<u>ERRATUM</u>

Stadiums Queensland Annual Report 2014/15

(Tabled 30 September 2015)

Title: **Stadiums Queensland Annual Report 2014/15**

Action: Please replace pages 24 to 55 with the attached pages 24 to 55.

The purpose of the erratum is to correct the order of pages of the Financial Statements.

FINANCIAL STATEMENTS

For the financial year ended 30 June 2015

STADIUMS QUEENSLAND

Financial Statements

Notes to and forming part of the Financial Statements

Certificates

The head office and principal place of business of Stadiums Queensland is:

Level 11, Gabba Towers
411 Vulture Street
Woolloongabba Qld 4102

Stadiums Queensland

Statement of Comprehensive Income

for the year ended 30 June 2015

	Notes	2015 $000	2014 $000
Income from Continuing Operations			
Revenue			
Membership		9,329	10,147
Tenancy and hire fees		22,463	23,784
Catering		6,677	8,003
Government grants and contributions	2	32,815	32,672
Interest		1,311	1,127
Other revenue		2,654	2,623
Total Revenue		**75,249**	**78,356**
Gains			
Gain on disposal/remeasurement of assets		6	6
Total Income from Continuing Operations		**75,255**	**78,362**
Expenses from Continuing Operations			
Supplies and services	3	26,167	24,356
Depreciation and amortisation	4	55,126	54,563
Employee expenses	5	11,509	11,909
Repairs and maintenance expense		13,416	14,869
Gifting of Infrastructure Assets		-	10,674
Borrowing costs	6	6,907	7,260
Loss on disposal and write-offs		56	220
Total Expenses from Continuing Operations		**113,181**	**123,851**
Operating Result from Continuing Operations		**(37,926)**	**(45,489)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Operating Result			
Increase/(decrease) in asset revaluation surplus	12	31,139	10,216
Total Other Comprehensive Income		**31,139**	**10,216**
Total Comprehensive Income		**(6,787)**	**(35,273)**

The accompanying notes form part of these financial statements.

Stadiums Queensland

Statement of Financial Position

as at 30 June 2015

	Notes	2015 $000	2014 $000
Current Assets			
Cash and cash equivalents	7	60,258	42,279
Receivables	8	7,149	8,984
Other current assets		727	1,005
Total Current Assets		**68,134**	**52,268**
Non-Current Assets			
Receivables	8	206	-
Property, plant and equipment	9	1,047,424	1,049,887
Intangible assets		2,735	3,044
Total Non-Current Assets		**1,050,365**	**1,052,931**
Total Assets		**1,118,499**	**1,105,199**
Current Liabilities			
Payables	10	31,374	20,686
Unearned revenue		3,401	3,403
Interest bearing liabilities	11	5,809	5,665
Accrued employee benefits		1,532	1,475
Total Current Liabilities		**42,116**	**31,229**
Non-Current Liabilities			
Payables	10	195	304
Unearned revenue		1,779	2,189
Interest bearing liabilities	11	99,700	105,504
Accrued employee benefits		1,912	1,735
Total Non-Current Liabilities		**103,586**	**109,732**
Total Liabilities		**145,702**	**140,961**
Net Assets		**972,797**	**964,238**
Equity			
Contributed equity		713,245	697,899
Accumulated deficit		(104,065)	(66,139)
Asset revaluation surplus	12	363,617	332,478
Total Equity		**972,797**	**964,238**

The accompanying notes form part of these financial statements.

Stadiums Queensland

Statement of Changes in Equity

for the year ended 30 June 2015

	Accumulated Surplus /(Deficit)	Asset Revaluation Surplus (Note 12)	Contributed Equity	Total
	$000	**$000**	**$000**	**$000**
Balance as at 1 July 2013	(20,650)	322,262	697,899	999,511
Operating Result from Continuing Operations	(45,489)	-	-	(45,489)
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus	-	10,216	-	10,216
Total Comprehensive Income for the Year	(45,489)	10,216	-	(35,273)
Balance as at 30 June 2014	**(66,139)**	**332,478**	**697,899**	**964,238**
Balance as at 1 July 2014	(66,139)	332,478	697,899	964,238
Operating Result from Continuing Operations	(37,926)	-	-	(37,926)
Other Comprehensive Income				
Increase/(decrease) in asset revaluation surplus	-	31,139	-	31,139
Total Comprehensive Income for the Year	(37,926)	31,139	-	(6,787)
Transactions with Owners as Owners				
Non-reciprocal transfer of Assets (Note 1(v) and Note 9)	-	-	15,346	15,346
Net Transactions with Owners as Owners	-	-	15,346	15,346
Balance as at 30 June 2015	**(104,065)**	**363,617**	**713,245**	**972,797**

The accompanying notes form part of these financial statements.

Stadiums Queensland

Statement of Cash Flows

for the year ended 30 June 2015

	Notes	2015 $000	2014 $000
Cash flows from operating activities			
Inflows:			
Receipts from operations		39,696	46,939
Queensland Government operating grants	2	22,124	22,128
Queensland Government capital grants	2	10,000	10,014
Donations	2	691	462
Interest		1,311	1,127
GST input tax credits from ATO		6,693	7,468
GST collected from customers		7,165	6,742
Other		2,530	2,498
Outflows:			
Employee expenses		(11,275)	(11,572)
Supplies and services		(27,416)	(41,931)
Borrowing costs		(6,577)	(6,913)
GST remitted to the ATO		(7,352)	(7,086)
GST paid to suppliers		(6,394)	(7,480)
Net cash provided by (used in) operating activities	13	**31,196**	**22,396**
Cash flows from investing activities			
Inflows:			
Sales of property, plant and equipment		13	15
Outflows:			
Payments for property, plant and equipment		(7,176)	(12,659)
Payments for intangible assets		(64)	(164)
Net cash provided by (used in) investing activities		**(7,227)**	**(12,808)**
Cash flows from financing activities			
Outflows:			
Borrowing redemptions		(5,990)	(5,655)
Net cash provided by (used in) financing activities		**(5,990)**	**(5,655)**
Net increase / (decrease) in cash and cash equivalents		17,979	3,933
Cash and cash equivalents at beginning of financial year		42,279	38,346
Cash and cash equivalents at end of financial year	7	**60,258**	**42,279**

The accompanying notes form part of these financial statements.

Objectives and Principal Activities

Stadiums Queensland is a statutory body established by the *Major Sports Facilities Act 2001*. Its 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.

Stadiums Queensland 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.

Stadiums Queensland is partly funded by Queensland Government grants and contributions and receives income on a fee for service basis from the following areas:

- Membership;
- Venue management, tenancy and hiring arrangements; and
- Catering royalties.

Note 1 Summary of Significant Accounting Policies

(a) Statement of Compliance

Stadiums Queensland has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose in nature and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for the year ending 30 June 2015 and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, Stadiums Queensland has applied those requirements applicable to not-for-profit entities, as Stadiums Queensland is a not-for-profit entity.

Except where stated, the historical cost convention is used.

(b) Revenue Recognition

Amounts disclosed as revenue are net of returns, discounts and rebates. Revenue is recognised for major business activities as follows:

- Membership income is recognised at the point of receipt.
- Admission and hiring fees include entry fees, ticket sales, function and equipment hire and are recognised at the time of the event.
- Tenancy and hiring agreements are apportioned on a monthly basis over the term of the agreement.
- Catering income is recognised at the time of the event or as specified in the terms of the catering agreement.

Government grants and contributions

Government grants, donations and contributions are non-reciprocal in nature and are recognised as operating revenue on receipt or when an entitlement is established, whichever is the sooner.

Contributed assets are recognised at their fair value.

(b) Revenue Recognition (continued)

Services received free of charge or for nominal value

Contributions of services received free of charge are recognised only where the services would have been purchased had they not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

(c) Taxation

Stadiums Queensland 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 Commonwealth taxes accounted for by Stadiums Queensland. GST input tax credits receivable from, and GST payable to the Australian Taxation Office are recognised and included in the Statement of Financial Position.

(d) 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 receipted but not banked at 30 June as well as deposits at call with financial institutions.

(e) Receivables

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 Stadiums Queensland and are recognised at their assessed values. Terms are 30 days, no interest is charged and no security is obtained.

The collectability of receivables is assessed periodically with allowance being made for impairment. All known bad debts were written-off as at 30 June. Increases in the allowance for impairment are based on loss events as disclosed in note 17 (c).

(f) Acquisitions of Assets

Actual cost is used for the initial recording of all non-current physical and intangible 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 assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

Where assets are acquired free of charge from a Queensland Government department (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 transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(g) Property, Plant and Equipment

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.

(h) Revaluations of Non-Current Physical and Intangible Assets

Land, buildings and land improvements and heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment,* AASB 13 *Fair Value Measurement* and 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 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 Stadiums Queensland to materially represent their fair value at the end of the reporting period.

Where intangible assets have an active market, they are measured at fair value, otherwise they are measured at cost.

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

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 Stadiums Queensland's Finance Unit led by the General Manager, Corporate Services. The asset valuation reports are submitted to Stadiums Queensland's Audit, Risk and Compliance Committee for consideration and review prior to referring the valuations to the Board for approval.

Materiality concepts (according to the *Framework for the Preparation and Presentation of Financial Statements*) are considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

The fair values reported by Stadiums Queensland are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to note 1(i)).

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 Stadiums Queensland's own circumstances at the reporting date.

(h) Revaluations of Non-Current Physical and Intangible Assets (continued)

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 reserve relating to that asset class.

On revaluation:

- for assets revalued using a cost valuation approach (e.g. depreciated 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'; and
- 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 for the revaluation. This is generally referred to as the 'net method'.

In previous years, Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector (NCAPs) mandated the gross method of revaluation for all valuations. However, from 1 July 2014, the NCAPs now require either the gross or net method be used, according to the valuation approach adopted for individual assets (as explained above). In accordance with the above policies, this means a reported asset class may contain assets for which revaluations are accounted for using either method.

Stadiums Queensland's building and land improvements asset class have been revalued using a cost valuation approach and are reported in the financial statements using the gross method. The change in the above policy does not impact on the values for the affected Property, Plant and Equipment class disclosed in note 9.

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

(i) Fair Value Measurement

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.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by Stadiums Queensland 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/liabilities being valued. Unobservable inputs used by Stadiums Queensland 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/liabilities.

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 assets and liabilities of Stadiums Queensland 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.

(i) Fair Value Measurement (continued)

None of Stadiums Queensland's valuations of assets or liabilities at fair value are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about Stadiums Queensland's Property, Plant and Equipment is outlined in note 9.

(j) Intangible Assets

Intangible assets with a cost or other value equal to or greater than $100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life. The residual value is zero for all Stadiums Queensland's intangible assets.

It has been determined there is not an active market for any of Stadiums Queensland's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

Purchased software

The purchase cost of the software is capitalised and amortised on a straight–line basis over the period of expected benefit to Stadiums Queensland.

(k) Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets

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 Stadiums Queensland.

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 Stadiums Queensland.

All intangible assets have finite useful lives and are amortised on a straight-line basis.

(k) Depreciation of Property, Plant and Equipment and Amortisation of Intangible Assets (continued)

For each class of asset the following depreciation and amortisation rates are used:

Asset Class		Rate %
Buildings and land improvements	Structures	2.5 - 5
	Building fabrics	4 - 20
	Lighting and electrical	2.5 - 20
	Hydraulic and fire services	2.5 - 10
	Air-conditioning and ventilation	2.5 - 6.7
	Vertical transportation	6.7
	Landscaping and civil works	2.5 - 10
	Sports fields	2.5 - 10
Plant and equipment	Computer equipment	14.3 - 33.3
	Furniture and fittings	6.7 - 14.3
	Kitchen equipment	10 - 14.3
	Transport and grounds equipment	10 - 33.3
	Other	4 - 33.3
Intangible assets	Computer software	10 - 33.3
	Catering rights	7.7 - 9.1
	Access rights	1 - 33.3
	Ticketing rights	20

(l) Impairment of Non-Current Assets

All non-current physical assets and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the asset's recoverable amount is determined by the higher of the asset's fair value less costs to sell and depreciated replacement cost. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

An impairment loss 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. Refer also note 1(h).

(m) Repairs and Maintenance

Routine maintenance and repair costs are expensed as incurred. Where major maintenance is carried out, expenditure is capitalised to the extent that the maintenance enhances the asset's service potential.

(n) Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Stadiums Queensland has not entered into any finance leases.

(o) 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 Stadiums Queensland on behalf of the hirers for scheduled events and are settled with the hirers generally within 30 days after the event date.

(p) Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when Stadiums Queensland becomes party to the contractual provisions of the financial instrument.

Classification

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit or loss;
- Receivables – held at amortised cost;
- Payables – held at amortised cost; and
- Borrowings – held at amortised cost.

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 Stadiums Queensland has an unconditional right to defer settlement until at least 12 months after reporting date.

Stadiums Queensland does not enter into transactions for speculative purposes, or for hedging. Apart from cash and cash equivalents, no financial assets are classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by Stadiums Queensland are included in note 17.

(q) Special payments

Special payments include ex gratia expenditure and other expenditure that Stadiums Queensland is not contractually or legally obliged to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, Stadiums Queensland maintains a register setting out details of all special payments greater than $5,000. The total of all special payments (including those of $5,000 or less) is disclosed in note 3 Supplies and Services.

(r) Employee Benefits

Employer superannuation contributions, annual leave and long service leave entitlements are regarded as employee benefits.

Payroll Tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, salaries, annual leave and sick leave

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

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on fixed rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

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.

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. Long service leave expected to be paid in the next 12 months is recorded as a current liability in the Statement of Financial Position at its discounted 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 and recorded as a non-current liability. Relevant Commonwealth Government bond rates are used for discounting future cash flows.

Superannuation

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

Stadiums Queensland'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.*

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for the Queensland Government Agencies* issued by Queensland Treasury. Refer to note 16 for the disclosures on key management personnel and remuneration.

(s) 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.

(t) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Valuation of Property, Plant and Equipment – notes 1(h) – (i) and note 9
- Depreciation and Amortisation – note 1(k) and note 4
- Employee Benefits – note 1(r)

(u) Rounding and Comparatives

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.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(v) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector 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.*

(w) Issuance of Financial Statements

The Financial Statements are authorised for issue by the Board of Stadiums Queensland at the date of signing the Management Certificate.

(x) New and Revised Accounting Standards

Stadiums Queensland did not voluntarily change any of its accounting policies during 2014-15. The Australian Accounting Standard changes applicable for the first time for 2014-15 had no material impact on Stadiums Queensland's financial statements.

Stadiums Queensland is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, Stadiums Queensland has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Stadiums Queensland applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are set out below.

From reporting periods beginning on or after 1 July 2016, Stadiums Queensland will need to comply with the requirements of AASB 124 *Related Party Disclosures.* That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. Stadiums Queensland already discloses information about the remuneration expenses for key management personnel (refer to note 16) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for Stadiums Queensland's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

(x) New and Revised Accounting Standards (continued)

AASB 15 *Revenue from Contracts with Customers* will become effective from reporting periods beginning on or after 1 January 2017. This standard contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from tenancy and hire and catering, such that some revenue may need to be deferred to a later reporting period to the extent that Stadiums Queensland has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). Stadiums Queensland is yet to complete its analysis of current arrangements for tenancy and hire and catering services, but at this stage does not expect a significant impact on its present accounting practices.

AASB 9 *Financial Instruments* and AASB 2014-7 *Amendments to Australian Accounting Standards* arising from AASB 9 (December 2014) will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on Stadiums Queensland are that they will change the requirements for the classification, measurement, impairment and disclosures associated with Stadiums Queensland's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

Stadiums Queensland has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the impact will not be known until closer to that time. At this stage, and assuming no change in the types of transactions Stadiums Queensland enters into, all of Stadiums Queensland's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in Notes 1(p) and 17). In the case of Stadiums Queensland's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in Stadiums Queensland's operating result.

Another impact of AASB 9 relates to calculating impairment losses for Stadiums Queensland's receivables. Assuming no substantial change in the nature of Stadiums Queensland's receivables, as they do not include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, Stadiums Queensland will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

Stadiums Queensland will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that Stadiums Queensland enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

All other Australian Accounting Standards and Interpretations with future commencement dates are either not applicable to Stadiums Queensland's activities or have no material impact.

Note 2 Government Grants and Contributions

	2015 $000	2014 $000
Queensland Government operating grants	22,124	22,128
Queensland Government capital grants	10,000	10,014
Donations - assets	-	68
Donations - other	691	462
Total	**32,815**	**32,672**

Stadiums Queensland receives operating grants and capital grants from the Department of National Parks, Sport and Racing. Stadiums Queensland relies on the State of Queensland to continue to provide operating and capital grants and funding to assist with servicing loans raised for stadium redevelopments.

Note 3 Supplies and Services

	2015 $000	2014 $000
Professional fees and contractors	3,234	2,574
Telecommunication costs	318	321
Council rates, water, electricity and gas	6,527	6,339
Insurance	1,379	1,509
Office lease and cleaning costs	1,567	1,504
Software support, network equipment and computer costs	1,568	2,271
Advertising and promotions	1,211	1,528
Printing and postage	240	282
Event costs	8,058	5,915
Bank charges	43	43
Merchandise purchases	1	18
Bad and doubtful debts	1	(68)
Audit fees - external	86	105
Audit fees - internal	234	253
Losses and special payments	95	49
Land tax	1,230	1,235
Other	375	478
Total	**26,167**	**24,356**

Total external audit fees paid to the Queensland Audit Office relating to the 2014-15 financial statements are estimated to be $94,500 (2014: $105,200). There are no non-audit services included in this amount.

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

Note 4 Depreciation and Amortisation

Depreciation and amortisation were incurred in respect of:

	2015 $000	2014 $000
Depreciation - buildings and land improvements	52,134	51,256
Depreciation - plant and equipment	2,619	2,659
Amortisation - intangible assets	373	648
Total	**55,126**	**54,563**

Note 5 Employee Expenses

	2015 $000	2014 $000
Employee Benefits		
Wages and salaries	8,447	8,559
Employer superannuation contributions	1,108	1,085
Annual and long service leave entitlements	924	1,078
Other employee benefits	202	228
Employee Related Expenses		
Payroll tax	611	624
Workcover	104	113
Other employee related expenses	113	222
Total	**11,509**	**11,909**

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

	2015	2014
Number of Employees:	119.7	121.7

Note 6 Borrowing Costs

	2015 $000	2014 $000
QTC interest and administrative charges	6,532	6,863
Queensland Treasury loan interest	375	397
Total	**6,907**	**7,260**

Note 7 Cash and Cash Equivalents

Imprest accounts	6	6
Cash at bank	30,592	20,476
Deposits awaiting contract settlement	608	1,114
Deposits at call	29,052	20,683
Total	**60,258**	**42,279**

Cash deposited with the Queensland Treasury Corporation earned interest at rates between 2.84% and 3.94% (2014: 3.27% to 4.17%).

Note 8 Receivables

	2015 $000	2014 $000
Current		
Trade debtors	4,071	5,542
less Allowance for impairment loss	(19)	(18)
	4,052	5,524
GST receivable	815	1,115
less GST payable	(613)	(800)
	202	315
Tenant fees receivable	2,223	3,076
Other receivables	672	69
Total	**7,149**	**8,984**
Non-Current		
Trade debtors	206	-
Total	**206**	**-**

Note 9 Property, Plant and Equipment

	2015 $000	2014 $000
Land		
At fair value	166,226	161,910
	166,226	**161,910**
Buildings and Land Improvements		
At fair value	1,672,166	1,608,636
less accumulated depreciation	(820,610)	(735,607)
	851,556	**873,029**
Plant and Equipment		
At cost	43,014	42,200
less accumulated depreciation	(31,423)	(29,783)
	11,591	**12,417**
Heritage and Cultural Assets		
At fair value	490	490
	490	**490**
Work in Progress		
At cost	**17,561**	**2,041**
Total	**1,047,424**	**1,049,887**

The Work In Progress amount includes transfer of capital works of $15.346 million for the Gold Coast 2018 Commonwealth Games venues from the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTESB) to Stadiums Queensland. The transfer has been effected at 30 June 2015 under Ministerial approval as a non-reciprocal transfer and accounted for as an equity adjustment to Contributed Equity (refer note 1(v)).

Note 9 Property, Plant and Equipment (continued)

Property, Plant and Equipment Reconciliation

Movements during the reporting period

2015	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 2014	161,910	873,029	12,417	490	2,041	1,049,887
Additions	-	-	82	-	5,850	5,932
Disposals	-	-	(63)	-	-	(63)
Transfer from DTESB	-	-	-	-	15,346	15,346
Transfers	-	3,838	1,774	-	(5,676)	(64)
Revaluation	4,316	26,823	-	-	-	31,139
Depreciation	-	(52,134)	(2,619)	-	-	(54,753)
Balance at 30 June 2015	**166,226**	**851,556**	**11,591**	**490**	**17,561**	**1,047,424**

2014	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 2013	163,950	899,611	12,988	422	13,457	1,090,428
Additions	-	-	20	-	14,137	14,157
Assets donated	-	-	-	68	-	68
Gifting of infrastructure*	-	-	-	-	(10,674)	(10,674)
Disposals	-	-	(228)	-	-	(228)
Transfers	-	12,418	2,296	-	(14,879)	(165)
Revaluation	(2,040)	12,256	-	-	-	10,216
Depreciation	-	(51,256)	(2,659)	-	-	(53,915)
Balance at 30 June 2014	**161,910**	**873,029**	**12,417**	**490**	**2,041**	**1,049,887**

*In 2014 pedestrian infrastructure assets amounting to $10.674 million were gifted to the Department of Transport and Main Roads.

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	Buildings and land improvements
1300SMILES Stadium	30 June 2014	30 June 2014
Queensland Tennis Centre	30 June 2014	30 June 2014
Suncorp Stadium	30 June 2013	30 June 2013
Brisbane Entertainment Centre	30 June 2012	30 June 2012
Queensland Sport and Athletics Centre	30 June 2012	30 June 2012
Sleeman Sports Complex	30 June 2012	30 June 2012
The Gabba	30 June 2011	30 June 2011
Cbus Super Stadium	30 June 2011	30 June 2011
Metricon Stadium	30 June 2015	30 June 2015

Note 9 Property, Plant and Equipment (continued)

(a) Valuation methodology

Land

Independent qualified valuers from Australis Advisory Group Pty Ltd performed a specific appraisal of the land at Metricon Stadium and interim assessments of the other land assets at 30 June 2015 using a market approach.

The inputs to determine the comprehensive valuations and interim assessments include:

- 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;
- location;
- market conditions;
- 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.

The valuers considered the current use of Stadiums Queensland's land to be its highest and best use.

Stadiums Queensland'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.

Buildings and Land Improvements

Stadiums Queensland'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 Gary Robinson Cottrell Pty Ltd (GRC) as at 30 June 2015.

The valuations have been determined using a cost approach (i.e. modern/current replacement cost) due to there being no active market for such specialised facilities. These assets are therefore classified as Level 3 of the fair value hierarchy.

GRC provides modern replacement values and remaining useful lives for various complex assets from which Stadiums Queensland determines fair value using the depreciated 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.

The valuers considered the current use of the Buildings and Land Improvements to be their highest and best use.

Note 9 Property, Plant and Equipment (continued)

Plant and Equipment

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

Stadiums Queensland has 958 plant and equipment assets with a written down value of zero (original cost $19.065 million) still being used in the provision of services. These assets have been reviewed for replacement with the current status as follows:

Status	2015 Number of Assets	2015 $000	2014 Number of Assets	2014 $000
No replacement planned	906	18,304	871	20,535
To be disposed next year	7	53	33	756
For prioritisation in future capital programs	45	708	33	531
Total	**958**	**19,065**	**937**	**21,822**

Heritage and Cultural Assets

Heritage and cultural assets were last comprehensively valued by an independent qualified valuer from Laudiston Valuers Pty Ltd at 30 June 2013. 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 valuers considered the current use of Stadiums Queensland's Heritage and Cultural Assets to be their highest and best use.

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.

(b) Categories of fair values recognised as at 30 June 2015 (refer to note 1(i))

2015

Asset Class	Level 2 $000	Level 3 $000	Total $000
Land		166,226	166,226
Building and Land Improvements		851,556	851,556
Heritage and Cultural Assets	490		490

2014

Asset Class	Level 2 $000	Level 3 $000	Total $000
Land		161,910	161,910
Building and Land Improvements		873,029	873,029
Heritage and Cultural Assets	490		490

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

Stadiums Queensland's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 9 Property, Plant and Equipment (continued)

(c) Level 3 Significant valuation inputs and relationship to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the recurring Level 3 fair value measurement for Land and Building and Land Improvements asset classes:

Description	Fair Value at 30 June 2015 $000	Unobservable inputs*	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Relationship of unobservable inputs to fair value
Land	166,226	Market Rate Per Square Metre	Increase / decrease in market rate per square metre by $10	Increase / decrease in Fair Value by $1,117,800	The higher the market rate per square metre, the higher the fair value
		Discount Factor	Change in discount factor by 5%	Increase / decrease in Fair Value by $248,400	The higher the discount factor, the lower the fair value
		Land Indices	Change in land indices by 5%	Increase / decrease in Fair Value by $7,819,250	The higher the land indices based on market movement, the higher the fair value
Buildings and Land Improvements	851,556	Construction Rate	Change in construction rates by 5%	Increase / decrease in Fair Value by $7,321,025	The higher the construction rate, the higher the fair value
		Building Price Indices	Change in building price indices by 5%	Increase / decrease in Fair Value by $76,287,300	The higher the building price indices based on market movement, the higher the fair value

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Note 10 Payables

	2015 $000	2014 $000
Current		
Interest payable	10	11
Trade creditors	3,176	3,311
Construction costs payable	28	1,335
Event settlement	25,913	14,201
Other creditors and accruals	2,247	1,828
Total	**31,374**	**20,686**
Non-Current		
Other creditors and accruals	195	304
Total	**195**	**304**

Note 11 Interest Bearing Liabilities

	2015 $000	2014 $000
Current		
Loans - Queensland Treasury	421	399
Loans - Queensland Treasury Corporation	5,388	5,266
Total	**5,809**	**5,665**
Non-Current		
Loans - Queensland Treasury	5,785	6,207
Loans - Queensland Treasury Corporation	93,915	99,297
Total	**99,700**	**105,504**

Note 11 Interest Bearing Liabilities (continued)

There are no floating rate loans 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 2 August 2023 to 24 April 2030. There have been no defaults or breaches of the loan agreements during the period.

Principal and interest repayments on Queensland Treasury Corporation loans are made quarterly in arrears at rates ranging from 6.29% to 6.98% (2014: 6.19% to 6.69%). The principal and interest repayment on the Queensland Treasury loan is made annually in arrears, with an interest rate of 0.5% (2014: 0.5%).

All loan facilities have been fully drawn at 30 June 2015.

Note 12 Asset Revaluation Surplus

2015	Land $000	Buildings and Land Improvements $000	Heritage and Cultural $000	Total $000
Balance 1 July 2014	54,686	277,610	182	332,478
Revaluation increments/(decrements)	4,316	26,823	-	31,139
Balance at 30 June 2015	**59,002**	**304,433**	**182**	**363,617**

2014	Land $000	Buildings and Land Improvements $000	Heritage and Cultural $000	Total $000
Balance 1 July 2013	56,726	265,354	182	322,262
Revaluation increments/(decrements)	(2,040)	12,256	-	10,216
Balance 30 June 2014	**54,686**	**277,610**	**182**	**332,478**

Note 13 Reconciliation of Operating Result to Net Cash from Operating Activities

	2015 $000	2014 $000
Operating Surplus/(Deficit)	(37,926)	(45,489)
Depreciation expense	54,753	53,915
Amortisation expense	373	648
Gifting of infrastructure	-	10,674
Net gain on disposal of non-current assets	50	214
Donated assets received	-	(68)
Market interest rate adjustment	331	348
Decrease (increase) in receivables and other assets	1,908	2,840
Increase (decrease) in payables	11,921	(2,357)
Increase (decrease) in unearned revenue	(413)	1,403
Increase (decrease) in provisions	199	268
Net cash provided by / (used in) operating activities	**31,196**	**22,396**

Note 14 Commitments

The majority of operating commitments are entered into as a means of facilitating the maintenance of assets and staging major events. No purchase or renewal options exist in relation to commitments. No operating commitments contain restrictions on financing activities.

(a) Non-Cancellable Operating Leases

	2015 $000	2014 $000
Operating lease commitments inclusive of GST are as follows:		
Property and equipment leases	1,644	1,740
	1,644	**1,740**
Operating lease commitments, not recognised as liabilities, are payable as follows:		
Not later than one year	142	141
Later than one year and not later than five years	238	286
Later than five years	1,264	1,313
	1,644	**1,740**

(b) Other Significant Commitments

	2015 $000	2014 $000
Other significant commitments inclusive of GST are as follows:		
Event related	420	1,852
Information and Communication Technology related	1,805	348
Other	1,221	730
	3,446	**2,930**
Other significant commitments, not recognised as liabilities, are payable as follows:		
Not later than one year	1,850	2,263
Later than one year and not later than five years	910	667
Later than five years	686	-
	3,446	**2,930**

(c) Capital Commitments – Buildings and Land Improvements

	2015 $000	2014 $000
Buildings and land improvements commitments inclusive of GST are as follows:		
Sleeman Aquatic Centre Pool Filtration	-	5
Other capital commitments	1,614	750
	1,614	**755**
Buildings and land improvements commitments, not recognised as liabilities, are payable as follows:		
Not later than one year	1,614	755
	1,614	**755**

(d) Capital Commitments – Plant and Equipment

	2015 $000	2014 $000
Plant and equipment replacement inclusive of GST	275	128
	275	**128**
Plant and equipment commitments, not recognised as liabilities, are payable as follows:		
Not later than one year	275	128
	275	**128**

(e) Capital Commitments – Intangible Assets

	2015 $000	2014 $000
Intangible asset commitments inclusive of GST	142	-
	142	**-**
Intangible asset commitments, not recognised as liabilities, are payable as follows:		
Not later than one year	142	-
	142	**-**

Note 15 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, are as follows:

	2015 $000	2014 $000
Legal proceedings	172	360
	172	**360**

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

Note 16 Remuneration

(a) 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 Stadiums Queensland during 2014-15.

Position	Responsibilities	Contract classification and appointment authority	Date of appointment
Chairman	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.	Appointment by Governor in Council. Notice as published in the Queensland Government Gazette.	21/12/2009
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.	Appointment by Governor in Council. Notice as published in the Queensland Government Gazette.	21/12/2007 21/12/2007 21/12/2009 21/12/2010 21/12/2010 7/07/2011
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.	28/07/2003
General Manager, Operations	The General Manager, Operations 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 General Manager, Operations. Appointed by the Board of Stadiums Queensland.	17/05/2012
General Manager, Corporate Services	The role of the General Manager, 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, information and communications technology, knowledge management, Right to Information, Privacy, insurance and the procurement framework.	Common Law contract with the classification of General Manager, Corporate Services. Appointed by the Board of Stadiums Queensland.	14/10/2002
General Manager, Asset Management and Development	The General Manager, Asset Management and Development 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 General Manager, Asset Management and Development. Appointed by the Board of Stadiums Queensland.	7/10/2002

Note 16 Remuneration (continued)

(b) Remuneration

The remuneration policy for the Directors of Stadiums Queensland 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 2014-15 year, remuneration of key management personnel increased by 2.2%. This increase was approved by the Board and is consistent with the *Stadiums Queensland Staff Certified Agreement 2012*.

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 Stadiums Queensland.

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.

2015	Short Term Employee Benefits		Long Term Employee Benefits	Post-employment Benefits	Termination Benefits	Total
Position (date appointed/resigned if applicable)	Base $000	Non-Monetary Benefits $000	$000	$000	$000	$000
Chairman	30	-	-	3	-	33
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Director (expiry of appointment on 31/12/2014)	5	-	-	1	-	6
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Chief Executive	392	24	10	49	-	475
General Manager, Operations*	230	-	4	27	-	261
General Manager, Corporate Services	203	-	4	22	-	229
General Manager, Asset Management and Development	203	-	4	22	-	229
Total Remuneration	**1,113**	**24**	**22**	**129**	**-**	**1,288**

* Remuneration includes higher duties paid for Acting Chief Executive.

2014	Short Term Employee Benefits		Long Term Employee Benefits	Post-employment Benefits	Termination Benefits	Total
Position (date appointed/resigned if applicable)	Base $000	Non-Monetary Benefits $000	$000	$000	$000	$000
Chairman	30	-	-	3	-	33
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Director	10	-	-	1	-	11
Chief Executive	383	24	9	48	-	464
General Manager, Operations	203	-	4	18	-	225
General Manager, Corporate Services	199	-	4	22	-	225
General Manager, Asset Management and Development	199	-	4	22	-	225
Total Remuneration	**1,074**	**24**	**21**	**119**	**-**	**1,238**

Note 17 Financial Instruments

(a) Categorisation of Financial Instruments

Stadiums Queensland has the following categories of financial assets and financial liabilities:

Category	Note	2015 $000	2014 $000
Financial Assets			
Cash and cash equivalents	7	60,258	42,279
Receivables	8	7,355	8,984
		67,613	**51,263**
Financial Liabilities			
Financial liabilities measured at amortised cost:			
Payables	10	31,569	20,990
Interest Bearing liabilities	11	105,509	111,169
		137,078	**132,159**

(b) Financial Risk Management

Stadiums Queensland's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

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

Stadiums Queensland measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement method
Credit risk	Ageing analysis, earnings at risk
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(c) Credit risk exposure

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 allowance for impairment.

No collateral is held as security and no credit enhancements relate to financial assets held by Stadiums Queensland. No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

Stadiums Queensland 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.

The method for calculating any 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 Stadiums Queensland's documented risk analysis assessment in conjunction with historical experience and associated industry data.

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired.

Note 17 Financial Instruments (Continued)

(c) Credit risk exposure (continued)

If no loss events have arisen in respect of a particular debtor, no allowance for impairment is made in respect of that debt. If Stadiums Queensland determines that an amount owing by such a debtor does become uncollectible (after the appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of the debt, the excess is recognised as a Bad Debt expense and written-off directly against Receivables.

Ageing of past due but not impaired, as well as impaired financial assets are disclosed in the following tables:

2015	Overdue				
	Less than 30 Days $000	30 days + $000	60 Days + $000	90 days + $000	Total $000
Financial Assets					
Receivables	4,784	-	-	-	4,784
	4,784	**-**	**-**	**-**	**4,784**

2014	Overdue				
	Less than 30 Days $000	30 days + $000	60 Days + $000	90 days + $000	Total $000
Financial Assets					
Receivables	6,132	-	-	-	6,132
	6,132	**-**	**-**	**-**	**6,132**

Individually Impaired Financial Assets

2015	Overdue				
	Less than 30 Days $000	30 days + $000	60 Days + $000	90 days + $000	Total $000
Financial Assets					
Receivables (gross)	1,069	945	132	444	2,590
Allowance for impairment	(6)	(9)	(1)	(3)	(19)
	1,063	**936**	**131**	**441**	**2,571**

2014	Overdue				
	Less than 30 Days $000	30 days + $000	60 Days + $000	90 days + $000	Total $000
Financial Assets					
Receivables (gross)	1,488	824	55	502	2,869
Allowance for impairment	(8)	(8)	(1)	(1)	(18)
	1,480	**816**	**54**	**501**	**2,851**

Note 17 Financial Instruments (Continued)

(c) Credit risk exposure (continued)

Movements in the allowance for impairment	2015 $000	2014 $000
Balance at 1 July	18	131
Amounts written-off during the year	-	(45)
Increase/(decrease) in allowance recognised in the operating result	1	(68)
Balance at 30 June	**19**	**18**

(d) 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.

Stadiums Queensland is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury and Queensland Treasury Corporation for capital works.

Stadiums Queensland 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 loans and commitments (refer note 2).

The following table sets out the liquidity risk of financial liabilities held by Stadiums Queensland. 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.

2015	Note	Payable in < 1 year $000	Payable in 1-5 years $000	Payable in > 5 years $000	Total $000
Financial Liabilities					
Payables	10	31,374	195	-	31,569
Loans - Queensland Treasury	11	775	3,098	4,646	8,519
Loans - Queensland Treasury Corporation	11	11,793	47,170	88,575	147,538
		43,942	**50,463**	**93,221**	**187,626**

2014	Note	Payable in < 1 year $000	Payable in 1-5 years $000	Payable in > 5 years $000	Total $000
Financial Liabilities					
Payables	10	20,686	304	-	20,990
Loans - Queensland Treasury	11	775	3,098	5,421	9,294
Loans - Queensland Treasury Corporation	11	11,793	47,170	99,406	158,369
		33,254	**50,572**	**104,827**	**188,653**

Note 17 Financial Instruments (Continued)

(e) Market risk

Stadiums Queensland 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. Stadiums Queensland does not undertake hedging in relation to interest rate risk.

(f) Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on the operating result if interest rates would change by +/- 1% from the year-end rates applicable to Stadiums Queensland's financial assets and liabilities. This sensitivity is mainly attributed to the exposure of cash funds deposited with Queensland Treasury Corporation to variable interest rates. There is no exposure from borrowings as all loans have fixed interest rates.

Stadiums Queensland's sensitivity to interest rates has increased in the current period due to an increase in the amount of cash and cash equivalents held.

Financial Instruments	Carrying Amount	2015 Interest rate risk			
		-1%		+1%	
		Operating result	Equity	Operating result	Equity
	$000	$000	$000	$000	$000
Cash and cash equivalents	60,258	(603)	(603)	603	603
Overall effect on profit and equity		**(603)**	**(603)**	**603**	**603**

Financial Instruments	Carrying Amount	2014 Interest rate risk			
		-1%		+1%	
		Operating result	Equity	Operating result	Equity
	$000	$000	$000	$000	$000
Cash and cash equivalents	42,279	(423)	(423)	423	423
Overall effect on profit and equity		**(423)**	**(423)**	**423**	**423**

(g) Fair value

Stadiums Queensland does not recognise any financial assets or financial liabilities at fair value.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

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 (refer note 11) and is disclosed below:

	2015		2014	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Category	**$000**	**$000**	**$000**	**$000**
Financial Liabilities				
Financial liabilities measured at amortised cost:				
Queensland Treasury	6,206	6,763	6,606	7,476
Queensland Treasury Corporation	99,303	117,995	104,563	121,233
	105,509	**124,758**	**111,169**	**128,709**

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), relevant sections of the *Financial and Performance Management Standard 2009* 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;

(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 2015 and of the financial position of Stadiums Queensland at the end of that year; and

(c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

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

Kevin Yearbury
Chief Executive

25 August 2015

Sophie Devitt

Sophie Devitt
Chairman

25 August 2015