | (164,885) | 544,087 | 763,306 | 1,142,508 |
| Operating Result | (37,197) | - | - | (37,197) |
| Other Comprehensive Income | | | | |
| Increase/(decrease) in asset revaluation surplus | - | 55,414 | - | 55,414 |
| Total Comprehensive Income for the Year | (37,197) | 55,414 | - | 18,217 |
| Transactions with Owners as Owners | | | | |
| Net Transactions with Owners as Owners | - | - | - | - |
| Balance as at 30 June 2019 | (202,082) | 599,501 | 763,306 | 1,160,725 |
| Balance as at 1 July 2019 | (202,082) | 599,501 | 763,306 | 1,160,725 |
| Net effect of changes from first year application of new accounting standards | (3,049) | - | - | (3,049) |
| Restated Balance as at 1 July 2019 | (205,131) | 599,501 | 763,306 | 1,157,676 |
| Operating Result | (72,974) | - | - | (72,974) |
| Other Comprehensive Income | | | | |
| Increase/(decrease) in asset revaluation surplus | - | 702 | - | 702 |
| Total Comprehensive Income for the Year | (72,974) | 702 | - | (72,272) |
| Transactions with Owners as Owners | | | | |
| Non-reciprocal transfer of assets (Note 8.1) | - | - | 323,400 | 323,400 |
| Net Transactions with Owners as Owners | - | - | 323,400 | 323,400 |
| Balance as at 30 June 2020 | (278,105) | 600,203 | 1,086,706 | 1,408,804 |

The accompanying notes form part of these financial statements.

Stadiums Queensland
Statement of Cash Flows
for the year ended 30 June 2020

| | Notes | 2020 \$000 | 2019 \$000 |
|--|-------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Inflows: | | | |
| Receipts from operations | | 43,011 | 39,783 |
| Grants and contributions | | 59,812 | 52,055 |
| Interest | | 1,559 | 1,833 |
| GST input tax credits from ATO | | 10,963 | 10,475 |
| GST collected from customers | | 6,199 | 7,503 |
| Other | | 2,787 | 3,198 |
| Outflows: | | | |
| Employee expenses | | (17,916) | (15,630) |
| Supplies and services | | (96,724) | (30,511) |
| Borrowing costs | | (5,070) | (5,558) |
| GST remitted to the ATO | | (5,835) | (8,292) |
| GST paid to suppliers | | (10,994) | (10,427) |
| Net cash provided by (used in) operating activities | CF-1 | (12,208) | 44,429 |
| Cash flows from investing activities | CF-2 | | |
| Inflows: | | | |
| Sales of property, plant and equipment | | 79 | 32 |
| Outflows: | | | |
| Payments for property, plant and equipment | | (39,991) | (34,822) |
| Payments for intangible assets | | (183) | (170) |
| Net cash (used in) investing activities | | (40,095) | (34,960) |
| Cash flows from financing activities | | | |
| Inflows: | CF-3 | | |
| Cash contribution on transfer of equity | | 62,381 | - |
| Outflows: | | | |
| Borrowing redemptions | | (8,449) | (7,962) |
| Net cash provided by (used in) financing activities | | 53,932 | (7,962) |
| Net increase in cash and cash equivalents | | 1,629 | 1,507 |
| Cash and cash equivalents at beginning of financial year | | 80,906 | 79,399 |
| Cash and cash equivalents at end of financial year | 5.1 | 82,535 | 80,906 |

The accompanying notes form part of these financial statements.

Stadiums Queensland
Statement of Cash Flows
for the year ended 30 June 2020

NOTES TO THE STATEMENT OF CASH FLOW

CF-1 Reconciliation of Operating Result to Net Cash by Operating Activities

| | 2020 | 2019 |
|---|-----------------|---------------|
| | \$000 | \$000 |
| Operating Deficit | (72,974) | (37,197) |
| <i>Non-cash items included in operating result:</i> | | |
| Depreciation expense | 73,563 | 66,026 |
| Amortisation expense | 143 | 156 |
| Asset write-down | 22 | 2 |
| Net gain on disposal of non-current assets | (54) | 11 |
| Donated assets received | (9,129) | (437) |
| Market interest adjustment | 223 | 247 |
| <i>Change in assets and liabilities:</i> | | |
| Decrease (increase) in receivables and other assets | 7,170 | (2,073) |
| Increase (decrease) in payables | (21,984) | 16,043 |
| Increase (decrease) in other liabilities | 10,947 | 1,246 |
| (Decrease)/increase in accrued employee benefits | (135) | 405 |
| Net cash provided by operating activities | (12,208) | 44,429 |

CF-2 Non-Cash Investing and Financing Activities

Assets donated to SQ are recognised as revenue (refer Note 3.2).

CF-3 Changes in Liabilities Arising from Financing Activities

2020

| | Non-Cash Changes | | Cash Flows | | Closing Balance 2020 \$'000 |
|--------------|-----------------------------------|---|-------------------------|-------------------------|-----------------------------------|
| | Closing Balance 2019 \$'000 | Market Interest Adjustment \$'000 | Cash Received \$'000 | Cash Payments \$'000 | |
| | Borrowings | 85,548 | 223 | | |
| Total | 85,548 | 223 | - | (8,449) | 77,322 |

2019

| | Non-Cash Changes | | Cash Flows | | Closing Balance 2019 \$'000 |
|--------------|-----------------------------------|---|-------------------------|-------------------------|-----------------------------------|
| | Closing Balance 2018 \$'000 | Market Interest Adjustment \$'000 | Cash Received \$'000 | Cash Payments \$'000 | |
| | Borrowings | 93,263 | 247 | | |
| Total | 93,263 | 247 | - | (7,962) | 85,548 |

1. BASIS OF FINANCIAL STATEMENT PREPARATION

1.1 General Information

Stadiums Queensland (SQ) is a statutory body established under the *Major Sports Facilities Act 2001* and does not control other entities. The financial statements comprised of the transactions and balances of SQ as an individual entity.

The head office and principal place of business of SQ is:
Corner of Castlemaine and Chippendall Streets
Milton Qld 4064

1.2 Compliance with Prescribed Requirements

SQ has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

SQ is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 15.

1.3 Presentation

Currency and Rounding

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000, or where the amount is \$500 or less, to zero, unless disclosure of the full amount is required.

Comparatives

Comparative information reflects the audited 2018-19 financial statements except where necessary to be consistent with disclosures in the current reporting period.

Current/ Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated Notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or SQ does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

1.4 Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Board of SQ at the date of signing the Management Certificate.

1.5 Basis of Measurement

Historical cost is used as the measurement basis in this financial report unless otherwise stated.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

1.5 Basis of Measurement (continued)

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flow amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by SQ's independent valuers include, but are not limited to, published sales data for land and building construction costs data.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Unobservable inputs used by independent valuers include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics and functionality of the assets, assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All SQ's assets for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 - represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 - represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3 - represents fair value measurements that are substantially derived from unobservable inputs.

Where fair value is used, the fair value approach is disclosed.

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

1.6 Taxation

SQ is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by SQ. GST input tax credits receivable from, and GST payable to the Australian Taxation Office, are recognised and included in the Statement of Financial Position.

2. OBJECTIVES OF STADIUMS QUEENSLAND

SQ's objectives are to manage, operate, use and promote major sports facilities and to undertake the development of:

- major sports facilities;
- sports, recreational or entertainment facilities for declaration as major sports facilities; and
- infrastructure associated with major sports facilities or proposed major sports facilities.

SQ must perform its functions in a way that is consistent with sound commercial principles while having regard to the requirements of tenants of the facilities.

SQ is partly funded by Queensland Government grants and contributions and receives income on a fee for service basis for:

- membership;
- venue management, tenancy and hiring arrangements; and
- catering commissions.

3. REVENUE

3.1 User Charges and Fees

| | 2020 \$000 | 2019 \$000 |
|--|---------------|---------------|
| Revenue from contracts with customers | | |
| Membership | 5,647 | 8,708 |
| Hiring and management fees | 7,633 | 16,163 |
| Ticketing and admissions fees | 2,802 | 3,020 |
| Catering | 5,103 | 8,607 |
| Sponsorships | 2,726 | 2,404 |
| Other | 327 | 851 |
| | 24,238 | 39,753 |
| Other user charges | | |
| Rental income | 3,026 | 3,700 |
| Other | 61 | 81 |
| Total | 27,325 | 43,534 |

Accounting Policies – Revenue from Contracts with Customers (User Charges and Fees)

Revenue from contracts with customers is recognised when SQ transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations and revenue recognition for SQ's major business revenue from contracts with customers.

| Type of good and service | Nature and timing of performance obligation | Revenue recognition policies |
|--------------------------|---|--|
| Membership | <p>SQ sells memberships of up to a 12 month period. Members simultaneously receive and consume benefits, the sole performance obligation during the period.</p> <p>Membership is received upfront net of any discounts.</p> | <p>Revenue is recognised over the period of membership on adoption of AASB 15 <i>Revenue from Contracts with Customers</i>. A contract liability is recognised for the period membership benefit that has not been consumed.</p> <p>In 2018-19, revenue has been recognised at the point of receipt.</p> |

3.1 User Charges and Fees (continued)

| Type of good and service | Nature and timing of performance obligation | Revenue recognition policies |
|------------------------------|---|---|
| Hiring and management fees | <p>SQ provides stadia and facilities for use to host major sports, entertainment and recreation activities under hiring and operating management contracts which vary significantly, up to 20 years in duration.</p> <p>The sole performance obligation is the use of stadia and facilities under the contract.</p> <p>The customer is invoiced after major sports, entertainment and recreation activities have been held as per the terms of the contract.</p> | <p>Revenue is recognised on the completion of any major sports, entertainment and recreation activities.</p> <p>The accounting treatment is the same as used in 2018-19 and under AASB 118 <i>Revenue</i>.</p> <p>A contract asset is recognised for stadia and facilities already utilised but not yet invoiced.</p> |
| Ticketing and Admission fees | <p>(i) SQ receives advance ticketing rights for the provision of ticketing services. The sole performance obligation is issuing the rights for the services under a contract, usually 3 – 5 years.</p> <p>An invoice for advance ticketing rights (contract liability) is raised as per the terms of the contract.</p> <p>(ii) SQ collects entry fees to venues, with the key performance obligation of allowing entry to patrons to attend elite training, sporting and recreation activities.</p> | <p>(i) Revenue is recognised progressively on monthly basis over the period of the ticketing rights contract. A contract liability is recognised for the unexpired period.</p> <p>The accounting treatment is the same as used in 2018-19 and under AASB118.</p> <p>(ii) Revenue is recognised on completion of major sports, entertainment and recreation activities. The accounting treatment is the same as used in 2018-19 and under AASB118.</p> |
| Catering | <p>(i) SQ receives catering rights and commissions from catering services. The sole performance obligation is issuing the rights for the services under a contract, usually 3 – 10 years.</p> <p>The customer is invoiced in advance for catering rights under the terms of the contract upon which a contract liability is recognised.</p> <p>(ii) The customer is invoiced for catering commissions after each month under the contract.</p> | <p>(i) Revenue is recognised progressively on a monthly basis over the period of the catering rights contract. A contract liability is recognised for the unexpired period.</p> <p>The accounting treatment is the same as used in 2018-19 and under AASB118.</p> <p>(ii) Revenue is recognised progressively on monthly basis. The accounting treatment is the same as used in 2018-19 and under AASB118.</p> |
| Sponsorships | <p>SQ receives naming rights from stadia sponsors, sole performance obligation being issuing of naming rights under a contract, usually 5 – 10 years.</p> <p>The customer is invoiced in advance for naming rights under the terms of the contract upon which a contract liability is recognised.</p> | <p>Revenue is recognised progressively on monthly basis over the period of the naming rights contract. A contract liability is recognised for the unexpired period.</p> <p>The accounting treatment is the same as used in 2018-19 and under AASB118.</p> |

Accounting Policies – Rental Income

Rental income from leasing of venue spaces is recognised progressively over the lease term.

Lease information is disclosed in Note 7.1.

3.2 Grants and Contributions

| | 2020 \$000 | 2019 \$000 |
|--|---------------|---------------|
| Queensland Government operating grants | 48,664 | 27,655 |
| Queensland Government capital grants | 10,250 | 13,500 |
| Federal Government capital grants | - | 10,000 |
| Donations - assets | 9,129 | 437 |
| Contributions - other | 898 | 330 |
| Total | 68,941 | 51,922 |

Accounting Policy – Grants and Contributions

Grants and contributions revenue arise from non-exchange transactions where SQ does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for SQ to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by SQ. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as SQ satisfies its obligations under the grant through construction of the asset

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

Accounting Policy – Assets Donated

Assets donated are non-reciprocal in nature and are recognised at fair value as revenue on receipt of the assets.

Queensland Government Annual Operating and Capital Grants

SQ relies on the State of Queensland to continue to provide operating and capital grants and funding to assist with servicing borrowings raised for stadium redevelopments.

SQ receives annual operating and capital grants from the administering department, Department of Housing and Public Works (DHPW). There are no sufficiently specific performance obligations with the DHPW hence these grants are recognised as revenue on receipt under AASB 1058.

Special Purpose Capital Grants

During 2019-20 financial year a special purpose capital grant of \$9.827 million was received for construction of an asset. The grant has been recognised and disclosed as unearned capital grant in Note 6.2.

In 2018-19 the following special purpose capital grants were received by SQ:

- \$2.5 million from DHPW for SQ venue-wide security hardening. There are no sufficiently specific obligations and the grant has been recognised in its entirety on receipt by SQ;
- \$1 million from the Department of Transport and Main Roads for the construction of the completed Multistorey Carpark. SQ has met the grant agreement conditions and recognised the grant as revenue in its entirety; and
- \$10 million from the Federal Government towards the construction of the completed Queensland State Netball Centre. SQ has met the grant agreement conditions and recognised the grant as revenue in its entirety.

4. EXPENSES

4.1 Supplies and Services

| | 2020 \$000 | 2019 \$000 |
|---|---------------|---------------|
| Professional fees and contractors | 6,703 | 6,460 |
| Telecommunication costs | 395 | 273 |
| Council rates, water, electricity and gas | 6,607 | 5,999 |
| Insurance | 1,767 | 1,498 |
| Venue cleaning and asset protection costs | 3,577 | 2,922 |
| Repairs and maintenance | 29,872 | 21,016 |
| Operating lease | 28 | 28 |
| Software support and computer costs | 2,168 | 1,731 |
| Advertising and promotions | 611 | 1,072 |
| Printing and postage | 299 | 256 |
| Event costs | 1,894 | 2,862 |
| Bank charges | 20 | 27 |
| Impairment losses | 38 | (7) |
| Audit fees | 381 | 305 |
| Losses and special payments | 3 | 15 |
| Land tax | 18,768 | 1,535 |
| Other | 905 | 684 |
| Total | 74,036 | 46,676 |

Total external audit fees paid to the Queensland Audit Office relating to the 2019-20 financial statements are estimated to be \$91,700 (2018-19 Actual: \$91,600). There are no non-audit services included in this amount.

Supplies and Services are disclosed net of the costs recovered from tenants and hirers.

Accounting Policy - Special payments

Special payments include ex gratia expenditure and other expenditure that SQ is not contractually or legally obliged to make to other parties. In compliance with the *Financial and Performance Management Standard 2019*, SQ maintains a register setting out details of all special payments greater than \$5,000.

4.2 Employee Expenses

| | 2020 \$000 | 2019 \$000 |
|--|---------------|---------------|
| Employee Benefits | | |
| Wages and salaries | 12,883 | 11,489 |
| Employer superannuation contributions | 1,651 | 1,462 |
| Annual and long service leave entitlements | 1,257 | 1,431 |
| Other employee benefits | 557 | 369 |
| Employee Related Expenses | | |
| Payroll tax | 933 | 806 |
| Workcover | 187 | 156 |
| Other employee related expenses | 336 | 330 |
| Total* | 17,804 | 16,043 |
| *Total employee expenses includes wages and salaries and associated on-costs of \$160,621 relating to \$1,250 one-off, pro rata payments for 110.7 full-time equivalent employees (announced in September 2019). | | |
| | No. | No. |
| Full-time equivalent employees at 30 June | 146.5 | 137.6 |

Key Management Personnel Disclosures are detailed in Note 12.

4.2 Employee Expenses (continued)

Accounting Policy – Wages and Salaries and Annual Leave

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current remuneration rates expected to apply at the time of settlement.

For annual leave, the entire amount of unpaid entitlements is recorded as a current liability in the Statement of Financial Position at its undiscounted value as SQ does not have an unconditional right to defer settlement of this obligation.

Accounting Policy – Sick Leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting Policy – Long Service Leave

Long service leave entitlements payable are assessed at balance date having regard to current employee remuneration rates, employment related on-costs and other factors including accumulated years of employment, future remuneration levels, and experience of employee departure per year of service.

Where SQ does not have an unconditional right to defer settlement of the long service leave entitlement, the unpaid entitlement is recorded as a current liability in the Statement of Financial Position at its undiscounted value. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these entitlements accrued to balance date. Relevant Commonwealth Government bond rates are used for discounting future cash flows.

Accounting Policy - Superannuation

Employer superannuation contributions are expensed in the period in which they are paid or payable.

SQ's obligation is limited to its contribution to superannuation schemes and therefore no liability is recognised for accruing superannuation benefits. Superannuation benefits for accumulation plans are a liability for the various employee superannuation plans. The liability for QSuper defined benefit funds is held on a whole-of-Government basis and reported in the financial report prepared pursuant to AASB 1049 *Whole-of-Government and General Government Sector Financial Reporting*.

4.3 Borrowing Costs

| | 2020 | 2019 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Queensland Treasury Corporation interest and charges | 5,044 | 5,527 |
| Queensland Treasury loan interest | 248 | 276 |
| Total | 5,292 | 5,803 |

Accounting Policy - Borrowing Costs

Borrowing costs include interest on borrowings, ancillary administration charges and performance dividend payments. Borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs are capitalised into qualifying assets.

5. ASSETS

5.1 Cash and Cash Equivalents

| | 2020 \$000 | 2019 \$000 |
|---------------------------------------|---------------|---------------|
| Imprest accounts | 8 | 8 |
| Cash at bank | 755 | 4,899 |
| Deposits awaiting contract settlement | 5,905 | 24,171 |
| Deposits at call | 75,867 | 51,828 |
| Total | 82,535 | 80,906 |

Cash deposited with the Queensland Treasury Corporation (QTC) earned interest at rates between 0.86% and 2.16% (2019: 2.38% and 3.20%).

Accounting Policy - Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions. All cash assets are measured at amortised costs.

Interest rate sensitivity analysis

If interest rates change by +/- 1% from the year-end rates applicable to SQ's Cash and Cash Equivalents, SQ would have an increase / decrease in operating result and equity of \$825,350 (2019: \$809,060). This sensitivity is mainly attributed to the exposure of cash funds deposited with QTC to variable interest rates.

5.2 Receivables

| | 2020 \$000 | 2019 \$000 |
|---------------------|---------------|---------------|
| Current | | |
| Trade debtors | 2,541 | 4,954 |
| less Loss allowance | (27) | (37) |
| | <u>2,514</u> | <u>4,917</u> |
| | | |
| GST receivable | 1,046 | 1,015 |
| less GST payable | (1,117) | (753) |
| | <u>(71)</u> | <u>262</u> |
| Total | 2,443 | 5,179 |

Accounting Policy - Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase or contract price. Settlement of these amounts is required within 30 days from the invoice date.

Other debtors generally arise from transactions outside the usual operating activities of SQ and are recognised at their assessed values. Terms are 30 days, no interest is charged and no security is obtained.

The closing balance of receivables arising from contracts with customers at 30 June 2020 \$2.144 million (1 July 2019: \$4.201 million).

5.2 Receivables (continued)

Accounting Policy – Impairment

The collectability of receivables is assessed periodically with allowance being made for any expected credit losses. The loss allowance is estimated based on the probability and timing of potential defaults and takes into account future economic conditions and past events. All known bad debts were written-off as at 30 June. Refer note 4.1.

If no loss events have arisen in respect of a particular debtor or group of debtors, no loss allowance is made in respect of that debt/group of debtors.

Where SQ determines that an amount owing by such a debtor does become uncollectible (after an appropriate range of debt recovery actions), that amount is written-off directly against loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Credit risk exposure

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any allowance for impairment.

No collateral is held as security and no credit enhancements relate to receivables held by SQ. Refer Note 9.2.

5.3 Other Current Assets

| | 2020 | 2019 |
|-----------------|--------------|--------------|
| | \$000 | \$000 |
| Contract assets | 862 | 4,307 |
| Prepayments | 1,448 | 722 |
| Other | 119 | 1,834 |
| Total | 2,429 | 6,863 |

Contract Assets

Contract assets arise from contracts with customers, and are transferred to Receivables when SQ's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

Accrued revenue that do not arise from contracts with customers are reported as part of other.

5.4 Property, Plant and Equipment

| | 2020 \$000 | 2019 \$000 |
|--|------------------|------------------|
| Land | | |
| At fair value | 193,647 | 185,327 |
| | 193,647 | 185,327 |
| Buildings and Land Improvements | | |
| At fair value | 2,481,461 | 2,136,032 |
| less accumulated depreciation | (1,275,865) | (1,150,434) |
| | 1,205,596 | 985,598 |
| Plant and Equipment | | |
| At cost | 52,170 | 50,734 |
| less accumulated depreciation | (34,057) | (31,713) |
| | 18,113 | 19,021 |
| Heritage and Cultural Assets | | |
| At fair value | 1,031 | 825 |
| | 1,031 | 825 |
| Work in Progress | | |
| At cost | 17,385 | 3,322 |
| Total | 1,435,772 | 1,194,093 |

Property, Plant and Equipment Reconciliation

| 2020 | Movements during the reporting period | | | | | |
|---------------------------------|---------------------------------------|---------------------------------|---------------------|-----------------------|------------------|------------------|
| | Land | Buildings and Land Improvements | Plant and Equipment | Heritage and Cultural | Work In Progress | Total |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Balance at 1 July 2019 | 185,327 | 985,598 | 19,021 | 825 | 3,322 | 1,194,093 |
| Additions | - | - | 190 | - | 44,431 | 44,621 |
| Transfer from DHPW [^] | - | - | - | - | 261,019 | 261,019 |
| Assets donated | 9,120 | - | 9 | - | - | 9,129 |
| Disposals | - | - | (47) | - | - | (47) |
| Transfers | - | 288,606 | 2,395 | 204 | (291,387) | (182) |
| Revaluation* | (800) | 1,500 | - | 2 | - | 702 |
| Depreciation | - | (70,108) | (3,455) | - | - | (73,563) |
| Balance at 30 June 2020 | 193,647 | 1,205,596 | 18,113 | 1,031 | 17,385 | 1,435,772 |
| 2019 | Land | Buildings and Land Improvements | Plant and Equipment | Heritage and Cultural | Work In Progress | Total |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| | Balance at 1 July 2018 | 180,470 | 947,207 | 17,111 | 638 | 29,919 |
| Additions | - | 83 | 161 | 79 | 28,813 | 29,136 |
| Assets donated | - | 75 | 333 | 29 | - | 437 |
| Disposals | - | - | (43) | - | - | (43) |
| Transfers | - | 50,380 | 4,781 | 79 | (55,410) | (170) |
| Revaluation | 4,857 | 50,557 | - | - | - | 55,414 |
| Depreciation | - | (62,704) | (3,322) | - | - | (66,026) |
| Balance at 30 June 2019 | 185,327 | 985,598 | 19,021 | 825 | 3,322 | 1,194,093 |

[^] In accordance with Ministerial approval the North Queensland Stadium project cost was transferred to SQ from DHPW in December 2019.

*2019-20 Revaluation includes a decrement of \$41.8 million for Willows Sports Field due to a significant change in use and purpose of the venue as disclosed later under this section.

5.4 Property, Plant and Equipment (continued)

Accounting Policy – Recognition Thresholds

Items of property, plant and equipment with a cost or value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

| | |
|---------------------------------|----------|
| Land | \$1 |
| Buildings and land improvements | \$10,000 |
| Plant and equipment | \$5,000 |
| Heritage and cultural assets | \$5,000 |

Items with a lesser value are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for SQ. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through wear and tear) is expensed.

Componentisation of Complex Assets

Complex assets comprise separately identifiable components (or group of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset. Components whose values exceeds 10% of the complex asset's total cost are separately identified as significant value components. Components valued at less than 10% of the complex asset's total cost are separately recorded only where a material difference in depreciation expense would occur.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) are capitalised when it is probable that future economic benefits from the significant component will flow to SQ in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets, and estimated useful lives of components, are disclosed below.

SQ's complex assets are its stadia which are used for sports, recreational and entertainment facilities.

Accounting Policy – Cost of Acquisition

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use, including architects' fees and engineering design fees.

Where assets are received free of charge from another Queensland Government agency (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the agency immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

Accounting Policy – Measurement using Historical Cost

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. The carrying amounts for such plant and equipment are not materially different from their fair value.

5.4 Property, Plant and Equipment (continued)

Accounting Policy – Measurement using Fair value

Land, buildings and land improvements and heritage and cultural assets are measured at fair value in accordance with Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

In respect of the above mentioned asset classes, the cost of items acquired during the financial year has been judged by SQ materially represent their fair value at the end of the reporting period.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Use of Specific Appraisals

Non-current physical assets measured at fair value are specifically appraised by independent professional valuers at least every five years. On an annual basis these assets are revalued based on interim assessments (desktop reviews and use of appropriate and relevant indices) undertaken by independent professional valuers. Where a class of assets experiences significant and volatile changes in fair value from one reporting period to the next, where practicable, specific appraisals are undertaken for the asset class regardless of the timing of previous such valuations. Factors indicating significant changes in fair value include increases in interest rates, rapidly deteriorating property markets, changes in prices of raw materials by more than 10% or rapid wage growth in the construction industry.

For financial reporting purposes, the revaluation process is managed by SQ's finance unit led by the Group Executive, Finance and Corporate Services. The asset valuation reports are submitted to SQ's Audit, Risk and Compliance Committee for consideration and review prior to referring the valuations to the Board for approval.

The fair values reported by SQ are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer Note 1.5).

Use of Indices

Where assets have not been specifically appraised, the asset values are kept up to date via interim assessments conducted by independent professional valuers to determine the assets' interim values at the reporting date. The valuers use market information available to them and provide assurance of its robustness, validity and appropriateness for application to the relevant assets. Through this process, which is undertaken annually, management ensures the estimate of the assets' fair value is not only valid but assesses and confirms the relevance and suitability of interim values provided by the professional independent valuers for SQ's own circumstances at the reporting date.

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited directly to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach, (e.g. current replacement cost) accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses and any change in the estimate of remaining useful life. This is generally referred to as the 'gross method'.

For assets revalued using a market or income based valuation approach, accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating the revaluation. This is generally referred to as the 'net method'.

Accounting Policy – Depreciation

Land is not depreciated as it has an unlimited useful life.

Buildings and land improvements and plant and equipment are depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to SQ.

5.4 Property, Plant and Equipment (continued)

Key Judgements:

- Straight-line depreciation is used to reflect the even consumption of the service potential of these assets over their useful life to SQ; and
- Heritage and cultural assets, such as memorabilia, are not depreciated because the service potential is not expected to diminish over time.

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within property, plant and equipment.

Where complex assets, such as buildings, have significant separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to SQ.

Depreciation rates

Key estimate: For each class of depreciable asset, the following depreciation rates are used:

| Class | Rate% | Class | Rate% |
|--|-----------|---------------------------------|-------------|
| Buildings and land improvements | | Plant and Equipment | |
| Structure | 2.5 - 10 | Computer equipment | 14.3 - 33.3 |
| Building fitout / fabric | 4 - 20 | Furniture and fittings | 6.7 - 14.3 |
| Lighting and electrical | 2.5 - 20 | Kitchen equipment | 10 - 14.3 |
| Hydraulics and fire services | 2.5 - 15 | Transport and grounds equipment | 10 - 33.3 |
| Air-conditioning and ventilation | 2.5 - 6.7 | Other | 4 - 33.3 |
| Vertical transportation | 5 - 6.7 | | |
| Site improvements | 1 - 10 | | |
| Sport fields | 2 - 10 | | |

Accounting Policy – Impairment

All non-current physical assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, SQ determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

- As a not-for-profit entity, certain property, plant and equipment of SQ is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, AASB 136 does not apply to such assets unless they are measured at cost.
- For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

For all other remaining assets measured at cost, recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

5.4 Property, Plant and Equipment (continued)

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, including the estimated net disposal proceeds.

Where there is an impairment loss, it is recognised immediately in the Statement of Comprehensive Income unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Land and buildings and land improvements are specifically appraised on a progressive basis over a five year period. The following table shows the dates at which specific appraisals have been undertaken at each venue:

| | Land | Building and land improvements |
|---------------------------------------|--------------|--------------------------------|
| I300SMILES Stadium | 30 June 2019 | 30 June 2019 |
| Brisbane Cricket Ground | 30 June 2016 | 30 June 2016 |
| Brisbane Entertainment Centre | 30 June 2017 | 30 June 2017 |
| Cbus Super Stadium | 30 June 2016 | 30 June 2016 |
| Metricon Stadium | 30 June 2020 | 30 June 2020 |
| Queensland Sport and Athletics Centre | 30 June 2017 | 30 June 2017 |
| Queensland Tennis Centre | 30 June 2019 | 30 June 2019 |
| Sleeman Sports Complex | 30 June 2017 | 30 June 2017 |
| Suncorp Stadium | 30 June 2018 | 30 June 2018 |

Land and buildings and land improvement assets for the Queensland Country Bank Stadium (commissioned in February 2020) have been recognised at cost which approximates fair value as at 30 June 2020.

Land

Independent qualified valuers from Australis Advisory Group Pty Ltd (AAG) performed specific appraisals of land assets at Metricon Stadium and interim assessments of the other land assets at 30 June 2020 using a market approach.

The inputs to determine the specific appraisals and interim assessments included:

- an analysis of sales and resales of properties within the surrounding locality of the subject properties;
- published property market analysis and commentaries;
- any easements, encumbrances or contamination;
- discussions with experts and consideration of case law;
- the highest and best use of the site; and
- restrictions on land use due to current zoning, such as Community Use, Sport and Recreation.

SQ's land values have significant inputs which are not all based on observable market data and are therefore classified as Level 3 of the fair value hierarchy.

Key Judgement: The valuers considered the current use of SQ's land to be its highest and best use. The valuers have exercised professional expertise and judgement in applying an adjustment factor of between 20% - 50% to the observable market value taking into consideration the unobservable inputs to the valuation of each site.

Buildings and Land Improvements

SQ's building and land improvement assets are purpose-built sporting and entertainment facilities. A specific appraisal for the Metricon Stadium buildings and land improvements and interim assessments for the other buildings and land improvements assets have been undertaken by qualified quantity surveyors from Gray Robinson Cottrell Pty Ltd (GRC) as at 30 June 2020.

The valuations have been determined using a cost approach (i.e. current replacement cost) due to there being no active market for such specialised facilities.

5.4 Property, Plant and Equipment (continued)

GRC provides modern replacement values and remaining useful lives for various complex assets from which SQ determines fair value using the current replacement cost method. The inputs to the modern replacement values have been determined using:

- current construction rates;
- plans and elevations including schedules and specifications;
- site surveys;
- site inspections and conditions;
- replacement of existing assets with a modern equivalent;
- recent cost details for completed capital works projects and current construction costs for similar projects;
- market driven indices such as the Locality and Building Price indices;
- Australian Institute of Quantity Surveyors cost management manuals; and
- construction market conditions.

SQ's buildings and land improvements values have significant inputs which are not all based on observable market data and are therefore classified as Level 3 of the fair value hierarchy.

Key Judgement: The valuers considered the current use of the buildings and land improvement assets to be their highest and best use in determining the current replacement cost of these assets.

Willows Sports Field – Significant Change in Use and Purpose

Following completion of the new Queensland Country Bank Stadium in Townsville, the Willows Sports Field (WSF), former 1300SMILES Stadium is no longer expected to continue to host major sporting and entertainment events in the future. It is now a temporary administration and training facility for the North Queensland Cowboys until the venue is no longer required, expected to be in early-mid 2021.

WSF Land

In 2019, the WSF land site was specifically appraised by AAG using a market approach, consistent with SQ's other non-current land valuations which have significant inputs that are not all based on observable market data. At 30 June 2020, AAG performed an interim assessment which indicated there was no significant impact on the fair value of the WSF land. The valuation is classified as Level 3 of the fair value hierarchy.

WSF Building and Land Improvements

The WSF building and land improvements assets useful life and carrying value has been significantly impacted from the significant change in use and purpose of the venue. Hence, SQ has determined to reassess these assets' fair value with reference to GRC's prior year independent fair valuation of the assets and adjusting the valuation for the venues temporary use and remaining useful life at 30 June 2020. This assessment of the WSF building and land improvement valuation has resulted in a decrement of \$41.891 million to its carrying amount. The decrement has been adjusted against the building and land improvement asset revaluation surplus.

Heritage and Cultural Assets

Heritage and cultural assets were specifically appraised by an independent qualified valuer from O'Maras Valuers and Auctioneers at 30 June 2020. A market approach has been used to determine the fair value of these assets which included research of sales of similar assets and taking into account any differences. These valuations are independently reviewed on an annual basis by a qualified valuer.

The significant inputs for Heritage and Cultural Assets maximise the use of observable market data and are classified as Level 2 on the fair value hierarchy.

Key Judgement: The valuers considered the current use of SQ's Heritage and Cultural Assets to be their highest and best use.

5.4 Property, Plant and Equipment (continued)

Categories of fair values recognised as at 30 June 2020

None of SQ valuations of its Property, Plant and Equipment assets are eligible for categorisation into level 1 of the fair value hierarchy. Details of categories of fair value hierarchy are as follows:

| 2020 | | | |
|--------------------------------|----------------|----------------|--------------|
| Asset Class | Level 2 | Level 3 | Total |
| | \$000 | \$000 | \$000 |
| Land | | 193,647 | 193,647 |
| Building and Land Improvements | | 1,205,596 | 1,205,596 |
| Heritage and Cultural Assets | 1,031 | | 1,031 |
| 2019 | | | |
| Asset Class | Level 2 | Level 3 | Total |
| | \$000 | \$000 | \$000 |
| Land | | 185,327 | 185,327 |
| Building and Land Improvements | | 985,598 | 985,598 |
| Heritage and Cultural Assets | 825 | | 825 |

There were no transfers to or from Level 2 or Level 3 for recurring fair value measurements during the year.

SQ's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period based on information from independent qualified valuers.

6. LIABILITIES

6.1 Payables

| | 2020 | 2019 |
|------------------------------|---------------|---------------|
| | \$000 | \$000 |
| Current | | |
| Interest payable | 6 | 7 |
| Trade creditors | 3,379 | 5,962 |
| Construction costs payable | 4,926 | 478 |
| Event settlement | 5,734 | 23,593 |
| Other creditors and accruals | 1,224 | 2,765 |
| Total | 15,269 | 32,805 |

Accounting Policy - Payables

Trade creditors are recognised on receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Event settlements are event ticket sales monies held by SQ on behalf of the hirers for scheduled events and are settled with the hirers generally within 30 days after the event date. SQ is only acting as custodian of event ticket sales monies which belong to the hirer.

6.2 Other Liabilities

| | 2020 \$000 | 2019 \$000 |
|------------------------|---------------|---------------|
| Current | | |
| Contract liabilities | 7,446 | 1,640 |
| Unearned capital grant | 9,827 | - |
| Other unearned revenue | 863 | 2,565 |
| Total | 18,136 | 4,205 |
| Non-Current | | |
| Contract liabilities | 1,015 | 500 |
| Other unearned revenue | 497 | 946 |
| Total | 1,512 | 1,446 |

Accounting Policy - Contract Liabilities

Contract liabilities arise from contracts with customers. Contract revenues are progressively recognised in accordance with accounting policy disclosed in Note 3.1.

Accounting Policy – Other Unearned Revenue

Other unearned revenue are revenue received in advance that are not contract liabilities.

In June 2020, SQ received a \$9.827 million special purpose capital grant from the State under a funding agreement towards construction of an asset. Grant revenue will be progressively recognised in accordance with accounting policy disclosed in Note 3.2.

6.3 Interest Bearing Liabilities

| | 2020 \$000 | 2019 \$000 |
|---|---------------|---------------|
| Current | | |
| Loans - Queensland Treasury | 556 | 525 |
| Loans - Queensland Treasury Corporation | 8,100 | 8,100 |
| Total | 8,656 | 8,625 |
| Non-Current | | |
| Loans - Queensland Treasury | 3,290 | 3,846 |
| Loans - Queensland Treasury Corporation | 65,376 | 73,077 |
| Total | 68,666 | 76,923 |

There are no floating rate borrowings and no assets have been pledged as security for any liabilities.

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. Repayment dates vary from 19 July 2023 to 15 March 2030. There have been no defaults or breaches of the borrowings agreements during the period.

Principal and interest repayments on Queensland Treasury Corporation borrowings are made quarterly in arrears at rates ranging from 2.89% to 7.07% (2019: 2.89% to 7.07%). The principal and interest repayment on the Queensland Treasury borrowings is made annually in arrears, with an interest rate of 0.5% (2019: 0.5%).

All borrowing facilities have been fully drawn at 30 June 2020

6.3 Interest Bearing Liabilities (continued)

Accounting Policy - Borrowings

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or when appropriate, a shorter period), to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that SQ has an unconditional right to defer settlement until at least 12 months after the reporting date.

SQ does not enter into transactions for speculative purposes, or for hedging. No financial liabilities are classified at fair value through profit or loss.

Interest rate sensitivity analysis

There is no exposure from borrowings as all borrowings have fixed interest rates.

Fair value

The fair value of borrowings is notified by Queensland Treasury and the Queensland Treasury Corporation. Fair value is calculated using discounted cash flow analysis and the effective interest rate and is disclosed below:

| <u>Category</u> | 2020 | | 2019 | |
|---|--------------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| | Carrying Amount \$000 | Fair Value \$000 | Carrying Amount \$000 | Fair Value \$000 |
| Financial Liabilities | | | | |
| Financial liabilities measured at amortised cost: | | | | |
| Queensland Treasury | 3,846 | 4,060 | 4,371 | 4,649 |
| Queensland Treasury Corporation | 73,476 | 91,365 | 81,177 | 99,726 |
| | 77,322 | 95,425 | 85,548 | 104,375 |

7. LEASE

A new accounting standard AASB 16 *Leases* came into effect in 2019-20 and has no significant impact on SQ's accounting for leases as a lessee as disclosed Note 15.3. SQ's operating lease commitments are disclosed in Note 11.

SQ's accounting for leases as a lessor has not changed on adoption of AASB16.

7.1 Leases as Lessor

Accounting Policy – Leases as Lessor

Lease payments from operating leases are recognised as income on a straight-line basis over the lease term.

SQ leases venue spaces to sporting related and telecommunication organisations. These operating lease terms vary between 3 – 25 years. Lease income from operating leases is reported as rental income in Note 3.1.

7.1 Leases as Lessor (continued)

Maturity analysis

The following table sets out a maturity analysis of future undiscounted lease payments receivable under SQ's operating leases:

| | 2020 \$000 | 2019 \$000 |
|-------------------|---------------|---------------|
| Less than 1 year | 1,156 | 2,180 |
| 1 to 2 years | 923 | 1,159 |
| 2 to 3 years | 847 | 926 |
| 3 to 4 years | 487 | 850 |
| 4 to 5 years | 340 | 490 |
| More than 5 years | 349 | 689 |
| Total | 4,102 | 6,294 |

8. EQUITY

8.1 Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland Government entities as a result of Machinery-of-Government changes or other involuntary transfers are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

| Contributed Equity Reconciliation | \$000 |
|---|------------------|
| Opening Balance 1 July 2019 | 763,306 |
| Equity Injection and Transfer from the State: | |
| - Gabba Refurbishment | 35,000 |
| - North Queensland Stadium Project* | 288,400 |
| | 323,400 |
| Closing Balance at 30 June 2020 | 1,086,706 |

*Includes work in progress transfer of \$261.019 million from DHPW.

8.2 Asset Revaluation Surplus

| 2020 | Buildings and | | | Total |
|-------------------------------------|---------------|-------------------|-----------------------|----------------|
| | Land | Land Improvements | Heritage and Cultural | |
| | \$000 | \$000 | \$000 | \$000 |
| Balance 1 July 2019 | 75,765 | 523,544 | 192 | 599,501 |
| Revaluation increments/(decrements) | (800) | 1,500 | 2 | 702 |
| Balance at 30 June 2020 | 74,965 | 525,044 | 194 | 600,203 |

| 2019 | Buildings and | | | Total |
|-------------------------------------|---------------|-------------------|-----------------------|----------------|
| | Land | Land Improvements | Heritage and Cultural | |
| | \$000 | \$000 | \$000 | \$000 |
| Balance 1 July 2018 | 70,908 | 472,987 | 192 | 544,087 |
| Revaluation increments/(decrements) | 4,857 | 50,557 | - | 55,414 |
| Balance 30 June 2019 | 75,765 | 523,544 | 192 | 599,501 |

Accounting Policy – Asset Revaluation Surplus

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

9. FINANCIAL RISK DISCLOSURE

9.1 Financial Instrument Categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when SQ becomes party to the contractual provisions of the financial instrument. SQ has the following categories of financial assets and financial liabilities:

| Category | Note | 2020 \$000 | 2019 \$000 |
|---|------|---------------|----------------|
| Financial Assets | | | |
| Financial assets measured at amortised cost: | | | |
| Cash and cash equivalents | 5.1 | 82,535 | 80,906 |
| Receivables | 5.2 | 2,443 | 5,179 |
| | | 84,978 | 86,085 |
| Financial Liabilities | | | |
| Financial liabilities measured at amortised cost: | | | |
| Payables | 6.1 | 15,269 | 32,805 |
| Interest Bearing liabilities | 6.3 | 77,322 | 85,548 |
| | | 92,591 | 118,353 |

No financial assets or financial liabilities have been offset and presented net in the Statement of Financial Position.

9.2 Financial Risk Management

Risk Exposure

Financial risk management is implemented pursuant to Queensland Government and SQ policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the organisation.

SQ's activities expose it to a variety of financial risks as set out in the following table:

| Risk Exposure | Definition | Exposure |
|----------------|---|---|
| Credit Risk | Credit risk exposure refers to the risk associated with financial loss as a result of another party to a financial instrument failing to discharge their obligations. | The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any loss allowance for impairment (Note 5.2). |
| Liquidity risk | Liquidity risk refers to the risk of not meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. | SQ is exposed to liquidity risk in respect of its payables (note 6.1) and borrowings from Queensland Treasury and QTC for capital works (Note 6.3). |
| Market risk | The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. | SQ does not trade in foreign currency and is not materially exposed to commodity price changes. The organisation is exposed to interest rate risk through its cash deposited in interest bearing accounts (Note 5.1). |

9.2 Financial Risk Management (continued)

Risk Measurement and Management Strategies

SQ measures risk exposure using a variety of methods as follows:

| Risk Exposure | Measurement method | Risk Management Strategies |
|----------------|------------------------------------|---|
| Credit Risk | Ageing analysis | <p>SQ manages credit risk through monitoring funds owed on a timely basis, entering into long term contracts with tenants and hirers and requiring deposits in advance for one-off events and functions.</p> <p>The method for calculating any loss allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings. These changes form part of SQ's documented risk analysis assessment in conjunction with historical experience and associated industry data.</p> <p>No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired.</p> |
| Liquidity risk | Sensitivity analysis | <p>SQ manages liquidity risk by having sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring minimum levels of cash are held in bank accounts so as to match the expected duration of the various employee and supplier liabilities. Funding from the State of Queensland also contributes towards the servicing of borrowings and commitments.</p> |
| Market risk | Interest rate sensitivity analysis | <p>SQ does not undertake hedging in relation to interest rate risk. All borrowings have fixed interest rates, hence there is no significant exposure to interest rate risk.</p> |

9.3 Liquidity Risk – Contractual Maturity of Financial Liabilities

The following table sets out the liquidity risk of financial liabilities held by SQ. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position which have been based on discounted cash flows.

| 2020 | Note | Payable in | | | Total \$000 |
|---|------|----------------|-----------------|-----------------|----------------|
| | | < 1 year \$000 | 1-5 years \$000 | > 5 years \$000 | |
| Financial Liabilities | | | | | |
| Payables | 6.1 | 15,269 | - | - | 15,269 |
| Loans - Queensland Treasury | 6.3 | 775 | 3,098 | 776 | 4,649 |
| Loans - Queensland Treasury Corporation | 6.3 | 12,745 | 44,274 | 38,835 | 95,854 |
| | | 28,789 | 47,372 | 39,611 | 115,772 |
| 2019 | Note | < 1 year \$000 | 1-5 years \$000 | > 5 years \$000 | Total \$000 |
| Financial Liabilities | | | | | |
| Payables | 6.1 | 32,805 | - | - | 32,805 |
| Loans - Queensland Treasury | 6.3 | 775 | 3,098 | 1,550 | 5,423 |
| Loans - Queensland Treasury Corporation | 6.3 | 12,745 | 48,099 | 47,754 | 108,598 |
| | | 46,325 | 51,197 | 49,304 | 146,826 |

10. CONTINGENCIES

Contingent Liabilities

Details and estimates of maximum amounts of contingent liabilities classified according to type and for which no provision has been recognised in the Statement of Financial Position as the amount could not be reliably measured are as follows:

| | 2020 \$000 | 2019 \$000 |
|-------------------|---------------|---------------|
| Legal proceedings | 113 | 170 |
| | <u>113</u> | <u>170</u> |

There are no other known contingent liabilities or obligations outstanding at balance date.

11. COMMITMENTS

(a) Operating Leases - Disclosure under AASB 117 *Leases* for 2018-19

Commitments under the operating leases at the reporting date (inclusive of non-recoverable GST input tax credits) are payable:

| | 2020 \$000 | 2019 \$000 |
|--|---------------|---------------|
| Not later than 1 year | - | 26 |
| Later than 1 year but not later than 5 years | - | 39 |
| Later than 5 years | - | - |
| | <u>-</u> | <u>65</u> |

SQ's operating leases are insignificant and has not being recognised as a lease liability at the reporting date under AASB 16. Any lease payments are recognised on a straight-line basis over the lease term and are disclosed in Note 4.1.

(b) Capital Expenditure Commitments – Buildings and Land Improvements

Commitments for capital expenditure at the reporting date (inclusive of non-recoverable GST input tax credits) are payable:

| | 2020 \$000 | 2019 \$000 |
|---|---------------|---------------|
| Buildings and Land Improvements | | |
| Gabba Refurbishment | 25,122 | - |
| Queensland State Netball Centre at QSAC | 11 | 10 |
| Venues Security Hardening | 830 | 1,879 |
| Other capital commitments | 688 | 671 |
| | <u>26,651</u> | <u>2,560</u> |

Buildings and land improvement commitments, not recognised as liabilities, are payable as follows:

| | | |
|----------------------------|---------------|--------------|
| Not later than 1 year | 26,651 | 2,560 |
| | <u>26,651</u> | <u>2,560</u> |
| Plant and Equipment | | |
| Not later than 1 year | 141 | 551 |
| | <u>141</u> | <u>551</u> |
| Intangibles | | |
| Not later than 1 year | 316 | 104 |
| | <u>316</u> | <u>104</u> |

12. KEY MANAGEMENT PERSONNEL DISCLOSURES

12.1 Details of Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of SQ 2019-20 and 2018-19.

| Position | Responsibilities | Contract classification and appointment authority | Original Commencement Date | Termination Date |
|---|--|--|---|------------------|
| Chairperson | Decide the objectives, strategies and policies to be followed by Stadiums Queensland and ensure it performs its functions in a proper, effective and efficient way. | Part-Time Chairs and Members of Queensland Government Bodies. Appointment by Governor in Council | 1/10/2018 | |
| Directors | Decide the objectives, strategies and policies to be followed by Stadiums Queensland and ensure it performs its functions in a proper, effective and efficient way. | Part-Time Chairs and Members of Queensland Government Bodies. Appointment by Governor in Council. | 1/07/2018 1/07/2018 1/07/2018 1/07/2018 1/10/2018 15/11/2018 | |
| Chief Executive | The Chief Executive is responsible for the ongoing management of the organisation in accordance with the strategy, policies and programs approved by the Board. | Common Law contract with the classification of Chief Executive. Appointed by the Board of Stadiums Queensland. | 14/11/2016 | |
| Group Executive, Operations and Commercial | The Group Executive, Operations and Commercial provides leadership and strategically manages the performance and services delivered through each of Stadiums Queensland's venues to maximise commercial opportunities, deliver good customer service and ensure community service obligations are met. | Common Law contract with the classification of Group Executive, Operations and Commercial. Appointed by the Board of Stadiums Queensland. | 3/04/2017 | |
| Group Executive, Finance and Corporate Services | The Group Executive, Finance and Corporate Services provides leadership and strategically manages the performance and services delivered through each of the corporate services areas of finance, human resources, corporate governance and risk management, right to information, privacy, insurance and the procurement framework. | Common Law contract with the classification of Group Executive, Finance and Corporate Services. Appointed by the Board of Stadiums Queensland. | 12/07/2018 | |
| Group Executive, Assets and Facilities | The Group Executive, Assets and Facilities provides leadership and strategically manages and enhances the value of the Stadiums Queensland's assets in accordance with the asset strategic plan and the business plan for each venue and in line with established financial, asset and risk management principles. | Common Law contract with the classification of Group Executive, Assets and Facilities. Appointed by the Board of Stadiums Queensland. | 7/10/2002 | |
| Group Executive, Technology Services | The Group Executive, Technology Services provides leadership and strategically manages the investment and application of information and communication technologies across the whole of Stadiums Queensland. | Common Law contract with the classification of Group Executive, Technology Services. Appointed by the Board of Stadiums Queensland. | 1/02/2019 | |

Remuneration policies

The remuneration policy for the Directors of SQ is set by the Governor in Council. The remuneration policy for employees, who are key management personnel, is set by the Board under the *Major Sports Facilities Act 2001*.

For the 2019-20 year, remuneration of key management personnel increased by 2.3%. This increase was approved by the Board.

Remuneration packages for key management personnel comprise the following components:

- Short term employee benefits which include:
 - Base consisting of base salary, allowances and leave entitlements expensed for the entire year or for that part of the year during which the Director or employee occupied the specified position.
 - Non-monetary benefits consisting of the provision of a motor vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include amounts expensed in respect of long service leave.
- Post-employment benefits include amounts expensed in respect of employer superannuation obligations.

Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination.

No performance bonuses are paid to Directors or employees of SQ.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

12.2 Key Management Personnel Expense

Key management personnel and remuneration disclosures are made in accordance with section 3C of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury.

| 2020 | Short Term Employee Benefits | | Long Term Employee Benefits | Post-employment Benefits | Termination Benefits | Total |
|---|------------------------------|-----------------------------|-----------------------------|--------------------------|----------------------|--------------|
| | Base \$000 | Non-Monetary Benefits \$000 | \$000 | \$000 | \$000 | \$000 |
| Chairperson | 35 | - | - | 3 | - | 38 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Chief Executive | 374 | - | 8 | 37 | - | 419 |
| Group Executive, Operations and Commercial | 272 | - | 6 | 24 | - | 302 |
| Group Executive, Finance and Corporate Services | 265 | - | 6 | 22 | - | 293 |
| Group Executive, Assets and Facilities | 269 | - | 6 | 30 | - | 305 |
| Group Executive, Technology Services | 204 | - | 4 | 23 | - | 231 |
| Total Remuneration | 1,509 | - | 30 | 145 | - | 1,684 |

| 2019 | Short Term Employee Benefits | | Long Term Employee Benefits | Post-employment Benefits | Termination Benefits | Total |
|---|------------------------------|-----------------------------|-----------------------------|--------------------------|----------------------|--------------|
| | Base \$000 | Non-Monetary Benefits \$000 | \$000 | \$000 | \$000 | \$000 |
| Chairperson (Resignation date 30/09/2018) | 9 | - | - | 1 | - | 10 |
| Chairperson (Appointment date 1/10/2018) | 30 | - | - | 3 | - | 33 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 15 | - | - | 1 | - | 16 |
| Director | 11 | - | - | 1 | - | 12 |
| Director | 10 | - | - | 1 | - | 11 |
| Chief Executive | 362 | - | 8 | 42 | - | 412 |
| Group Executive, Operations and Commercial | 258 | - | 6 | 23 | - | 287 |
| Group Executive, Finance and Corporate Services (Resignation date 31/07/2018) | 30 | - | 1 | 79 | - | 110 |
| Group Executive, Finance and Corporate Services (Appointment date 12/07/2018) | 236 | - | - | 21 | - | 257 |
| Group Executive, Assets and Facilities | 248 | - | 5 | 27 | - | 280 |
| Group Executive, Technology Services (Appointment date 1/02/2019)* | 190 | - | 4 | 21 | - | 215 |
| Total Remuneration | 1,444 | - | 24 | 223 | - | 1,691 |

*Remuneration includes higher duties paid for Acting Group Executive, Technology Services.

12.3 Transactions with Related Parties of Key Management Personnel

Key management personnel and their closely related parties conduct transactions with SQ on an arm's length basis and on terms and conditions no more favourable than those available to non-related parties.

All transactions with key management personnel or related parties that occurred during the financial year are trivial or domestic in nature. Each Director has access to venue memberships of \$5,422 (2018-19: \$5,422) for the financial year.

13. RELATED PARTY TRANSACTIONS

Entities subject to common control

SQ is a statutory body established under the *Major Sport Facilities Act 2001* and its Queensland Government administering Department is the Department of Housing and Public Works. All State of Queensland controlled entities meet the definition of other related parties.

Transactions with State of Queensland controlled entities

SQ transacts with other State of Queensland controlled entities. All material transactions are negotiated on terms equivalent to those that prevail in arm's length transactions.

13. RELATED PARTY TRANSACTIONS (continued)

The following relates to transactions with State of Queensland controlled entities:

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| REVENUE | | |
| Revenue received for tenancy and hire fees and other contributions (excluding Government grants) from State of Queensland controlled entities | 1,383 | 1,415 |
| Government grants from State of Queensland (Note 3.2) | 58,914 | 41,155 |
| Interest received on deposits with Queensland Treasury Corporation (QTC) | 1,276 | 1,408 |
| EXPENSES | | |
| Expenses incurred with State of Queensland controlled entities for supplies and services, employee expenses and repairs and maintenance | 24,317 | 8,388 |
| Borrowing costs including administration fees (Note 4.3) | 5,292 | 5,803 |
| ASSETS | | |
| Deposits held with QTC | 81,474 | 65,179 |
| Receivables with State of Queensland controlled entities for services provided by SQ | - | 11 |
| Property, Plant and Equipment - capital works paid and transfer with State of Queensland controlled entities | 294,129 | 20,369 |
| LIABILITIES | | |
| Payables to State of Queensland controlled entities for supplies and services received by SQ | 4,596 | 814 |
| Loans from QTC and Queensland Treasury (Note 6.3) | 77,073 | 85,548 |
| Unearned Revenue with State of Queensland controlled entities | 9,827 | - |
| EQUITY | | |
| Contributed Equity (Note 8.1) | 323,400 | - |

Transactions with other related parties

Disclosures relating to Key Management Personnel are provided in Note 12.

14. FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, all Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to SQ's activities or have no material impact.

15. FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

15.1 Changes in Accounting Policy

SQ did not voluntarily change any of its accounting policies during 2019-20.

15.2 Accounting Standards Early Adopted for 2019-20

No Australian Accounting Standards have been early adopted for 2019-20.

15.3 Accounting Standards Applied for the First Time in 2019-20

The following three new accounting standards were applicable for the first time in 2019-20:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income of Not-for-Profit Entities*; and
- AASB 16 *Leases*

15.3 Accounting Standards Applied for the First Time in 2019-20 (continued)

The effect of adopting these new standards are detailed as follows:

I. AASB 15 Revenue from Contracts with Customers

SQ applied AASB 15 for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 15 are described below.

(a) New revenue recognition model

AASB 15 establishes a new five-step model for determining how much and when revenue from contracts with customers is recognised. The five-step model and significant judgments at each step are detailed below.

| | |
|--|--|
| Step 1 – Identify the contract with the customer | <p>SQ's grant funding and user charges and fees may contain a contract with a customer and thus fall within the scope of AASB 15.</p> <p>This is the case where grant funding agreement requires transfer of goods or services to third parties on behalf of the grantor, it is enforceable, and it contains sufficiently specific performance obligations.</p> <p>User charges and fees may require transfer of goods or services on fulfilling the performance obligations under a contract with a customer.</p> |
| Step 2 – Identify the performance obligations in the contract | <p>This step involves firstly identifying all the activities SQ is required to perform under the contract, and determining which activities transfer goods or services to the customer.</p> <p>Where there are multiple goods or services transferred, SQ must assess whether each good or service is a distinct performance obligation or should be combined with other goods or services to form a single performance obligation.</p> <p>To be within the scope of AASB 15, the performance obligations must be 'sufficiently specific', such that SQ is able to measure how far along it is in meeting the performance obligations.</p> |
| Step 3 – Determine the transaction price | <p>When the consideration in the contract includes a variable amount, SQ needs to estimate the variable consideration to which it is entitled and only recognise revenue to the extent that it is highly probably a significant reversal of the revenue will not occur.</p> <p>This includes sales with a right of return, where the amount expected to be refunded is estimated and recognised as a refund liability instead of revenue.</p> |
| Step 4 – Allocate the transaction price to the performance obligations | <p>When there is more than one performance obligation in a contract, the transaction price must be allocated to each performance obligation, generally this needs to be done on a relative stand-alone selling price basis.</p> |
| Step 5 – Recognise revenue when or as the SQ satisfies performance obligations | <p>Revenue is recognised when SQ transfers control of the goods or services to the customer. A key judgement is whether a performance obligation is satisfied over time or at a point in time. And where it is satisfied over time and develop a method for measuring progress towards satisfying the obligation.</p> |

(b) Other changes arising from AASB 15

AASB 15 also specifies the accounting for incremental costs of obtaining a contract and costs directly related to fulfilling a contract.

The standard requires contract assets (accrued revenue) and contract liabilities (unearned revenue) to be shown separately and requires contract assets to be distinguished from receivables.

The new disclosures have been included in Notes 3.1, 3.2, 5.3 and 6.2. To align with new terminology in AASB 15, accrued revenue receivables and unearned revenue arising from contracts with customers have been renamed and reclassified as contract assets and contract liabilities respectively.

15.3 Accounting Standards Applied for the First Time in 2019-20 (continued)

(c) Transitional impact

SQ has applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 118 Revenue, AASB 111 Construction Contracts, and related interpretations.

User charges and fees

To align with new terminology in AASB 15, accrued revenue and unearned revenue arising from contracts with customers have been renamed as contract assets and contract liabilities respectively. They are separately disclosed in Notes 5.3 and 6.2.

Details of changes in revenue recognition on adoption of AASB 15 are disclosed in Note 3.1. As a result of change in recognition of membership revenue, a contract liability (unearned membership revenue) of \$4.589 million is recognised in 2019-20 (2018-19: \$3.049 million).

The following summarises the transitional adjustments on 1 July 2019 relating to the adoption of AASB 15:

| | <u>\$000</u> |
|---|--------------|
| Current | |
| Other current liabilities - contract liabilities [^] | 3,049 |
| Equity | |
| Accumulated Deficit | (3,049) |

[^] Adjustment relates to unearned membership revenue at 1 July 2019.

II. AASB 1058 *Income of Not-for-Profit Entities*

SQ applied AASB 1058 Income of Not-for-Profit Entities for the first time in 2019-20. The nature and effect of changes resulting from the adoption of AASB 1058 are described below.

(a) Scope and revenue recognition under AASB 1058

AASB 1058 applies to transactions where the SQ acquires an asset for significantly less than fair value principally to enable SQ to further its objective, and to the receipt of volunteer services.

SQ's revenue line items recognised under this standard from 1 July 2019 include Grants and Other Contributions.

Specific special purpose capital grants

In contrast with previous standards such as AASB 1004 *Contributions*, AASB 1058 allows deferral of income from capital grants where the:

- grant requires SQ to use the funds to acquire or construct a recognisable non-financial asset (such as a building) to identified specifications;
- grant does not require SQ to transfer the asset to other parties; and
- grant agreement is enforceable.

For these special purpose capital grants, the funding received is initially deferred in an unearned revenue liability and subsequently recognised as revenue as or when SQ satisfies the obligations under the agreement.

(b) Transitional impact

SQ has applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 1004.

Queensland Government Annual Operating and Capital Grants

Recognition of annual operating and capital grants will not change and continue to be recognised as revenue on receipt under AASB 1058, refer Note 3.2.

15.3 Accounting Standards Applied for the First Time in 2019-20 (continued)

Special Purpose Capital Grants and Contributions

SQ has received a special purpose capital grant of \$9.827 million in 2019-20 which has been deferred as unearned capital grant under AASB 1058 (refer Note 6.2). Under AASB 1004, SQ would have recognised this as grant revenue on receipt of the funding.

Special purpose capital grants received in 2018-19 are disclosed in Note 3.2. These grants have been recognised in its entirety by SQ in 2018-19 as the grant funding agreement conditions were met.

III. Impact of Adoption of AASB 15 and AASB 1058 in the Current Period

The following table shows the impacts of adopting AASB 15 and AASB 1058 on SQ's 2019-20 financial statements. It compares the actual amounts reported to amounts that would have been reported if the previous revenue standards (AASB 1004, AASB 118, AASB 111 and related interpretations) had been applied in the current financial year.

| | As reported \$000 | AASB 15 changes \$000 | AASB 1058 changes \$000 | Previous Standards \$000 |
|--------------------------------------|----------------------|-----------------------------|-------------------------------|--------------------------------|
| Operating result for 2019-20 | | | | |
| User charges and fees | 27,325 | 1,540 | - | 28,865 |
| Grants and contributions | 68,941 | - | 9,827 | 78,768 |
| Operating result for the year | (72,974) | 1,540 | 9,827 | (61,607) |
| Total comprehensive income | (72,272) | 1,540 | 9,827 | (60,905) |
| Balances as at 30 June 2020 | | | | |
| Assets | | | | |
| Receivables | 2,443 | 862 | - | 3,305 |
| Other current assets | 2,429 | (862) | - | 1,567 |
| Total Assets | 1,525,467 | - | - | 1,525,467 |
| Liabilities | | | | |
| Payables | 15,269 | 476 | - | 15,745 |
| Other liabilities (Current) | 18,136 | (5,065) | (9,827) | 3,244 |
| Total Liabilities | 116,663 | (4,589) | (9,827) | 102,247 |
| Equity | | | | |
| Accumulated deficit | (278,105) | 4,589 | 9,827 | (263,689) |
| Total Equity / Net Assets | 1,408,804 | 4,589 | 9,827 | 1,423,220 |

IV. AASB 16 Leases

SQ applied AASB 16 *Leases* for the first time in 2019-20. SQ applied the modified retrospective transition method and has not restated comparative information for 2018-19, which continue to be reported under AASB 117 *Leases* and related interpretations.

The nature and effect of changes resulting from the adoption of AASB 16 are described below.

(a) Definition of a Lease

AASB 16 introduced new guidance on the definition of a lease. For leases and lease-like arrangements existing at 30 June 2019, SQ elected to apply the practical expedient to grandfather the previous assessments made under AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease* about whether those contracts contained leases. However, arrangements were reassessed under AASB 16 where no formal assessment had been done in the past or where lease agreements were modified on 1 July 2019.

15.3 Accounting Standards Applied for the First Time in 2019-20 (continued)

(b) Changes to Lease Accounting and Impact

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. There is no longer a distinction between operating and finance leases for lessee accounting under AASB 16. From 1 July 2019, all leases, other than short-term leases and leases of low value assets, are now recognised on balance sheet as lease liabilities and right-of-use assets.

Lease liabilities are initially recognised at the present value of the lease payments over the lease term that are not yet paid. The operating lease rental payments are no longer expensed in the Statement of Comprehensive Income. They are apportioned between a reduction in the recognised lease liability and the implicit interest charge (the effective interest rate) in the lease. Where the interest rate is not readily determined, the SQ's incremental borrowing rate is used. The interest charge is recognised as an expense.

Right-of-use assets are initially recognised at cost, consisting of the amount of the initial measurement of the liability, lease payments made at or before the commencement date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. Right-of-use assets will give rise to a depreciation expense and subject to impairment.

SQ has determined the impact on of applying AASB 16 to its operating leases including the extent of additional disclosures is not be material. The operating lease commitments are disclosed in Note 11

Lessor accounting remains largely unchanged under AASB 16. Leases are still classified as either operating or finance leases. However, the classification of subleases now references the right-of-use assets arising from the head lease, instead of the underlying asset. SQ leases as lessor are disclosed in Note 7.1

16. CLIMATE RISK DISCLOSURE

SQ has not identified any material climate related risks relevant to the financial report at the reporting date.

17. EVENTS AFTER THE BALANCE DATE

We are not aware of any event that has occurred after the end of the financial year for which Australian Accounting Standards require adjustment or disclosure that would cause the financial report to be misleading.

18. FINANCIAL IMPACTS – COVID-19 PANDEMIC

The impact of significant transactions arising from the COVID-19 pandemic on SQ during the 2019-20 financial year are as follows:

Revenue

User charges and fees (relating to unearned membership and rental relief) forgone and not recognised in the 2019-20 financial statements is estimated at \$2.8 million.

Expenses

Impairment loss recognised in the 2019-20 financial statements is \$48,000.

During 2019-20, SQ has experienced a significant reduction in its user charges and fees estimated to be \$10 million due to either events being cancelled or held behind closed venues (no crowds). However, SQ has been able to meet its operating, capital expenditure and loans commitments and remains cash positive at 30 June 2020.

For 2020-21, SQ is expecting a significant operating budget deficit of \$10.3 million after excluding depreciation and amortisation and capital related revenue and expenses. As disclosed in Note 3.2, SQ relies on the State of Queensland to continue to provide operating and capital grants and funding to assist with servicing borrowings raised for stadium redevelopments. In addition, the State has provided confirmation that additional financial support has been made available to SQ, if required, to continue to operate and meets its expenditure and loan commitments in 2020-21.

CERTIFICATE OF STADIUMS QUEENSLAND

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Stadiums Queensland for the financial year ended 30 June 2020 and of the financial position of Stadiums Queensland at the end of that year.

We acknowledge our responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

Signed in accordance with a resolution of the Board of Directors.



Todd Harris
Chief Executive

27 August 2020



Cathy McGuane
Chair

27 August 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Stadiums Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Stadiums Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2020, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Bhavik Deoji
as delegate of the Auditor-General

28 August 2020

Queensland Audit Office
Brisbane

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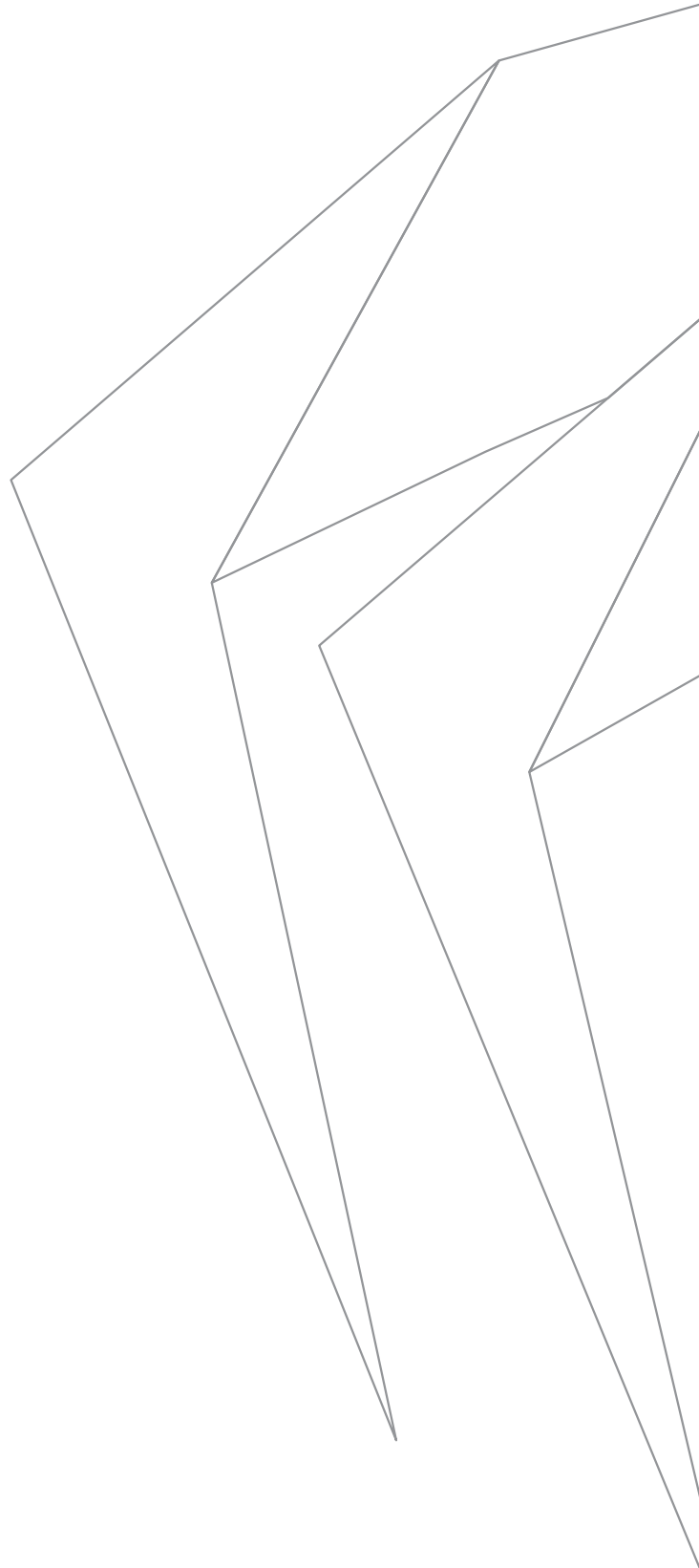
Suncorp Stadium

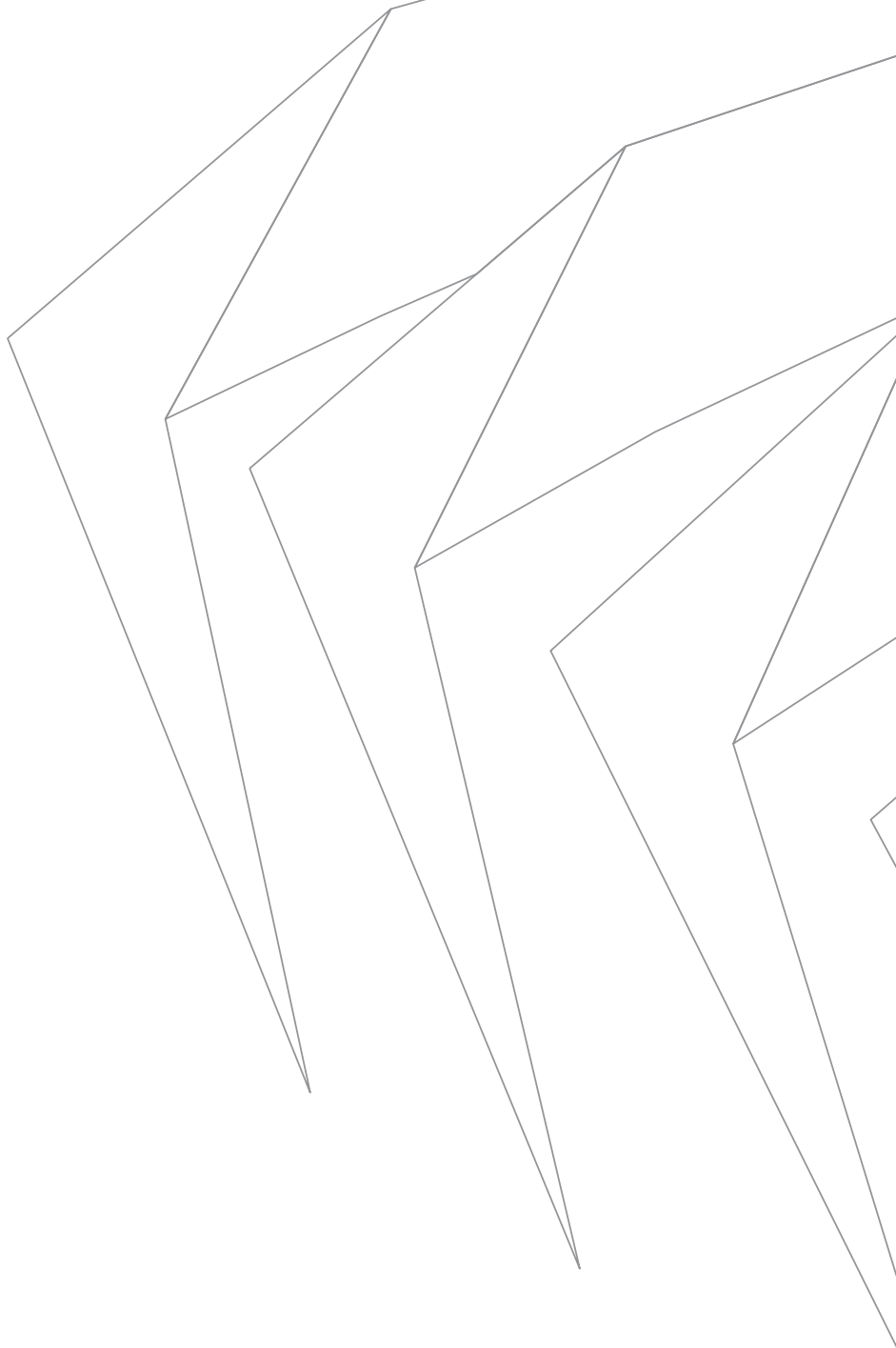
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GLOSSARY

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| ASM Global | merge of Anschutz Entertainment Group, 'AEG' Facilities and SMG venue management, a portfolio company of Onex and affiliated funds |
| AFL | Australian Football League |
| AFLW | Australian Football League Womens |
| ARU | Australian Rugby Union |
| BEC | Brisbane Entertainment Centre |
| BI | Brisbane International (Tennis Tournament) |
| EEO | Equal Employment Opportunity |
| GC SUNS | Gold Coast SUNS Football Club |
| HPE EDRMS | Electronic Documents / Records Management System |
| ICT | Information Communication Technology |
| INAS | International Sports Federation for Persons with Intellectual Disability |
| LED | Light-emitting diode |
| NRL | National Rugby League |
| QAO | Queensland Audit Office |
| QAS | Queensland Academy of Sport |
| QCBS | Queensland Country Bank Stadium |
| QRL | Queensland Rugby League |
| QRU | Queensland Rugby Union |
| QSAC | Queensland Sport and Athletics Centre |
| QTC | Queensland Tennis Centre |
| SMAC | Stadium Management Advisory Committee |
| SQ | Stadiums Queensland |
| SSC | Sleeman Sports Complex |
| WHS | Workplace Health and Safety |





STADIUMS
QUEENSLAND