

Adelaide Venue Management Corporation  
North Terrace, Adelaide, South Australia 5000, Australia

Telephone: 08 8212 4099  
Facsimile: 08 8212 5101  
ABN: 50676936954  
Home Page <http://www.avmc.com.au>

Correspondence:  
The Chief Executive Officer  
GPO Box 2669  
Adelaide SA 5001

30 October 2016



Government  
of South Australia

# CONTENTS

1.0	CHAIR'S REPORT .....	3
2.0	ROLES & OBJECTIVES .....	5
2.1	MISSION.....	5
2.2	FUNCTIONS OF THE CORPORATION.....	5
2.3	LEGISLATIVE AUTHORITY.....	5
2.4	CORPORATE GOVERNANCE .....	5
2.5	AVM FUNDING .....	6
2.6	STRUCTURE.....	7
2.7	ADELAIDE VENUE MANAGEMENT - SERVICES PROVIDED .....	7
2.7.1	ADELAIDE CONVENTION CENTRE .....	8
2.7.2	ADELAIDE ENTERTAINMENT CENTRE .....	9
2.7.3	COOPERS STADIUM .....	10
3.0	GOVERNMENT REPORTING REQUIREMENTS.....	10
3.1	BOARD OF DIRECTORS .....	10
3.2	INTERNAL AUDIT .....	11
3.3	USE OF CONSULTANTS .....	11
3.4	CONTRACTING OUT ARRANGEMENTS .....	11
3.5	ACCOUNT PAYMENT PERFORMANCE.....	12
3.6	OVERSEAS TRAVEL .....	12
3.7	HUMAN RESOURCES STATISTICS.....	12
3.7.1	HEADCOUNT AND FTEs.....	12
3.7.2	WORKFORCE DIVERSITY .....	13
3.7.3	EXECUTIVES.....	14
3.7.4	LEAVE MANAGEMENT .....	14
3.7.5	PERFORMANCE DEVELOPMENT .....	14
3.7.6	LEADERSHIP AND MANAGEMENT DEVELOPMENT .....	14
3.7.7	EMPLOYMENT OPPORTUNITY PROGRAMS .....	14
3.7.8	OTHER HUMAN RESOURCES STATISTICS.....	16
3.8	WORK HEALTH & SAFETY PROGRAM .....	16
3.9	WHISTLEBLOWERS PROTECTION ACT 1993 .....	17
3.10	FREEDOM OF INFORMATION ACT 1991 INFORMATION SHEET .....	18
	SECTION 9(2)(b) – STRUCTURE AND FUNCTIONS.....	18
	SECTION 9(2)(b) – SUMMARY FUNCTION .....	18
	SECTION 9(2)(c) - PUBLIC PARTICIPATION IN AGENCY POLICY DEVELOPMENT .....	18
	SECTION 9(2)(d) – DOCUMENTS HELD .....	18
	SECTION 9(2)(e) & (f) – ACCESS TO DOCUMENTS .....	19
4.0	INDEPENDENT AUDIT REPORT .....	20
5.0	FINANCIAL STATEMENTS.....	22

## 1.0 CHAIR'S REPORT

Dear Minister,

The South Australian Government proposed major reforms to all government boards and committees in 2014-15 with the final report, agreed by Cabinet, recommending the Adelaide Entertainments Corporation (operators of the Adelaide Entertainment Centre and Coopers Stadium) and Adelaide Convention Centre Corporation boards merge.

To enable the merger of the boards, advice from the Government's Internal Consultancy Services Group, Crown Law and Parliamentary Counsel recommended the creation of one entity, Adelaide Venue Management Corporation, to manage and operate the Adelaide Entertainment Centre, Coopers Stadium and Adelaide Convention Centre venues.

To enable the merger to occur, the Adelaide Convention Centre Corporation was dissolved by Government Gazettal notice effective from 31 July 2015. Prior to its dissolution, the Adelaide Convention Centre Corporation's assets, rights and liabilities, as well as its employees, were transferred to the Adelaide Entertainments Corporation. You will recall that I presented to you the Adelaide Convention Centre Corporation's final annual report as at 31 July 2015.

The Adelaide Entertainments Corporation was a continuing entity but was renamed Adelaide Venue Management Corporation (AVM). This inaugural AVM annual report therefore excludes financial data pertaining to the Adelaide Convention Centre (ACC) for the period 1-31 July 2015, but for comparison purposes all other data included in this report relates to the full 2015-16 fiscal year.

I am pleased to advise that AVM had a very successful inaugural year achieving a trading profit of \$10.1 million and trading revenues in excess of \$57.6 million (includes ACC's July 2015), and making a \$0.8 million dividend payment to Government.

The ACC achieved an above budget trading profit of \$5.5 million in 2015-16, staging more than 600 events, including 85 conferences and exhibitions. The Centre attracted more than 22,000 interstate and international visitors to South Australia, delivering over 91,000 bed nights and more than a \$75 million economic benefit. The Government's and the previous Adelaide Convention Centre Board's decision to keep the Centre operational whilst undergoing redevelopment has been unquestionably vindicated. A key priority for the AVM Board is to deliver the \$396.8 million ACC redevelopment on time and within budget. The redevelopment is making excellent progress as we plan for 'Event Ready' and 'Final Completion' dates of 31 July 2017 and 31 October 2017, respectively. The AVM Board is committed to ensuring that this magnificent new facility maximises the economic benefit it delivers to the local economy and views the ACC's primary role as a facilitator of business and economic activity within South Australia. AVM will be investing much more significantly in core business sales and marketing activities to deliver economic benefit to the State through increased convention visitor numbers and bed nights.

Minister, critical to the success of the ACC has been your establishment of the State Government's Convention Bid Fund of \$2.5 million per annum, which has allowed the ACC in partnership with the South Australian Tourism Commission and Adelaide Convention Bureau to secure 41 major conventions to date with an estimated economic impact in the order of 113:1. Convention Bid Fund funding is scheduled to lapse in 2018-19, so I urge the Government to continue to fund this proven highly successful initiative as a highly cost effective means of driving economic and jobs growth within South Australia.

The Adelaide Entertainment Centre (AEC) has had a challenging year having been affected by a sharp fall in the Australian Dollar which has reduced the number of major international acts that have visited Australia. Despite these market factors, the AEC achieved an above-budget trading profit of \$3.8 million at no cost to the South Australian taxpayer, and continued to attract the world's biggest stars and international acts on a commercial basis, including: KISS, Robbie Williams, Russell Brand, Burt Bacharach, Neil Diamond, Cold Chisel, The Beach Boys, Sam Smith, Oprah, Taylor Swift, Hugh Jackman, Elton John, John Cleese & Eric Idle, Good Morning Mrs Brown, Tom Jones, Noel Gallagher, Hilltop Hoods, Black Sabbath, Iron Maiden, Culture Club; among many others.

Coopers Stadium also performed well, trading profitably for the third year running under AVM's management. Two big highlights for Coopers Stadium in 2015-16 were the Fleetwood Mac concert in late October 2015, and the sold-out Adelaide United Football Club A-League Semi-Final which saw the Club continue on to be crowned the 2016 A-League Champion at a packed Adelaide Oval. I take this opportunity to congratulate Adelaide United Football Club on their momentous achievement, and thank Coopers Brewery for their ongoing sponsorship of the Stadium.

Minister, the AVM Board thanks you for your direction and support over the past year, which has been invaluable during what has been a demanding transitional period as a result of the merger.

Thank you also to fellow Board members Gay Wallace (Deputy Chair), Robert DeBelle, Joanne Denley, Fiona Hele, Jim Kouts, Leah Manuel, and Geoffrey Pitt. The establishment of AVM and the oversight of the ACC redevelopment has demanded extra effort and time commitment.

I also commend to you the outstanding commitment and achievements of Chief Executive Officer Anthony Kirchner and the senior management team made up of Alec Gilbert, Sally Arch, Marie Hannaford, Kimberley Adams, Mike Smith and Simon Hockridge. Thank you also to all Venue and Event staff for their unwavering professionalism and client focus and whose work is central to AVM's success.

AVM looks forward to 2016-17 with great anticipation as the establishment of a single entity to operate three of Adelaide's premier venues is undoubtedly providing an exciting opportunity to deliver further commercial success and socio-economic advantages to South Australia.



**William Spurr AO**  
**Chair**  
**Adelaide Venue Management Corporation**

## **2.0 ROLES & OBJECTIVES**

### **2.1 MISSION**

The Adelaide Venue Management Corporation, trading as the Adelaide Convention Centre, Adelaide Entertainment Centre and Coopers Stadium, has a stated mission to provide leading convention and entertainment services through professional event and function management, and maintenance and further improvement of quality venues and customer service for the commercial, economic and social benefit of the people of South Australia.

### **2.2 FUNCTIONS OF THE CORPORATION**

AVM's functions are limited to the following:

- To manage and operate AVM sites
- To manage, promote and sponsor events at AVM sites or elsewhere
- To foster and assist the commercial development of AVM sites in order to complement and enhance the commercial potential of the sites
- To carry out other functions conferred on AVM by the Minister

AVM's sites include:

- Adelaide Convention Centre site
- Adelaide Entertainment Centre site
- Any other site the management and operation of which is conferred on AVM by the Minister

### **2.3 LEGISLATIVE AUTHORITY**

The Adelaide Venue Management Corporation was established by the Public Corporations (Adelaide Venue Management Corporation) Regulations 2013, pursuant to the Public Corporations Act 1993, on 4 February 1999 to manage the Corporation as an agency of the Minister for Tourism.

### **2.4 CORPORATE GOVERNANCE**

Section 18 of the Public Corporation (Adelaide Venue Management Corporation) Regulations 2013, states the Corporation must establish an Audit Committee to ensure the effective internal auditing of its operations.

The Members of the AVM Audit & Risk Committee during 2015-16 were:

- Board member Geoffrey Pitt (Chair)
- Board member Joanne Denley
- Board member Fiona Hele
- Alternate delegate – Board member Gay Wallace
- and Corporation's Chief Financial Officer was the Corporation's senior management representative on the Committee.

This Committee considers:

- all matters that relate to the financial affairs of the Corporation,
- the conduct and report of the external audit by the Auditor General,
- the conduct and reports of the internal audit program,
- the Corporation's risk management strategies and exposures as they arise, and
- any other matters referred to it by the Board.

## 2.5 AVM FUNDING

AVM receives no recurrent operational funding for the AEC or Coopers Stadium. The following details funding arrangements in relation to the ACC:

The South Australian Government (through the Minister for Tourism) provides funding to the ACC for expenses relating to the maintenance and management of the Common Areas and the Riverbank Precinct, Exhibition Hall land rent, and for asset replacement. This income and associated expenses are referred to as 'Property Management Activities' on the Statement of Comprehensive Income.

The funding for asset replacement is transferred by Treasury into the ACC Future Asset Replacement Account. With the approval of the Treasurer, these funds are available for the replacement and upgrade of assets and minor equipment.

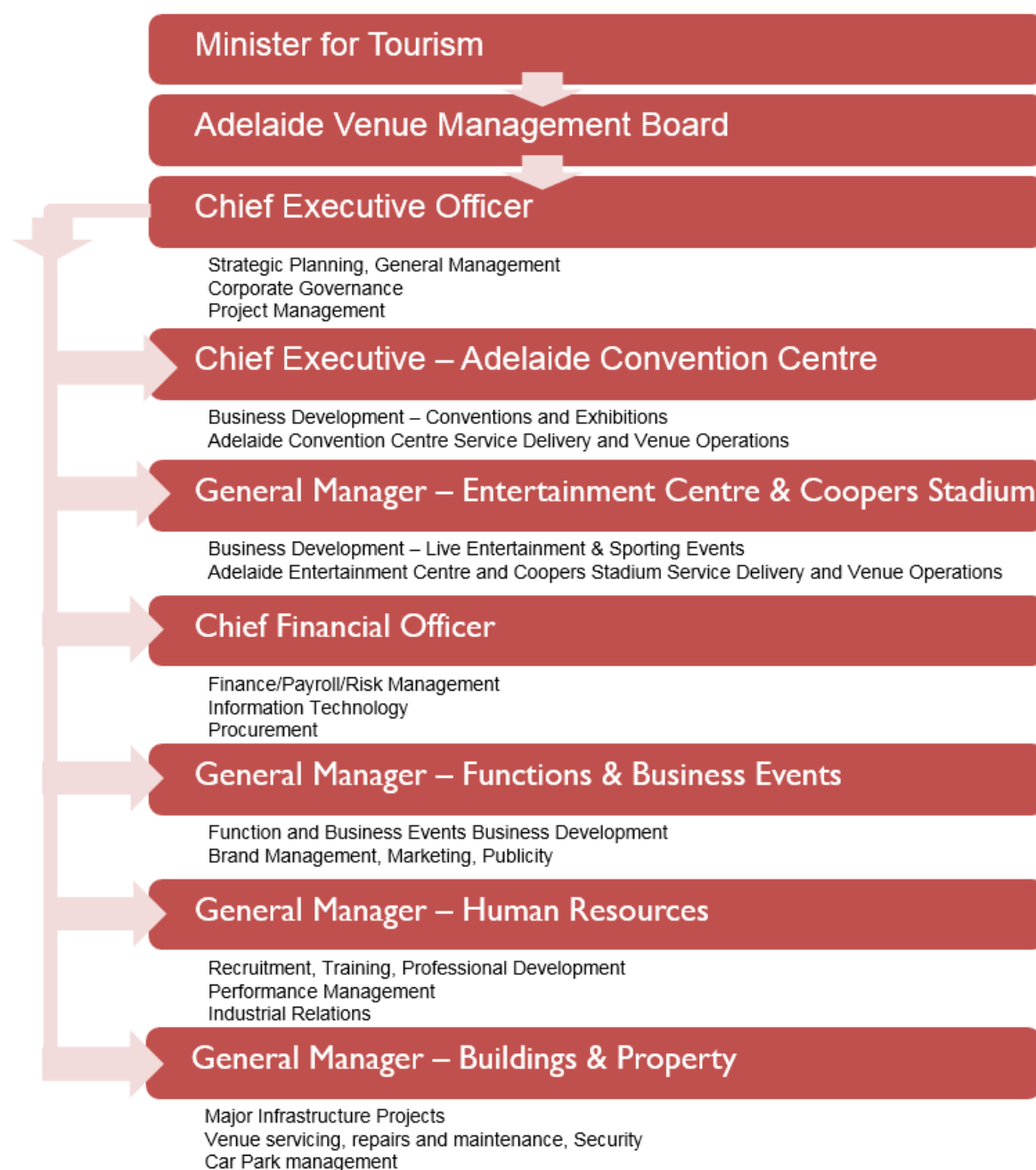
In 2010, when the ACC extension and redevelopment project was approved, Cabinet determined that the project would be funded by the State Government as an equity injection, thereby increasing the capital interest of the Government as owners of the business.

The 2012-13 Budget Papers reflected Cabinet's decision that the extension and redevelopment project would be funded via a loan through SAFA (South Australian Finance Authority) as it was considered consistent with how a commercial organisation would fund such a project. During 2015-16, the AVM committed \$74 million toward the construction project and the current loan balance as at 30 June 2016 was \$314.6 million.

2015-16 has seen construction continue on the East Building of the ACC Redevelopment and Expansion following the opening during 2014-15 of the new West Building by the Premier in March 2015. The new plenary building will be capable of seating up to 3,500 delegates for major national and international conference events. The facility includes some world leading initiatives to maximise flexibility with completion expected in late 2017.

All borrowings are interest only, with the interest rate fixed for life with the Department of Treasury and Finance providing the ACC annual funding to cover the interest payments and associated guarantee charges.

## 2.6 STRUCTURE



## 2.7 ADELAIDE VENUE MANAGEMENT - SERVICES PROVIDED

AVM provides the core business services common to the venues under its management control as a means of minimising overhead costs and maximising the adaptability and flexibility of the Corporation to enable it to take on the management of additional venues should it be called upon to do so. AVM's structure provides for centralised management of key administrative functions (e.g., Strategic Planning, Governance, Finance, Procurement, Information Technology, Human Resources, Communications/Marketing, Building Repairs/Maintenance, etc.) using the ACC as its administrative base, with leading industry specialists based at each venue to manage the service/event delivery and operational requirements unique to each venue. AVM utilises largely an in-house model for the delivery of all services which enables it to maintain a significant, cost-effective and well-trained team of Event Staff across its venues.

## 2.7.1 ADELAIDE CONVENTION CENTRE

Opened on 13 June 1987 by Premier John Bannon, the ACC was the first purpose built convention centre in Australia. It was built to fulfil a Charter, that being, 'to generate economic benefits for South Australia'.

The original building (now demolished) was constructed at a cost of \$40 million. It was the first purpose built convention centre in the country and included a major raked plenary hall with seating for over 2,000 delegates (with a unique, at that time, retractable seating design that could be lifted to create over 2,070 square metres of pillarless exhibition space), 11 meeting rooms and an ability to produce over 10,000 meals per day for delegates.

In 1991, in response to growing demand for exhibition space, the State Government contributed \$16 million to build the Exhibition Hall and Car Park on North Terrace. The new Exhibition Hall provided an additional 3,000 square metres of pillarless exhibition space and 400 car parking spaces.

In 2001, the ACC expanded again with the construction of the Central building with its iconic postcard facade overlooking the River Torrens. The construction of this building was a unique engineering feat, traversing the railway yard and included 5,700 square metres of multi-purpose space, meeting rooms, office accommodation, kitchen facilities and Regattas Restaurant. The project was again funded by the State Government at a cost of \$93 million.

In 2011, the ACC reached a significant milestone by delivering over \$1 billion in economic benefit to the State since its opening in 1987. Also in 2011, the ACC turned the first sod on the \$390 million government funded redevelopment. The project, managed in two stages, is state of the art in terms of its design and flexibility being based on the latest research and trends in the industry; allowing it to compete for the growing international and national convention and meetings business. The Centre will be able to host a conference for over 3,500 delegates or 3 conferences of up to 1,000 delegates simultaneously. The first stage West Building, was completed in 2015 and the second stage East Building is expected to be completed late 2017.

Once complete, the fully redeveloped ACC will provide:

- Plenary seating for over 3,500 delegates
- Pillarless exhibition space of 23,700 square metres
- 28 multi-purpose meeting and break out rooms
- Restaurant seating for over 200 patrons
- Secure under cover parking for 1,200 vehicles
- WiFi connectivity for up to 12,000 concurrent devices
- Catering of up to 20,000 meals per day
- Employment for over 650 people

The ACC currently operates 24 hours per day providing full catering and audio visual services. In 2015-16, it hosted over 600 events, including 85 conferences and exhibitions

The ACC plays a pivotal role in assisting the State Government achieve its strategic objectives by providing world class facilities for major conference and business events. The Centre brings together key thinkers and decision makers from across the globe to meet, learn, exchange ideas and innovate for the future.

The success of the ACC directly translates to a vibrant, liveable city concept and employment opportunities for the community. The ACC's community engagement and commitment to sustainability are underpinned by its Gold Certification in the EarthCheck Program for the tourism and hospitality sector.

## 2.7.2 ADELAIDE ENTERTAINMENT CENTRE

AEC was established by the State Government in response to the demand from the people of South Australia for a suitable venue for popular international live entertainment. The Centre was built at a cost of \$44 million and was officially opened on 20 July 1991. The site's footprint is 28,900sqm, and housed light industrial and warehouse retail stores prior to it being redeveloped. In 2010, the Government made \$52 million facility enhancements (new Theatre, Entry) and the Corporation refurbished much of the pre-existing facility.

AEC is South Australia's leading contemporary indoor live entertainment venue. It has two major performance spaces – the Arena and Theatre (capacity 12,000 and 3,000, respectively). In addition to concerts, spectacles and sporting events, the AEC hosts trade shows, exhibitions, seminars and banquets, and self-entrepreneurs events when required to ensure a healthy event calendar is maintained.

The Food & Beverage operations offer services to patrons via foyer outlets, as well as sophisticated in-house catering operations for functions, corporate suites, artists and crew. Corporate Hospitality is provided in the form of 32 corporate suites, which are generally leased for 2-5 year terms. The AEC also has a thriving functions business with four dedicated function spaces – Arena, Theatre, Star Room and Revelations Chapel.

Other assets under the Corporation's ownership/control on the AEC site include:

- Approximately 1,400 car parks
- Enzo's Restaurant (Under lease to private operator – formerly Commercial Hotel)
- Shops (4) on the corner of Port Road and Mary Street – under lease to private operators
- Heritage listed building on Mary Street
- Heritage listed Revelations Chapel off Mary Street

In 2006-07, the Corporation 'sold' long-term leases over two allotments located on the Port Road and Adams Street corner of the AEC site. New television studios for Channel Seven Adelaide have been constructed on one of these allotments to date.

The Corporation established a Park 'n' Ride facility with the extension of tram services from the City to the AEC in March 2010, and this Park 'n' Ride facility is one of the largest of its type in Adelaide. The facility encourages the use of public transport and assists to reduce traffic movements into and out of the City.

The AEC is an important community facility. Since opening the AEC has attracted more than 7.5 million concertgoers. The AEC hosted 69 publicly ticketed performances in 2015-16, which consisted of 49 different acts/events.

In 2015-16, the venue showcased a wide variety of performances including: KISS, Robbie Williams, Russell Brand, Burt Bacharach, Neil Diamond, Cold Chisel, The Beach Boys, Sam Smith, Oprah, Taylor Swift, Hugh Jackman, Elton John, John Cleese & Eric Idle, Good Morning Mrs Brown, Tom Jones, Noel Gallagher, Hilltop Hoods, Black Sabbath, Iron Maiden, Culture Club; among many others.

The lower Australian Dollar made Australia less attractive to major international artists and acts, and this is expected to cause ongoing supply challenges for the AEC throughout 2016-17.

The Corporation recognises the continued support of the following major Australian promoters:

- Frontier Touring Company, The Harbour Agency and Premier Artists
- Live Nation Australasia
- TEG - Dainty
- Chugg Entertainment
- Feld Entertainment

### 2.7.3 COOPERS STADIUM

Coopers Stadium stands on the site that was once Hindmarsh Oval which was home to the West Torrens Football Club of the SANFL from 1905 until 1921, when the team moved to nearby Thebarton Oval. The old Hindmarsh Oval was developed over the years into a rectangular stadium with a single tier grandstand built in 1960 that held approximately 2,000 while 6 light towers for night games (plus another 8 smaller light towers on the grandstand roof) were installed during the mid-1970s. Other than the grandstand, the ground was all terracing surrounding the playing surface.

Today, Coopers Stadium (formerly known as Hindmarsh Stadium) is renowned as a high quality football (i.e. soccer) venue and is home to the A-League's Adelaide United Football Club. The Stadium underwent a major redevelopment and upgrade for the Sydney 2000 Summer Olympics; an event for which the Stadium hosted several football group games as well as a quarter final. Temporary seating was installed for these Olympic matches to bring the capacity to roughly 17,500; however its current capacity is approximately 16,500. Key features of the Stadium include:

- Full international standard facility
- High quality playing surface and lighting – 120m x 80m
- Media facilities
- 21 Corporate Suites

The Corporation was assigned management responsibility for Coopers Stadium on 1 July 2013, following the South Australian Government commissioning an independent review of venues operated by the Office for Recreation & Sport.

Coopers Stadium hosted 17 major publicly ticketed events in 2015-16. 12 of these events were Adelaide United Football Club A-League home matches. The Stadium also hosted its second concert with Fleetwood Mac performing a memorable concert.

Other assets under the Corporation's management on the Coopers Stadium site include:

- 4A Manton Street – currently tenanted by Adelaide United Football Club

## 3.0 GOVERNMENT REPORTING REQUIREMENTS

### 3.1 BOARD OF DIRECTORS

The Board of Directors for the Corporation consists of eight non-executive directors as at 30 June 2016:

- Bill Spurr, Chair (commenced in the role of Chair 1 August 2015)
- Gay Wallace, Deputy Chair
- Joanne Denley – commenced 1 August 2015
- Robert Debelle – commenced 1 August 2015
- Fiona Hele – commenced 1 August 2015
- Jim Kouts – commenced 1 August 2015
- Leah Manuel – commenced 1 August 2015
- Geoffrey Pitt

The following were outgoing Board Members of the Corporation as at 31 July 2015, with each having given more than 10 years of outstanding service:

- Jennie Bell
- Alan Herald
- Joanne Staugas

### 3.2 INTERNAL AUDIT

AVM is committed to maintaining a working environment free of fraud and corrupt behaviour. The internal audit activities undertaken during 2015-16 did not reveal any instances of fraud and management is not aware of any fraud. AVM reports annually to the Auditor General and undergoes two external audit examinations in addition to the internal audit program.

The established Audit & Risk Committee works to ensure the AVM maintains effective internal auditing of its operations to minimise the likelihood of fraud or corruption.

The specific functions of the Audit & Risk Committee include:

- reviewing annual financial statements to ensure they provide a true and fair view of the state of affairs of the AVM;
- liaising with external auditors; and
- reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the AVM.
- oversight of AVM's internal auditing program

### 3.3 USE OF CONSULTANTS

The AVM engaged 11 consultancies during 2015-16 at a total cost of \$132,000.

Payments to Consultants	Purpose of Consultancy	2016	
		No	\$'000
Value below \$10 000			
Subtotal		6	26
Value \$10 000 and above			
Aurecon Australia Pty Ltd	Audio Engineering		
Locher & Associates Pty Ltd	Review of Organisational Structure		
Enterlite Australia Pty Ltd	Audio Visual Tender Specifications		
Di Ubaldo & Co	In Building Wireless Coverage		
Di Ubaldo & Co	Communications Project		
Subtotal		5	106
Total		11	132

### 3.4 CONTRACTING OUT ARRANGEMENTS

The Corporation has no contractual arrangements which exceed \$4M and which extend beyond a single year.

### 3.5 ACCOUNT PAYMENT PERFORMANCE

Particulars	Number of accounts paid	Percentage of accounts paid (by number)	Value in \$A of accounts paid	Percentage of accounts paid (by value)
Within 30 days	11 596	93.34%	79 381 634	67.94%
Within 30 to 60 days	695	5.59%	24 988 957	21.39%
Greater than 60 days	133	1.07%	12 467 752	10.67%

### 3.6 OVERSEAS TRAVEL

Destinations	Reasons for Travel	No. Employees	Total Cost \$'000
Buenos Aries, Argentina	ICCA General Assembly (International Congress and Convention Association)	2	\$24
Frankfurt, Germany	IMEX (Worldwide exhibition for incentive travel, meetings and events) – trade show	2	\$24

### 3.7 HUMAN RESOURCES STATISTICS

#### 3.7.1 HEADCOUNT AND FTEs

	Female	%	Male	%	Other	%	Total
<b>Headcount</b>	285	48.6%	302	51.4%	0	0	587
<b>FTEs</b>	154	44.6%	191	55.4%	0	0	345

### 3.7.2 WORKFORCE DIVERSITY

#### Number of Employees by Age Bracket by Gender

The table below includes permanent employees and those casual employees rostered to work as at the last pay date of the financial year. Figures are therefore not comparable to previous year due to variability of events held.

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER						
Age Bracket (years)	Number of Employees (Persons)				% of all Corporation employees	2014 Workforce Benchmark*
	Male	Female	Other	Total		
15-19	5	8	0	13	2.2%	5.5%
20-24	52	57	0	109	18.6%	9.7%
25-29	41	26	0	67	11.4%	11.2%
30-34	37	29	0	66	11.2%	10.7%
35-39	26	22	0	48	8.2%	9.6%
40-44	35	32	0	67	11.4%	11.4%
45-49	39	32	0	71	12.1%	11.1%
50-54	22	28	0	50	8.5%	11.4%
55-59	23	28	0	51	8.7%	9.1%
60-64	14	18	0	32	5.5%	6.7%
65+	8	5	0	13	2.2%	3.6%
<b>TOTAL</b>	<b>302</b>	<b>285</b>	<b>0</b>	<b>587</b>	<b>100.0</b>	<b>100.0</b>

\*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at November 2013

#### Disability

NUMBER OF EMPLOYEES WITH DISABILITIES (According to Commonwealth DDA Definition)					
	Male	Female	Other	Total	% of Agency
Total	4	1	0	5	0.9%

#### Types of Disability (where specified)

TYPES OF DISABILITY					
Disability	Male	Female	Other	Total	% of Agency
Disability Requiring Workplace Adaption	4	1	0	5	0.9%
Physical	2	0	0	2	0.3%
Intellectual	1	0	0	2	0.3%
Sensory	1	1	0	1	0.2%
Psychological/Psychiatric	0	0	0	0	0.0%

#### Employees Identifying as Aboriginal and/or Torres Strait Islander

Headcount	19
% of Agency Headcount	3.24%

### 3.7.3 EXECUTIVES

	NUMBER OF EXECUTIVES BY STATUS IN CURRENT POSITION, GENDER AND CLASSIFICATION															
Classification	Ongoing			Term Tenured			Term Untenured			Total						
	M	F	X	M	F	X	M	F	X	M	%	F	%	X	%	Total
EXECOPS	2	2	0	0	0	0	2	0	0	4	67	2	33	0	0	6
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>67</b>	<b>2</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>6</b>

### 3.7.4 LEAVE MANAGEMENT

AVERAGE DAYS LEAVE TAKEN PER FULL TIME EQUIVALENT EMPLOYEE				
Leave Type	2012-13	2013-14	2014-15	2015-16
Sick Leave Taken	4.8	2.2	3.6	3.7
Family Carer's Leave Taken	0.3	0.2	0.4	0.3
Miscellaneous Special Leave	0.0	0.8	0.2	0

*As this is an inaugural AVM annual report, historical figures shown above are a combined average of those previously reported by the two formerly-separate Corporations.*

### 3.7.5 PERFORMANCE DEVELOPMENT

Documented Performance Review of Individual Performance Management	% of Total Permanent Workforce
A review within the past 6 months	100%
A review older than 6 months	0%
No review	0%

*The Corporation's total workforce as at 30 June 16 consisted of 17.4% permanent staff – all of whom participated in a documented performance review process, during the month of June 2016.*

### 3.7.6 LEADERSHIP AND MANAGEMENT DEVELOPMENT

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$123,059	0.5%
Total leadership and management development expenditure	\$28,400	0.1%

A broad range of Training and Development opportunities have been provided across of variety of disciplines, including: Venue Management, Supervisory Skills, Security Awareness (via SAPOL), Turf Management, AutoCAD, Audio Visual Systems, Elevated Work Platforms, Dogging and Rigging Techniques, Cultural Exchange with Global Alliance Partner (KLCC), Event Business Management System, Purchasing, Sausage Making, Seat Advisor, First Aid, Forklift, Warden Evacuation and Fire Extinguisher, Asthma in the Workplace, Food Safety and Hazardous Manual Tasks.

## EMPLOYMENT OPPORTUNITY PROGRAMS

### TRAINEESHIPS, CADETSHIPS AND APPRENTICESHIPS

There are currently six full-time employees undertaking a Traineeship in Hospitality & Events. The program involves the annual recruitment of six Trainees to undertake a two-year Certificate III Traineeship, while rotating through eight significantly-different departments.

Since its inception in 2002, the program has consistently yielded top-quality home-grown talent who have progressed to key positions of leadership within the organisation.

There are also currently three full time Apprentice Chefs at various stages of completing their four-year Apprenticeship in Commercial Cookery.

### ABORIGINAL RECRUITMENT PROGRAMS

The Corporation currently has nineteen Aboriginal employees. AVM General Manager Human Resources is an inaugural Ambassador for the Governor's Aboriginal Employment Industry Cluster program and has been the Chair of the Hospitality Industry Cluster since March 2011.

Cluster membership includes the majority of the larger Hospitality employers in SA and/or their representative association (AHA), as well as Tauondi Aboriginal College and Hospitality Industry Training SA - all of whom share a common goal to improve the sustained representation of Aboriginal and Torres Strait Islanders within their respective workforce.

As a result of its leadership of this program, AVM has been able to bring about permanent change to everyday recruitment practices, ensuring that Aboriginal people and other under-represented sectors of the community are openly encouraged to access the quality training and employment opportunities that are regularly available within our industry / organisation.

### DISABILITY EMPLOYMENT

In addition to the instances requiring workplace modification reported in table 3.8.2, AVM has also continued to provide quality, sustainable employment opportunities for people with severe learning disabilities, as a result of its long-standing relationship with Barkuma.

For an eighth year running, AVM again sponsored and hosted the annual graduation ceremony for the State's School to Work Transition Program, where in excess of 100 school children with acute learning disabilities graduate in front of their parents and families each year. The program gives students with disability a head-start through employment skills training, accredited industry training, work experience and assistance with job seeking with the support of a Disability Employment Service (DES) agency.

By making suitable modifications to the workplace and transferring the individual to higher-skilled, higher-paid duties, an employee with 'facial blindness' was able to take-up paid employment with the Corporation in an alternative capacity, after it was discovered that their disability rendered them incapable of fulfilling the role for which they had initially been selected for employment.

### AVM EMPLOYMENT OPPORTUNITY PROGRAMS

In association with Service Skills SA and Hospitality Industry Training SA, AVM initiated a 'Jobs First' funded training and employment program in May 2016, to support 80 job seekers to gain work ready skills and to fill up to 60 AVM employment opportunities with suitable industry-trained individuals.

The program was designed to create a new breed of multi-skilled employees, easily capable of working across all AVM venues and styles of service – eg banqueting, cocktail functions, public catering / retail outlets, barista coffee service, event set-up, ushering etc.

Training consisted of:-

- 5 nationally-accredited training modules (serve food and beverage, process financial transactions, hygienic practices for food safety, prepare and serve espresso coffee, safe work practices) and
- 4 non-accredited units that specifically focus on customer service expectations, understanding workplace expectations, presentation standards, soft skills and basic cookery.

### 3.7.7 OTHER HUMAN RESOURCES STATISTICS

All essential Human Resources statistical information has been provided to the Commissioner for Public Sector Employment, within the designated timeframe. Further information, not contained within this Report is available from the Commissioner at [www.publicsector.sa.gov.au](http://www.publicsector.sa.gov.au)

### 3.8 WORK HEALTH & SAFETY PROGRAM

#### Work Health & Safety Programme as at 30 June 2016

WHS Prosecutions, Notices and Corrective Action taken	2015-16
Number of notifiable incidents pursuant to WHS Act Part 3	1
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices)	0
Number of prosecutions pursuant to the WHS Act part 2 Division 5	0
Number of enforceable undertakings pursuant to WHS Act Part 11	0

#### Agency gross workers compensation expenditure for 2015-16 compared with 2014-15

Expenditure	2015-16 (\$'000s)	2014-15 (\$'000s)	Variation \$ + (-)	% Change + (-)
Income maintenance	4	16	-12	-75%
Lump sum settlements Redemption	0	45	-45	N/A
Lump sum settlements Permanent Disability	0	0	0	0%
Medical/Hospital costs combined	18	26	-8	-31%
Other	2	13	-11	-85%
<b>Total Claims Expenditure</b>	<b>24</b>	<b>100</b>	<b>76</b>	<b>76%</b>

#### Current Work Health and Safety initiatives for Adelaide Venue Management Corporation

- AVM has developed and implemented a “WHS and Injury Management Strategic Plan 2016 - 2019” with Key Result Areas, Strategic Priorities and Performance Measures which align with the “Building Safety Excellence Strategy”. AVM Senior Management Team review and analyse key performance measures on a quarterly basis.
- The Corporation have both a Consultative and WHS Committee which meet regularly to address high level WHS and Injury Management issues. These committees have Health & Safety Representation to ensure consultative compliance is achieved across all 3 sites.
- A robust WHS internal audit program has been developed and implemented for the Corporation, with corrective actions being addressed within appropriate time frames.

### Building Safety Excellence Results for Adelaide Venue Management Corporation as at 30<sup>th</sup> June 2016.

1. Work related Deaths and Severe permanent Impairment	No. of Claims in Previous 5 years as at 30 <sup>th</sup> June 2016	No. of work related Deaths	Severe Permanent Impairment	Target
		0	0	0

		Base Year	Base period No's or %	Performance Past 12 months				Target Year	Final Target
				As At	Actual	Notional Target	Variance		
2. New Workplace Injury Claims	No. of Claims in last 12 months / 1000 FTE	1/6/12	22.67	30/6/16	16.00	19.35	-3.95	30% reduction to June 2022	15.87
3. Significant injuries Frequency Rate	No. of Claims in the last 12 mths. to the end of the quarter / 1000 FTE	1/6/12	14.17	30/3/16	11.79	12.57	-0.79	30% reduction to June 2022	10.02
4. Significant injury Frequency Rate for Musculoskeletal injuries	No. of MSI Claims in the last 12 mths. to the end of the quarter / 1000 FTE	1/6/12	10.63	30/3/16	7.86	9.43	-1.57	30% reduction to June 2022	7.52
5. Significant injury Frequency Rate for Psychological Injury	No. of PSYCH Claims in the last 12 mths. to the end of the quarter / 1000 FTE	1/6/12	0.00	30/3/16	0.00	0.00	0.00	30% reduction to June 2022	0.00
6. Early Assessment	No. of claims assessed / claims received*100	1/6/15	100.00%	30/6/16	81.25%	100%	-18.75%	10% improvement to June 2020	100.00%
7. Claims determined within 10 days	No. of claims determined / Registered * 100	1/6/15	93.75%	30/6/16	93.75%	94.69%	-0.94%	5% improvement to June 2020	98.44%
8. Determination for mental stress claims	SUM. .No. of business days to determine all claims excluding undetermined claims.	1/6/15	0.00	30/3/16	0.00	0.00	0.00	50% reduction June 2020	0.00

### 3.9 WHISTLEBLOWERS PROTECTION ACT 1993

The Adelaide Venue Management Corporation has appointed a responsible officer for the purposes of the Whistleblowers Protection Act 1993 (WPA) pursuant to Section 7 of the Public Sector Act 2009. There have been no instances of disclosure of public interest information to a responsible officer under the WPA.

### **3.10 FREEDOM OF INFORMATION ACT 1991 INFORMATION SHEET**

#### **SECTION 9(2)(b) – STRUCTURE AND FUNCTIONS**

The Adelaide Venue Management Corporation was established by the Public Corporations (Adelaide Venue Management Corporation) Regulations 2013, pursuant to the Public Corporations Act 1993, on 4 February 1999 to manage the Corporation as an agency of the Minister for Tourism.

The Corporation is governed by a Board of Directors and operates under a Charter approved pursuant to the provisions of the *Public Corporations Act 1993 (Adelaide Venue Management Corporation Regulations 2013)*.

The Corporation had no FOI requests in 2015-16.

#### **SECTION 9(2)(b) – SUMMARY FUNCTION**

AVM's functions are limited to the following:

- To manage and operate AVM sites
- To manage, promote and sponsor events at AVM sites or elsewhere
- To foster and assist the commercial development of AVM sites in order to complement and enhance the commercial potential of the sites
- To carry out other functions conferred on AVM by the Minister

AVM's sites include:

- Adelaide Convention Centre site
- Adelaide Entertainment Centre site
- Any other site the management and operation of which is conferred on AVM by the Minister

#### **SECTION 9(2)(c) - PUBLIC PARTICIPATION IN AGENCY POLICY DEVELOPMENT**

The success of the Corporation is dependent on input from the event and functions industry and stakeholders. The Corporation welcomes feedback and comments on agency policy development from patrons, government, community organisations and relevant industries through market research, forum groups, website and social media feedback, and informal and formal group consultations.

#### **SECTION 9(2)(d) – DOCUMENTS HELD**

- Annual Reports
- Policies and Procedures
- Other miscellaneous documents
- Various promotional brochures

#### **Publication on a website:**

With respect to the publication of the audited financial report on AVM's website, we acknowledge that:

- (a) We are responsible for the electronic publication of the audited financial report.
- (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website are identical to the final signed hard copy version.
- (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation.
- (d) We have assessed the controls over the security and integrity of the data on the website and that adequate procedures are in place to ensure the integrity of the information published.

- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

## **SECTION 9(2)(e) & (f) – ACCESS TO DOCUMENTS**

Requests under the FOI Act for access to documents in the possession of the Corporation should be accompanied by a \$29.50 application fee (to be paid by cheque or money order). Should more than two hours be required to accommodate the FOI request, additional charges may apply, as listed in the South Government's current Freedom of Information (Fees and Charges) Regulations at the time of the request.

Applications should be directed in writing to:

Chief Executive Officer  
Adelaide Venue Management  
GPO Box 2669  
ADELAIDE SA 5001

Access to documents listed under section 9(2)(d) can be arranged between 9am and 4.30pm, Monday to Friday, at the Adelaide Convention Centre Administration, North Terrace, Adelaide SA 5000, by contacting the Chief Executive Officer - Telephone (08) 8212 4099.

Copies of the Information Statement and Information Summary are available, free of charge, by contacting the Chief Executive Officer. Other publications are available on request but may incur a fee.

## 4.0 INDEPENDENT AUDIT REPORT

### INDEPENDENT AUDITOR'S REPORT



Government of South Australia  
Auditor-General's Department

Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgense@audit.sa.gov.au  
www.audit.sa.gov.au

#### To the Chairman of the Board Adelaide Venue Management Corporation

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and schedule 13(3) of the *Public Corporations Act 1993*, I have audited the accompanying financial report of the Adelaide Venue Management Corporation for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman, the Chief Executive Officer and the Acting Chief Financial Officer.

#### The Board's responsibility for the financial report

The Directors of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Directors of the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

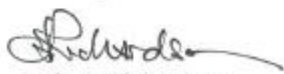
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors of the Board, as well as evaluating the overall presentation of the financial report.

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

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on Adelaide Venue Management Corporation's website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

### **Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Adelaide Venue Management Corporation as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson

**Auditor-General**

13 September 2016

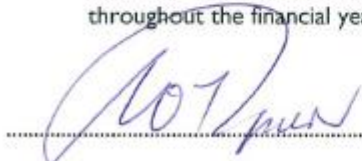
## 5.0 FINANCIAL STATEMENTS

Adelaide Venue Management Corporation  
ABN 50 676 936 954

### Certification of the Financial Statements

We certify that the:

- financial statements of the Adelaide Venue Management Corporation:
  - are in accordance with the accounts and records of the Corporation; and
  - comply with relevant Treasurer's instructions; and
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Adelaide Venue Management Corporation at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Adelaide Venue Management Corporation over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



**William Spurr AO**

CHAIRMAN

Adelaide Venue Management Corporation

Date: 12 September 2016



**Anthony Kirchner**

CHIEF EXECUTIVE OFFICER

Adelaide Venue Management Corporation

Date: 12 September 2016



**Marie Hannaford**

ACTING CHIEF FINANCIAL OFFICER

Adelaide Venue Management Corporation

Date: 12 September 2016

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2016

	Note No.	2016 \$' 000	2015 \$' 000
<b>Expenses from Trading Activities</b>			
Employee benefits expenses	7	22 432	8 106
Supplies and services	9	13 237	6 086
Depreciation and amortisation expense	10	2 390	1 040
Net loss from the disposal of non-current assets	11	20	1
<b>Total expenses from Trading Activities</b>		<b>38 079</b>	<b>15 233</b>
<b>Income from Trading Activities</b>			
Facility charges revenues	14	46 363	18 213
Interest revenues		697	460
Other revenues	15	2 571	2 205
<b>Total income from Trading Activities</b>		<b>49 631</b>	<b>20 878</b>
<b>Profit from Trading Activities</b>		<b>11 552</b>	<b>5 645</b>
<b>Expenses from Property Management Activities</b>			
Employee benefits expenses	7	3 012	722
Supplies and services	9	6 301	2 229
Depreciation and amortisation expense	10	10 413	5 014
Net loss from the disposal of non-current assets	11	-	89
Borrowing costs	13	14 064	-
<b>Total expenses from Property Management Activities</b>		<b>33 790</b>	<b>8 054</b>
<b>Income from Property Management Activities</b>			
Interest revenues		468	-
Revenues from SA Government		18 860	-
Other revenues	15	636	679
<b>Total income from Property Management Activities</b>		<b>19 964</b>	<b>679</b>
<b>Loss from Property Management Activities</b>		<b>(13 826)</b>	<b>(7 375)</b>
<b>Net Profit / (Loss)</b>		<b>(2 274)</b>	<b>(1 730)</b>
<b>Total Comprehensive Result</b>		<b>(2 274)</b>	<b>(1 730)</b>

The net profit / (loss) and comprehensive result are attributable to the SA Government as owner.  
The above statement should be read in conjunction with the accompanying notes.

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Current assets</b>			
Cash and cash equivalents	16, 32	20 848	9 278
Receivables	17	6 121	888
Inventories	18	433	191
<b>Total current assets</b>		<b>27 402</b>	<b>10 357</b>
<b>Non-current assets</b>			
Specific purpose deposits	19, 32	28 412	-
Property, plant and equipment	20	583 808	136 716
<b>Total non-current assets</b>		<b>612 220</b>	<b>136 716</b>
<b>Total assets</b>		<b>639 622</b>	<b>147 073</b>
<b>Current liabilities</b>			
Payables	22	17 779	1 597
Employee benefits	23	3 133	1 219
Other liabilities	25	7 750	2 126
<b>Total current liabilities</b>		<b>28 662</b>	<b>4 942</b>
<b>Non-current liabilities</b>			
Payables	22	116	51
Employee benefits	23	1 286	539
Other liabilities	25	5 072	5 130
Borrowings	26	314 575	-
<b>Total non-current liabilities</b>		<b>321 049</b>	<b>5 720</b>
<b>Total liabilities</b>		<b>349 711</b>	<b>10 662</b>
<b>Net assets</b>		<b>289 911</b>	<b>136 411</b>
<b>Equity</b>			
Contributed capital	27	133 840	55 536
Revaluation surplus	27	53 867	53 867
Accumulated surplus	27	102 204	27 008
<b>Total equity</b>		<b>289 911</b>	<b>136 411</b>

The total equity is attributable to the SA Government as owner.

Commitments 28

Contingent assets and liabilities 30

The above statement should be read in conjunction with the accompanying notes.

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2016

	Note No.	Contributed Capital \$'000	Revaluation Surplus \$'000	Accumulated Surplus \$'000	Total \$'000
<b>Balance at 30 June 2014</b>		<b>55 536</b>	<b>53 867</b>	<b>33 738</b>	<b>143 141</b>
Net profit / (loss) for 2014-15		-	-	(1 730)	<b>(1 730)</b>
Total Comprehensive Result for 2014-15		-	-	(1 730)	<b>(1 730)</b>
<b>Transactions with SA Government as owner</b>					
Dividends paid		-	-	(5 000)	<b>(5 000)</b>
<b>Balance at 30 June 2015</b>		<b>55 536</b>	<b>53 867</b>	<b>27 008</b>	<b>136 411</b>
Net profit / (loss) for 2015-16		-	-	(2 274)	<b>(2 274)</b>
Total Comprehensive Result for 2015-16		-	-	(2 274)	<b>(2 274)</b>
<b>Transactions with SA Government as owner</b>					
Dividends paid	24	-	-	(1 583)	<b>(1 583)</b>
Net assets transferred as a result of an administrative restructure	31	78 304	-	79 053	<b>157 357</b>
<b>Balance at 30 June 2016</b>	<b>27</b>	<b>133 840</b>	<b>53 867</b>	<b>102 204</b>	<b>289 911</b>

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		25 251	8 598
Supplies and services		26 883	9 223
GST remitted to ATO		-	1 010
<b>Cash used in operations</b>		<b>52 134</b>	<b>18 831</b>
<b>Cash inflows</b>			
Receipts from the sale of goods and services		54 215	23 235
Interest received		1 313	483
GST recovered from the ATO		2 145	-
<b>Cash generated from operations</b>		<b>57 673</b>	<b>23 718</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		19 723	-
<b>Cash generated from SA Government</b>		<b>19 723</b>	<b>-</b>
<b>Net cash provided by operating activities</b>	32	<b>25 262</b>	<b>4 887</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		69 622	4 361
<b>Cash used in investing activities</b>		<b>69 622</b>	<b>4 361</b>
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		15	-
<b>Cash generated from investing activities</b>		<b>15</b>	<b>-</b>
<b>Net cash (used in) / provided by investing activities</b>		<b>(69 607)</b>	<b>(4 361)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Dividends paid to SA Government		1 583	5 000
Income Tax Equivalent paid to SA Government		448	-
Borrowing Costs		14 927	-
<b>Cash used in financing activities</b>		<b>16 958</b>	<b>5 000</b>
<b>Cash inflows</b>			
Borrowings		55 000	-
Cash received as a result of administrative restructure	31	46 285	-
<b>Cash generated from financing activities</b>		<b>101 285</b>	<b>-</b>
<b>Net cash (used in) / provided by financing activities</b>		<b>84 327</b>	<b>(5 000)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>39 982</b>	<b>(4 474)</b>
Cash and cash equivalents at the beginning of the financial year		9 278	13 752
<b>Cash and cash equivalents at the end of the financial year</b>	32	<b>49 260</b>	<b>9 278</b>

The above statement should be read in conjunction with the accompanying notes.

### **Note 1 Objectives of the Adelaide Venue Management Corporation**

The Adelaide Venue Management Corporation, (the Corporation), formerly the Adelaide Entertainments Corporation, was established on 4 February 1999 as a subsidiary of the Minister for Tourism by Regulations under the Public Corporations Act 1993.

The functions of the Corporation are to:

- 1 manage and operate the Corporation's sites/venues;
- 2 manage, promote and sponsor events at the Corporation's sites/venues or elsewhere;
- 3 foster and assist the commercial development of the Corporation's sites/venues in order to complement and enhance the commercial potential; and
- 4 carry out any other functions conferred on the Corporation by the Minister.

On 1 August 2015, the Adelaide Entertainments Corporation became the Adelaide Venue Management Corporation and effective from this date the assets, rights, liabilities and all employees of the Adelaide Convention Centre Corporation were transferred to the Adelaide Venue Management Corporation. Refer Note 31.

The Corporation manages the Adelaide Entertainment Centre, Coopers Stadium (formerly Hindmarsh Stadium), and from 1 August 2015 the Corporation commenced management of the Adelaide Convention Centre.

The Corporation is governed by a Board of Directors and operates under a charter approved pursuant to the provisions of the Public Corporations Act 1993. The Act and the charter require the preparation of general purpose financial statements which reflect the performance and position of the Corporation for each financial year ended 30 June.

### **Note 2 Funding**

The South Australian Government (through the Minister for Tourism) provides funding to the Corporation for expenses relating to the Adelaide Convention Centre site maintenance of the Common Areas and the Riverbank Precinct, Exhibition Hall land rent, office accommodation rent and for replacement of Corporation assets.

The funding for asset replacement is transferred by the Department of Treasury and Finance into an interest bearing Special Deposit Account titled 'Adelaide Convention Centre Future Asset Replacement Account'. With the approval of the Treasurer, these funds are available for the replacement and upgrade of assets and minor works.

All other financial activities of the Corporation are conducted through interest bearing operating bank accounts titled 'Adelaide Venue Management Corporation'.

### **Note 3 Summary of significant accounting policies**

#### **a) Statement of compliance**

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Corporation has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Corporation is a not-for-profit entity.

Except for AASB 2015-7 which the Corporation has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Corporation for the reporting period ending 30 June 2016.

#### **b) Basis of preparation**

The preparation of the financial statements require:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes.
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
  - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
  - b) expenses incurred as a result of engaging consultants;
  - c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees;
  - d) board member and remuneration information, where a board member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Corporation's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

**c) Reporting Entity**

The financial statements and accompanying notes include all the controlled activities of the Corporation as an individual reporting entity. The Corporation is a statutory authority of the State of South Australia, established pursuant to Public Corporations Act 1993.

The Corporation does not control any other entity and has no interests in unconsolidated structured entities, and has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

**d) Comparative information**

The presentation and classification of items in the financial statements are consistent with prior periods except where a specific accounting policy statement or Australian accounting standard have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative amounts have been reclassified unless reclassification is impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

**e) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

**f) Taxation**

In accordance with the Public Corporations Act 1993 and Treasurer's Instructions, the Corporation is required to pay to the SA Government an income tax equivalent. The Treasurer has provided the Corporation with an exemption in relation to this income tax equivalent payment in addition to land tax and local government rate equivalents for the Adelaide Entertainment Centre and Coopers Stadium sites. From 1 August 2015, the Corporation commenced management of the Adelaide Convention Centre (refer Note 1 and 31), and this site is required to pay to the SA Government an income tax equivalent. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate be applied to the net profit. The Treasurer has exempted capital funding from the calculation of the income tax equivalents. The Adelaide Convention Centre site is also liable for land tax and local government rates.

The Corporation is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and emergency services levy.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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

Unrecognised commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

**g) Events after the reporting period**

Where an event occurs after 30 June but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

**h) Income and expenses**

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Corporation will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Note 33 of the financial statements discloses income and expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

**Income**

The following are specific recognition criteria:

*Facility charges revenues*

Revenues from facility charges are derived from the provision of goods and services to the public and other SA government agencies. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

*Interest income*

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

*Contributions from SA Government*

The contribution from the SA Government is recognised as income when the Corporation obtains control over the funding or obtains the right to receive the contributions and the income recognition criteria are met. All contributions received by the Corporation have been contributions with unconditional stipulations attached and have been recognised as an asset and income.

*Other contributions*

All contributions from non-government entities are recognised as income when the Corporation obtains control of the contribution or the right to receive the contribution and the income recognition criteria are met.

*Resources received/provided free of charge*

Resources received/provided free of charge are recorded as revenue and expenditure in the Statement of Comprehensive Income at their fair value.

*Disposal of non-current assets*

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to accumulated surplus.

**Expenses**

The following are specific recognition criteria:

*Employee benefits*

Employee benefits expenses includes all costs related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

*Superannuation*

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Corporation to the superannuation plan in respect of current services of current Corporation staff. The Corporation is not liable for benefits payable by the schemes to which it contributes.

**i) Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. The Corporation has a clearly identifiable operating cycle of 12 months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Corporation has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

**j) Cash and cash equivalents**

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of 12 months or less that are readily converted to cash and which are subject to insignificant risk of changes in value. Specific purpose deposits cannot be used for operational cash purposes. Cash and cash equivalents recorded in the Statement of Cash Flows are consistent with the Statement of Financial Position.

Cash is measured at nominal value.

**k) Receivables**

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Trade receivables arise in the normal course of selling goods and services to the public and to other SA Government agencies. Trade receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Corporation will not be able to collect the debt.

**l) Inventories**

Inventories include goods and other property held for sale in the ordinary course of business. It excludes depreciating assets.

Inventories are measured at the lower of cost or their net realisable value. Cost is allocated in accordance with the average cost method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

Inventories include food and beverage stock held for resale.

**m) Non-current asset acquisition and recognition**

Assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to transfer.

The Corporation capitalises all non-current tangible assets with a value equal or greater than \$3 000. The Corporation changed its capitalisation threshold during the financial year. Prior to this change the Corporation's policy was to capitalise all non-current tangible assets with a value equal or greater than \$500.

The Corporation capitalises costs associated with projects to work in progress. On completion of a project the capitalised costs are transferred to the relevant non-current asset account. The balance of work in progress reflects costs for projects which are at various stages of completion as at 30 June 2016.

**n) Revaluation of non-current assets**

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than 3 years.

Every six years the Corporation revalues its land, buildings and building improvements, with the valuation appraisal performed by an independent Certified Practising Valuer. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The Corporation classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- a) Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- b) Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- c) Level 3 – not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed by the Chief Financial Officer and the Corporation's Board at each reporting date.

In determining fair value, the Corporation has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Corporation's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Corporation did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

Refer to Note 20 and 21 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-current assets.

The Corporation has taken the exemption available under Accounting Policy Framework III Asset Accounting Framework paragraph APS 3.18 to take asset revaluation adjustments to the revaluation surplus on a class basis rather than an individual asset basis.

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrement of the same asset class previously recognised in the Statement of Comprehensive Income, in which case the increase is recognised in the Statement of Comprehensive Income.

Any revaluation decrease is recognised in the Statement of Comprehensive Income, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to accumulated surplus.

**o) Impairment**

All non-current assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the revaluation surplus.

**p) Depreciation and amortisation of non-current assets**

All non-current assets, having limited useful lives, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation/amortisation is calculated over the estimated useful life of the following classes of assets as follows:

<b>Class of Asset</b>	<b>Depreciation Method</b>	<b>Useful life (Years)</b>
Buildings & Improvements	Straight Line & Diminishing Value	5-147
Leasehold Improvements	Straight Line	Life of lease
Plant and Equipment	Straight Line	2-25

**q) Payables**

Payables include creditors, accrued expenses, GST payable and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Corporation.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employment on-costs include superannuation contributions, payroll tax and Return to Work SA levy in respect of outstanding liabilities for salaries and wages, long service leave, skills and experience retention leave and annual leave.

The Corporation makes contributions to several externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at balance date relates to any contributions due but not yet paid.

**r) Employee benefits**

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

*Salaries and wages, annual leave, time off in lieu and SERL*

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability (including time off in lieu) and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

*Sick leave*

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

*Long service leave*

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on submitted data from the payroll system and assessed against actuarial data. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The unconditional portion of the long service leave provision is classified as current as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service for staff employed under the Adelaide Entertainment Centre/United Voice Enterprise Agreement and 10 years of service for all other staff.

**s) Other Liabilities**

Income received in advance represents amounts invoiced under Corporate Suite Licensing and Advertising Agreements, amounts invoiced in relation to events and car parking which relate to future periods and security deposits.

Corporate Suite Licencing and Advertising Agreements payments received are recognised as income over the term of the agreement as the provision of services are supplied.

Event and car parking related monies are recognised as income as the provision of services are supplied.

Security deposits for key cards/car park cards are returned to the client when the card is returned.

Unearned lease revenue represents payment received for a section of land leased on a 99 year lease agreement during 2007. The payments received for the lease are being recognised as income over the life of the lease.

**t) Equity contributed by the SA Government**

Contributions made by the SA Government through its role as owner of the Corporation, which increase the net assets of the entity, are treated as contributions of equity.

**u) Administered Items**

The Corporation includes a schedule of administered items as a note to the accounts as it is considered that administered transactions and balances are insignificant in relation to the Corporation's overall financial performance and position, in accordance with Accounting Policy Framework II General Purpose Financial Statements Framework paragraph APS 3.13.2. Refer Note 29.

The Corporation receives gross box office receipts from its ticketing agency, and holds those receipts in separate Event Funds bank accounts. In any instance where an event does not proceed, those monies are returned to the ticketing agency and refunded to patrons. Alternatively, the monies are paid to promoters, the Corporation and other service providers.

**v) Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Corporation has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Corporation has entered into operating leases.

**w) Workers Compensation**

As from 20 November 2015 the Corporation became self-insured for the purposes of workers' compensation claims. Prior to this the Corporation had made contributions to Return to Work SA for the Adelaide Entertainment Centre and Coopers Stadium sites to provide insurance coverage in relation to workers compensation. The Adelaide Convention Centre site was self-insured for the entire financial year. Contributions made by the Corporation to Return to Work SA during the financial year were to provide insurance coverage in relation to workers compensation. These contributions were treated as an expense when they occurred. As part of the transfer to self-insured status, the Corporation received a payment of \$85 976 from Return to Work SA during the financial year, as settlement for the Corporation accepting responsibility for any claims whether known or unknown, including the opening of past Corporation claims.

The Corporation is deemed to be an exempt employer by virtue of the Return To Work Act 2014 and as such is liable for all medical, income and other day to day type expenses associated with a claim. The Corporation is also liable for any lump sum, redemption or permanent disability type payments for claims. Given the immaterial nature of the claims existing as at 30 June 2016, no provision has been recognised in the Statement of Financial Position.

**Note 4 Financial risk management**

The Corporation is exposed to a variety of financial risks, market risk (foreign exchange and price), credit risk and liquidity risk.

Risk management is carried out by the corporate services section and risk management policies and practices are in accordance with Australian Risk Management Standards and internal written policies approved by the Board.

The Corporation has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (cash at bank, held to maturity investments and specific purpose deposits).

The Corporation's exposure to cash flow interest rate risk is minimal.

The Corporation has no exposure to foreign exchange risk in relation to its financial assets or liabilities.

The Corporation has no significant concentration of credit risk. The Corporation has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

**Note 5 New and revised accounting standards and policies**

Except for AASB 2015-7 which the Corporation has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Corporation for the reporting period ending 30 June 2016. The Corporation has assessed the impact of new and amended standards and interpretations which are not yet effective and considers there will be no impact on the accounting policies or the financial statements of the Corporation.

Except as disclosed in Note 3 (m), the Corporation did not voluntarily change any of its accounting policies during 2015-16.

**Note 6 Activities of the Corporation**

The principal activities of the Corporation are to manage and operate the Adelaide Convention Centre, Adelaide Entertainment Centre and Coopers Stadium.

**Note 7 Employee benefits expenses**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Trading Activities</b>		
Salaries and wages	17 530	6 248
Long service leave	629	254
Annual leave	790	366
Skills and experience retention leave (SERL)	66	-
Employment on-costs - superannuation	2 031	617
Employment on-costs - other	1 257	515
Board fees	129	106
<b>Total employee benefits expenses from Trading Activities</b>	<b>22 432</b>	<b>8 106</b>
<b>Property Management Activities</b>		
Salaries and wages	2 403	562
Long service leave	106	13
Annual leave	99	46
Skills and experience retention leave (SERL)	7	-
Employment on-costs - superannuation	250	55
Employment on-costs - other	147	46
<b>Total employee benefits expenses from Property Management Activities</b>	<b>3 012</b>	<b>722</b>
<b>Total employee benefits expenses</b>	<b>25 444</b>	<b>8 828</b>

**Remuneration of Employees**

The number of employees whose remuneration received or receivable falls within the following bands:

	<b>2016</b>	<b>2015</b>
\$141 500 to \$145 000 *	na	-
\$145 001 to \$155,000	2	-
\$155 001 to \$165,000	-	1
\$175 001 to \$185 000	2	-
\$185 001 to \$195 000	1	-
\$195 001 to \$205 000	1	-
\$325 001 to \$335 000	1	-
\$335 001 to \$345 000	-	1
\$375 001 to \$385 000	1	-
<b>Total number of employees</b>	<b>8</b>	<b>2</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive base remuneration rate for 2014-15.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$1 744 000 (\$497 000).

**Note 8 Key management personnel**

**(a) Board members**

The following persons held the position of governing board member during the financial year:

Mr William Spurr (Chair)  
Ms Gay Wallace (Deputy Chair)  
Mr Geoffrey Pitt  
Ms Jennifer Bell - Retired 31 July 2015  
Mr Alan Herald - Retired 31 July 2015  
Ms Joanne Staugas - Retired 31 July 2015  
Mr Robert DeBelle - Appointed 1 August 2015  
Ms Pauline Denley - Appointed 1 August 2015  
Ms Fiona Hele - Appointed 1 August 2015  
Mr Jim Kouts - Appointed 1 August 2015  
Ms Leah Manuel - Appointed 1 August 2015

**(b) Remuneration of governing board members**

The number of governing board members whose remuneration received or receivable falls within the following bands:

	<b>2016 No of board members</b>	<b>2015 No of board members</b>
\$0 to \$9 999	4*	-
\$10 000 to \$19 999	6	7
\$20 000 to \$29 999	1	-
<b>Total number of governing board members</b>	<b>11</b>	<b>7</b>

Remuneration of Board members reflects all costs of performing their duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$141 000 (\$99 000).

\* In accordance with the Premier and Cabinet Circular No. 016, government employees do not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

During the year there were no other payments made to Board members.

**Note 9 Supplies and services**

	2016	2015
	\$'000	\$'000
<b>Trading Activities</b>		
Administration expenses and sundries	2 843	803
Direct materials	8 210	3 777
Building services costs	55	45
Repairs and maintenance	121	48
Marketing and promotions	2 008	1 413
<b>Total supplies and services from Trading Activities</b>	<b>13 237</b>	<b>6 086</b>
<b>Property Management Activities</b>		
Administration expenses and sundries	75	139
Direct materials	87	82
Building services costs	4 620	1 536
Repairs and maintenance	1 519	472
<b>Total supplies and services from Property Management Activities</b>	<b>6 301</b>	<b>2 229</b>
<b>Total supplies and services</b>	<b>19 538</b>	<b>8 315</b>

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the Corporation not holding a tax invoice or payments relating to third party arrangements.

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	2016		2015	
	No	\$'000	No	\$'000
Below \$10 000	6	26	1	2
Above \$10 000	5	106	3	141
<b>Total paid/payable to the consultants engaged</b>	<b>11</b>	<b>132</b>	<b>4</b>	<b>143</b>

**Note 10 Depreciation and amortisation**

	2016	2015
	\$'000	\$'000
<b>Trading Activities</b>		
Plant and equipment	2 390	1 040
<b>Total depreciation and amortisation for Trading Activities</b>	<b>2 390</b>	<b>1 040</b>
<b>Property Management Activities</b>		
Buildings	10 539	4 453
Leasehold improvements	( 126)	561
<b>Total depreciation and amortisation for Property Management Activities</b>	<b>10 413</b>	<b>5 014</b>
<b>Total depreciation and amortisation</b>	<b>12 803</b>	<b>6 054</b>

**Note 11 Net (loss) / gain from the disposal of non-current assets**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Trading Activities</b>		
Plant and equipment		
Proceeds from disposal	15	-
Less net book value of assets disposed	( 35)	( 1)
Net (loss) / gain from the disposal of plant and equipment	( 20)	( 1)
<b>Net (loss) / gain from the disposal of non-current assets for Trading Activities</b>	<b>( 20)</b>	<b>( 1)</b>
<b>Property Management Activities</b>		
Building	-	-
Proceeds from disposal	-	-
Less net book value of assets disposed	-	( 89)
Net (loss) / gain from the disposal of building	-	( 89)
<b>Total net (loss) / gain from the disposal of non-current assets for Property Management Activities</b>	<b>-</b>	<b>( 89)</b>
<b>Total net (loss) / gain from the disposal of non-current assets</b>	<b>( 20)</b>	<b>( 90)</b>

**Note 12 Auditor's remuneration**

Audit fees of \$76 900 (\$40 800) were paid / payable to the Auditor-General's Department, relating to the audit of the financial statements.

No other services were provided by the Auditor-General's Department.

**Note 13 Borrowing costs**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Guarantee fees on long term borrowings	4 280	-
Interest expense on long term borrowings	9 784	-
<b>Total borrowing costs</b>	<b>14 064</b>	<b>-</b>

**Borrowings**

The former Adelaide Convention Centre Corporation entered into an agreement with the South Australian Financing Authority (SAFA) in 2012-13 to source debt funding for the extension and redevelopment of the Adelaide Convention Centre. This funding arrangement replaced the previous equity contributions which were repaid. The 2012-13 Budget included the provision for Treasury and Finance to provide grant payments to the Adelaide Convention Centre Corporation for interest and guarantee fees associated with the borrowings for its entire life.

As per the Government Gazettal notice 25 June 2015, the Adelaide Venue Management Corporation has been transferred all assets, rights and liabilities of the Adelaide Convention Centre Corporation (refer Note 1 and 31), and as part of this transfer the Corporation now assumes all rights and responsibilities under the funding arrangement entered into with the South Australian Financing Authority.

**Note 14 Facility charges revenues**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Car park	4 228	1 001
Catering	23 106	8 321
Corporate	2 519	2 467
Recoveries	4 429	2 835
Technical services	3 941	130
Venue hire	8 140	3 459
<b>Total facility charges revenues</b>	<b>46 363</b>	<b>18 213</b>

**Note 15 Other revenues**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Trading Activities</b>		
Merchandise revenues	343	405
Ticketing charges	799	827
Other revenue	1 429	973
<b>Total other revenue from Trading Activities</b>	<b>2 571</b>	<b>2 205</b>
<b>Property Management Activities</b>		
Property lease revenue	433	432
Other revenue	203	247
<b>Total other revenues from Property Management Activities</b>	<b>636</b>	<b>679</b>
<b>Total other revenues</b>	<b>3 207</b>	<b>2 884</b>

**Note 16 Cash and cash equivalents**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and Cash on hand	20 848	1 362
Short-term deposits with SAFA	-	3 416
Term deposits	-	4 500
<b>Total cash and cash equivalents</b>	<b>20 848</b>	<b>9 278</b>

**Cash deposits**

The cash deposits are carried at cost in accordance with APF IV Financial Asset and Liability Framework paragraph APS 2.1. Cash at Bank is comprised of funds held in an operating account at a commercial banking institution. Cash at bank deposits are on-call and carry an average variable interest rate of 1.84% (2.25%). Interest is accrued daily and distributed monthly and quarterly. The SAFA Cash Management Fund is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The SAFA Cash Management Funds are on-call and carry an average variable interest rate of 2.27% (2.67%). The portfolio return is calculated daily, being the total earnings on the portfolio's investments from the close of business on the previous day. Interest is accrued daily and distributed monthly. Term Deposits are comprised of funds held in a fixed term investment account at a commercial banking institution. Term Deposits are invested for a period of time not exceeding 12 months with the ability to withdraw funds subject to an interest penalty on the portion of the funds withdrawn. Interest is accrued daily and distributed upon maturity. Term Deposits carry an average fixed interest rate of 3.01% (3.52%).

**Interest rate risk**

Cash on hand is non-interest bearing. Deposits at call earn a floating interest rate, based on daily bank deposit rates. Term Deposits earn a fixed rate of interest over the investment term. The carrying amount of cash and cash equivalents represents fair value.

**Note 17 Receivables**

	2016 \$'000	2015 \$'000
<b>Current</b>		
Receivables	2 819	769
Less allowance for doubtful debts	( 5)	( 5)
Accrued revenues	1 820	49
GST input tax recoverable	1 348	-
Prepayments	139	75
<b>Total current receivables</b>	<b>6 121</b>	<b>888</b>

**Allowance for doubtful debts**

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (ie calculated in past experience and current and expected changes in client credit rating) that a receivable is impaired. An allowance for impairment loss has been recognised in 'Supplies and services expense' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2016 \$'000	2015 \$'000
<b>Movements in the allowance for doubtful debts (impairment loss)</b>		
<b>Carrying amount at the beginning of the period</b>	( 5)	( 5)
Increase in the allowance	-	-
Amounts written off	-	-
<b>Carrying amount at the end of the period</b>	<b>( 5)</b>	<b>( 5)</b>

**Interest rate and credit risk**

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than recognised in the provision for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. In addition, there is no concentration of credit risk.

**Bad and doubtful debts**

The Corporation has recognised no bad and doubtful debt expense in the Statement of Comprehensive Income.

**Note 18 Inventories**

	2016	2015
	\$'000	\$'000
<b>Current - Inventories held for resale</b>		
Beverages	277	178
Food	156	13
<b>Total inventories held for resale</b>	<b>433</b>	<b>191</b>

**Inventory wastage**

The Corporation has recognised an inventory wastage expense of \$18 000 (\$20 000) in the Statement of Comprehensive Income.

**Raw materials and consumables**

The Corporation recognised an expense for raw materials and consumables of \$6 056 000 (\$2 421 000).

**Note 19 Specific purpose deposits**

	2016	2015
	\$'000	\$'000
<b>Specific purpose deposits with SA Government entities</b>		
Investments with SA Financing Authority	2 692	-
Future assets replacement deposit account	25 720	-
<b>Total specific purpose deposits</b>	<b>28 412</b>	<b>-</b>

**Deposits with SA Government entities**

The specific purpose deposits are carried at cost in accordance with APF IV Financial Asset and Liability Framework paragraph APS 2.1. Specific purpose deposits are lodged with SAFA and include funds held in a Cash Management Facility and Deposit Account. The balance of these funds are not available for general use, i.e. funds can only be used in accordance with the approval of the Treasurer. The SAFA Cash Management Fund is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The SAFA Cash Management Funds carry an average variable interest rate of 2.28%. Interest is accrued daily and distributed monthly. The Future Assets Replacement Deposit Account is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The Future Asset Replacement Account funds carry an average variable interest rate of 1.82%. Interest is accrued daily and distributed quarterly.

**Interest rate risk**

Deposits with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

**Note 20 Property, plant and equipment**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land and buildings</b>		
Land at fair value	27 055	27 055
Buildings at fair value	230 052	105 708
Accumulated depreciation	(27 747)	(4 417)
<b>Total land and buildings</b>	<b>229 360</b>	<b>128 346</b>
<b>Buildings and improvements</b>		
Buildings and improvements at cost	219 162	1 988
Accumulated depreciation	(3 266)	( 36)
<b>Total buildings and improvements</b>	<b>215 896</b>	<b>1 952</b>
<b>Leasehold improvements</b>		
Leasehold improvements at cost	3 773	2 856
Accumulated amortisation	( 585)	( 569)
<b>Total leasehold improvements</b>	<b>3 188</b>	<b>2 287</b>
<b>Work in progress</b>	<b>119 310</b>	<b>160</b>
<b>Total work in progress</b>	<b>119 310</b>	<b>160</b>
<b>Plant and equipment</b>		
Plant and equipment at cost	38 927	11 306
Accumulated depreciation	(22 873)	(7 335)
<b>Total plant and equipment</b>	<b>16 054</b>	<b>3 971</b>
<b>Total property, plant &amp; equipment</b>	<b>583 808</b>	<b>136 716</b>

**Valuation of land and buildings**

The valuation of land and buildings was performed in June 2014 for the Adelaide Entertainment Centre site and the valuation of buildings was performed in June 2015 for the Adelaide Convention Centre site, by an independent Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd as at 30 June 2014 and 30 June 2015 respectively.

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market for such buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of specialised knowledge and the acquisition/transfer costs.

The valuer arrived at fair value for land and non-specialised buildings using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and building being valued such as size and location.

**Carrying amount of plant and equipment**

All items of plant and equipment had a 'fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

**Impairment**

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2016.

**RECONCILIATION OF NON-CURRENT ASSETS**

The following table shows the movement of non-current assets during 2015-16

	Land \$'000	Buildings \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Non-current assets total \$'000
<b>Carrying amount at beginning of period</b>	<b>27 055</b>	<b>101 291</b>	<b>1 952</b>	<b>2 287</b>	<b>160</b>	<b>3 971</b>	<b>136 716</b>
Additions	-	-	-	-	71 948	-	<b>71 948</b>
Transfers in / (out)	-	-	217 174	748	(224 568)	6 646	-
Disposals e.g. sales, write off	-	-	-	-	-	(35)	<b>(35)</b>
Depreciation and amortisation	-	(7 309)	(3 230)	126	-	(2 390)	<b>(12 803)</b>
Acquisition through administrative restructure	-	108 323	-	27	271 770	7 862	<b>387 982</b>
<b>Carrying amount at end of the period</b>	<b>27 055</b>	<b>202 305</b>	<b>215 896</b>	<b>3 188</b>	<b>119 310</b>	<b>16 054</b>	<b>583 808</b>

**RECONCILIATION OF NON-CURRENT ASSETS**

The following table shows the movement of non-current assets during 2014-15

	Land \$'000	Buildings \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Non-current assets total \$'000
<b>Carrying amount at beginning of period</b>	<b>27 055</b>	<b>105 797</b>	<b>-</b>	<b>586</b>	<b>379</b>	<b>4 373</b>	<b>138 190</b>
Additions	-	-	-	-	4 670	-	<b>4 670</b>
Transfers in / (out)	-	-	1 988	2 262	(4 889)	639	-
Disposals e.g. sales, write off	-	(89)	-	-	-	(1)	<b>(90)</b>
Depreciation and amortisation	-	(4 417)	(36)	(561)	-	(1 040)	<b>(6 054)</b>
<b>Carrying amount at end of the period</b>	<b>27 055</b>	<b>101 291</b>	<b>1 952</b>	<b>2 287</b>	<b>160</b>	<b>3 971</b>	<b>136 716</b>

**Note 21 Fair Value Measurement****Fair Value Hierarchy**

The fair value of non-current assets must be estimated for recognition and measurement or for disclosure purposes. The Corporation categorises non-current assets measured at fair value into hierarchy based on the level of inputs used in measurement as follows:

**Fair value measurements at 30 June 2016**

	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>			
Land (note 20)	27 055	-	27 055
Buildings (note 20)	886	201 419	202 305
Buildings and improvements (note 20)	-	215 896	215 896
Leasehold improvements (note 20)	-	3 188	3 188
Work in progress (note 20)	-	119 310	119 310
Plant and equipment (note 20)	-	16 054	16 054
<b>Total recurring fair value measurements</b>	<b>27 941</b>	<b>555 867</b>	<b>583 808</b>

**Fair value measurements at 30 June 2015**

	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>			
Land (note 20)	27 055	-	27 055
Buildings (note 20)	926	100 365	101 291
Buildings and improvements (note 20)	-	1 952	1 952
Leasehold improvements (note 20)	-	2 287	2 287
Work in progress (note 20)	-	160	160
Plant and equipment (note 20)	-	3 971	3 971
<b>Total recurring fair value measurements</b>	<b>27 981</b>	<b>108 735</b>	<b>136 716</b>

The Corporation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive level 2 and 3 fair values are at note 20.

During 2016 and 2015, the Corporation had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

**Reconciliation of Level 3 recurring fair value measurements at 30 June 2016**

	Buildings	Buildings and improvements	Leasehold improvements	Work in progress	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	<b>100 365</b>	<b>1 952</b>	<b>2 287</b>	<b>160</b>	<b>3 971</b>
Acquisitions	-	-	-	71 948	-
Acquisitions through administrative restructure	108 323	-	27	271 770	7 862
Transfers in / (out)	-	217 174	748	(224 568)	6 646
Total gains / (losses) for the period in profit and loss:					
Depreciation	(7 269)	(3 230)	126	-	(2 390)
Disposals	-	-	-	-	(35)
<b>Closing balance at the end of the period</b>	<b>201 419</b>	<b>215 896</b>	<b>3 188</b>	<b>119 310</b>	<b>16 054</b>

**Reconciliation of Level 3 recurring fair value measurements at 30 June 2015**

	Buildings	Buildings and improvements	Leasehold improvements	Work in progress	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	<b>104 832</b>	<b>-</b>	<b>586</b>	<b>379</b>	<b>4 373</b>
Acquisitions	-	-	-	4 670	-
Transfers in / (out)	-	1 988	2 262	(4 889)	639
Total gains / (losses) for the period in profit and loss:					
Depreciation	(4 378)	(36)	(561)	-	(1 040)
Disposals	(89)	-	-	-	(1)
<b>Closing balance at the end of the period</b>	<b>100 365</b>	<b>1 952</b>	<b>2 287</b>	<b>160</b>	<b>3 971</b>

**Note 22 Payables**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	8 029	1 222
Accrued expenses	8 109	199
GST payable	-	16
Employment on-costs	363	160
Interest accrued	1 278	-
<b>Total current payables</b>	<b>17 779</b>	<b>1 597</b>
<b>Non-current</b>		
Employment on-costs	116	51
<b>Total non-current payables</b>	<b>116</b>	<b>51</b>
<b>Total payables</b>	<b>17 895</b>	<b>1 648</b>

**Interest rate and credit risk**

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

**Note 23 Employee benefits**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	942	508
Long service leave	1 913	611
Skills and experience retention leave	39	-
Accrued salaries and wages	239	100
<b>Total current employee benefits</b>	<b>3 133</b>	<b>1 219</b>
<b>Non-current</b>		
Long service leave	1 286	539
<b>Total non-current employee benefits</b>	<b>1 286</b>	<b>539</b>
<b>Total employee benefits</b>	<b>4 419</b>	<b>1 758</b>

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2015 (3.0%) to 2016 (2.0%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the change in actuarial assumptions in the current financial year is an increase in the long service leave liability of \$224 000 and employee benefits expense of \$244 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

#### Note 24 Dividends

A prior period dividend of \$783 204 was paid to SA Government during the financial year in relation to the former Adelaide Convention Centre Corporation, in accordance with the Department of Treasury and Finance distribution policy, which applied to the former Adelaide Convention Centre Corporation, as being 75 percent of the operating profit before income tax equivalents, less any capital funding. This distribution is reduced by the income tax equivalent expense plus the other Tax Equivalent Regime expenditure resulting in a dividend which is paid to the Department of Treasury and Finance.

A current period dividend of \$800 000 was paid to SA Government during the financial year as determined by the Treasurer, pursuant to Section 22(2) of the Public Corporations (Adelaide Venue Management Corporation) Regulations 2013.

#### Note 25 Other liabilities

	2016 \$'000	2015 \$'000
<b>Current</b>		
Income received in advance	7 692	2 068
Unearned lease revenue	58	58
<b>Total current other liabilities</b>	<b>7 750</b>	<b>2 126</b>
<b>Non-current</b>		
Unearned lease revenue	5 072	5 130
<b>Total non-current other liabilities</b>	<b>5 072</b>	<b>5 130</b>
<b>Total other liabilities</b>	<b>12 822</b>	<b>7 256</b>

#### Note 26 Borrowings

	2016 \$'000	2015 \$'000
<b>Non-current</b>		
Borrowings from SA Government	314 575	-
<b>Total borrowings</b>	<b>314 575</b>	<b>-</b>

The former Adelaide Convention Centre Corporation entered into a Client Services Agreement with the South Australian Financing Authority in 2012-13 for the extension and redevelopment project. Under the arrangement, the Adelaide Convention Centre Corporation would draw down borrowings from SA Government replacing the previous equity contribution arrangement. As per the Government Gazettal notice 25 June 2015, the assets, rights and liabilities of the Adelaide Convention Centre Corporation were transferred to the Adelaide Venue Management Corporation (refer Note 1 and 31). As part of this transfer the Corporation now assumes all rights and responsibilities under the Client Services Agreement with the South Australian Financing Authority.

The borrowings balance of \$314.575 million relates to the cumulative spend associated with the project up to 30 June 2016 with the total project budget being \$396.821 million.

A drawdown from borrowings of \$55 million was taken during 2015-16 for payments estimated for the year and already made on the project.

Future drawdown of borrowings will be made in coming years to reflect the approved borrowings limit of \$382.321 million. The difference in borrowings to the approved project budget (\$14.5 million) will be funded from the Corporation's Future Asset Replacement Account. The Corporation will seek approval from the Treasurer to access these funds when required. In 2012-13 the Treasurer provided the former Adelaide Convention Centre Corporation with a Deed Poll Guarantee over all liabilities including borrowings and interest associated with the borrowings is fixed over the term period. As per the Government Gazettal notice 25 June 2015, the assets, rights and liabilities of the Adelaide Convention Centre Corporation were transferred to the Adelaide Venue Management Corporation (refer Note 1 and 31). As part of this transfer the Corporation now assumes all rights and responsibilities under the Deed Poll Guarantee provided the Treasurer.

The fair value of total borrowings at 30 June 2016 is not materially different from the carrying value. While movements in interest rates will affect the fair value of the loan, the contracted repayments remain the same due to the fixed interest rate. The Corporation has minimal exposure to liquidity risk in relation to interest repayments as the Department of Treasury and Finance provides funding to the Corporation for interest and fees.

#### Note 27 Equity

	2016	2015
	\$'000	\$'000
Contributed capital	133 840	55 536
Revaluation surplus	53 867	53 867
Accumulated surplus	102 204	27 008
<b>Total equity</b>	<b>289 911</b>	<b>136 411</b>

The revaluation surplus is used to record increments and decrements in the fair value of land and buildings to the extent that they offset one another. Relevant amounts are transferred to accumulated surplus when an asset is disposed or written off.

#### Note 28 Commitments

	2016	2015
	\$'000	\$'000
<b>Capital commitments</b>		
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	322	467
<b>Total capital commitments</b>	<b>322</b>	<b>467</b>

	2016	2015
	\$'000	\$'000
<b>Expenditure commitments</b>		
The Corporation's expenditure commitments are associated with ongoing business operations.		
Within one year	288	59
Later than one year but not longer than five years	191	73
Later than five years	33	-
<b>Total expenditure commitments</b>	<b>512</b>	<b>132</b>

	2016	2015
	\$'000	\$'000
<b>Operating lease commitments payable</b>		
Future minimum lease payments payable under non-cancellable operating leases contracted for at reporting date but not recognised as liabilities are:		
Within one year	594	-
Later than one year but not longer than five years	1 804	-
Later than five years	25 634	-
<b>Total operating lease expenditure commitments</b>	<b>28 032</b>	<b>-</b>

The Corporation has entered into operating leases for the land on which the Adelaide Convention Centre buildings are situated and for office accommodation. The leases are reviewed each year for adjustments in the consumer price index.

	2016	2015
	\$'000	\$'000
<b>Operating lease commitments receivable</b>		
Future minimum lease payments receivable under non-cancellable operating leases contracted for at reporting date but not recognised as receivables are:		
Within one year	305	314
Later than one year but not longer than five years	452	648
Later than five years	11	35
<b>Total operating lease revenue commitments</b>	<b>768</b>	<b>997</b>

The Corporation's operating lease commitments as lessor are for the lease of shops, offices and site space located on sites owned or leased by the Corporation. The Corporation also leases a section of land. As rental in relation to the lease of this land was received in advance, there are no minimum lease payments receivable in relation to this lease.

**Note 29 Administered Items**

	2016	2015
	\$'000	\$'000
<b>Event Funds</b>		
<b>Administered Revenues</b>		
Net Box Office Receipts	22 097	34 688
Interest Earned on event funds	205	299
<b>Total Administered Revenues</b>	<b>22 302</b>	<b>34 987</b>
<b>Administered Expenses</b>		
Settlements Paid	29 473	29 921
<b>Total Administered Expenses</b>	<b>29 473</b>	<b>29 921</b>
<b>Movement in Administered Items during the year</b>	<b>(7 171)</b>	<b>5 066</b>
<b>Administered Assets</b>		
Cash at Bank	5 117	12 278
Receivable - Interest	9	19
<b>Total Administered Assets</b>	<b>5 126</b>	<b>12 297</b>
<b>Administered Liabilities</b>		
Funds held in trust	5 117	12 278
Accrued Interest Payable	9	19
<b>Total Administered Liabilities</b>	<b>5 126</b>	<b>12 297</b>
<b>Movement in Administered Items during the year</b>	<b>(7 171)</b>	<b>5 066</b>
Total Administered Assets held at the beginning of the financial year	12 297	7 231
<b>Total Administered Assets held at the end of the financial year</b>	<b>5 126</b>	<b>12 297</b>

**Cash deposits**

The cash deposits are carried at cost in accordance with APF IV Financial Asset and Liability Framework paragraph APS 2.1. Cash at Bank is comprised of funds held in a bank account at a commercial banking institution and in a SAFA Cash Management Fund. Commercial bank account deposits are on-call and carry an average variable interest rate of 2.02% (2.25%). Interest is accrued daily and distributed monthly. The SAFA Cash Management Fund is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The SAFA Cash Management Funds are on-call and carry an average variable interest rate of 2.27% (2.67%). The portfolio return is calculated daily, being the total earnings on the portfolio's investments from the close of business on the previous day. Interest is accrued daily and distributed monthly.

**Interest rate risk**

Deposits at call earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

**Note 30 Contingent assets and liabilities**

The Corporation is not aware of any contingent assets.

The Corporation is not aware of any contingent liabilities.

The Corporation has issued no guarantees.

**Note 31 Transferred functions**Transferred in

On 1 August 2015, the Adelaide Entertainments Corporation became the Adelaide Venue Management Corporation, with the principal activities being to manage & operate the Corporation's site/venues being the Adelaide Convention Centre, Adelaide Entertainment Centre and Coopers Stadium.

On 1 August 2015, the assets, rights, liabilities and all employees of the Adelaide Convention Centre Corporation were transferred to the Adelaide Venue Management Corporation.

These changes were implemented by virtue of the Public Corporations (Adelaide Entertainments Corporation) Variation Regulations 2015, and the Public Corporations (Adelaide Convention Centre Corporation) (Dissolution and Revocation) Regulations 2015, as published in the South Australian Government Gazette 25 June 2015.

Total expenses and income attributable to the Adelaide Convention Centre for 2015-16 were:

	July 2015 \$'000	Aug 2015 to June 2016 \$'000	Total \$'000
<b>Expenses from Trading Activities</b>			
Employee benefits expenses	1 281	12 025	13 306
Supplies and services	567	10 359	10 926
Depreciation and amortisation expense	125	1 478	1 603
Net loss from the disposal of non-current assets	-	1	1
<b>Total expenses from Trading Activities</b>	<b>1 973</b>	<b>23 863</b>	<b>25 836</b>
<b>Income from Trading Activities</b>			
Facility charges revenues	2 006	29 040	31 046
Interest revenues	35	435	470
Other revenues	8	288	296
<b>Total income from Trading Activities</b>	<b>2 049</b>	<b>29 763</b>	<b>31 812</b>
<b>Profit from Trading Activities</b>	<b>76</b>	<b>5 900</b>	<b>5 976</b>
<b>Expenses from Property Management Activities</b>			
Employee benefits expenses	225	2 367	2 592
Supplies and services	434	4 366	4 800
Depreciation and amortisation expense	272	6 063	6 335
Net loss from the disposal of non-current assets	-	-	-
Borrowing costs	1 182	14 064	15 246
<b>Total expenses from Property Management Activities</b>	<b>2 113</b>	<b>26 860</b>	<b>28 973</b>
<b>Income from Property Management Activities</b>			
Interest revenues	47	468	515
Revenues from SA Government	1 182	18 860	20 042
Other revenues	-	-	-
<b>Total income from Property Management Activities</b>	<b>1 229</b>	<b>19 328</b>	<b>20 557</b>
<b>Loss from Property Management Activities</b>	<b>( 884)</b>	<b>(7 532)</b>	<b>(8 416)</b>
<b>Net Profit / (Loss)</b>	<b>( 808)</b>	<b>(1 632)</b>	<b>(2 440)</b>

## Adelaide Venue Management Corporation

On transfer of the assets, rights, liabilities and all employees of the Adelaide Convention Centre Corporation to the Adelaide Venue Management Corporation, the Adelaide Venue Management Corporation recognised the following assets and liabilities:

	<b>\$'000</b>
Cash and cash equivalents	19 885
Receivables	5 117
Inventories	335
Specific purpose deposits	26 400
Property, plant and equipment	387 982
<b>Total assets</b>	<b>439 719</b>
Payables	14 706
Employee benefits	2 470
Borrowings	259 575
Other liabilities	5 611
<b>Total liabilities</b>	<b>282 362</b>
<b>Total net assets transferred</b>	<b>157 357</b>

Net assets assumed by the Corporation as a result of the administrative restructure are the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to transfer. The net assets transferred were treated as a contribution by the Government as owner.

### Note 32 Cash flow reconciliation

**2016**  
**\$'000**

**2015**  
**\$'000**

#### Reconciliation of cash and cash equivalents at the end of the reporting period:

##### Statement of Financial Position

##### Current

Cash and cash equivalents	20 848	9 278
---------------------------	--------	-------

##### Non-current

Specific purpose deposits	28 412	-
---------------------------	--------	---

#### Cash and cash equivalents as recorded in the Statement of Cash Flows

49 260	9 278
--------	-------

#### Reconciliation of profit / (loss) to net cash provided by operating activities:

Net Profit / (Loss) for the year	(2 274)	(1 730)
----------------------------------	---------	---------

#### Add / (less) non-cash items

Depreciation and amortisation expense	12 803	6 054
---------------------------------------	--------	-------

Leased land income	(58)	( 57)
--------------------	------	-------

Net (Gain)/Loss on disposal of assets	20	90
---------------------------------------	----	----

#### Changes in assets / liabilities

(Increase) / Decrease in receivables	(5 233)	93
--------------------------------------	---------	----

(Increase) / Decrease in inventories	(242)	4
--------------------------------------	-------	---

(Decrease) / Increase in payables	13 923	137
-----------------------------------	--------	-----

(Decrease) / Increase in other liabilities	5 624	27
--	-------	----

(Decrease) / Increase in employee benefits	2 661	269
--	-------	-----

Borrowing costs	14 927	-
-----------------	--------	---

Tax equivalent	448	-
----------------	-----	---

Net assets acquired as a result of administrative restructure	(17 337)	-
---	----------	---

<b>Net cash provided by operating activities</b>	<b>25 262</b>	<b>4 887</b>
--	---------------	--------------

**Note 33 Transactions with SA Government**

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note		SA Government *		Non-SA Government		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	<b>EXPENSES</b>						
7	Employee benefits expenses						
	Salaries and wages	-	-	19 933	6 810	19 933	6 810
	Long service leave	-	-	735	267	735	267
	Annual leave	-	-	889	412	889	412
	Skills and experience retention leave (SERL)	-	-	73	-	73	-
	Employment on-costs - superannuation	2 168	-	113	672	2 281	672
	Employment on-costs - other	1 152	521	252	40	1 404	561
	Board fees	-	-	129	106	129	106
	<b>Total employee benefits expenses</b>	<b>3 320</b>	<b>521</b>	<b>22 124</b>	<b>8 307</b>	<b>25 444</b>	<b>8 828</b>
9	Supplies and services						
	Administration expenses and sundries	694	256	2 224	686	2 918	942
	Direct materials	4	-	8 293	3 859	8 297	3 859
	Building services costs	1 462	534	3 213	1 047	4 675	1 581
	Repairs and maintenance	148	7	1 492	513	1 640	520
	Marketing and promotions	-	-	2 008	1 413	2 008	1 413
	<b>Total supplies and services</b>	<b>2 308</b>	<b>797</b>	<b>17 230</b>	<b>7 518</b>	<b>19 538</b>	<b>8 315</b>
10	Depreciation and amortisation						
	Plant and equipment	-	-	2 390	1 040	2 390	1 040
	Buildings	-	-	10 539	4 453	10 539	4 453
	Leasehold improvements	-	-	( 126)	561	( 126)	561
	<b>Total depreciation and amortisation</b>	<b>-</b>	<b>-</b>	<b>12 803</b>	<b>6 054</b>	<b>12 803</b>	<b>6 054</b>

Note	SA Government *		Non-SA Government		Total	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11	Net (loss) / gain from the disposal of non-current assets					
	Proceeds from disposal	-	-	15	-	15
	Less net book value of assets disposed	-	-	( 35)	( 90)	( 35)
	<b>Total (loss) / gain from the disposal of non-current assets</b>	-	-	( 20)	( 90)	( 20)
13	Borrowing costs					
	Guarantee fees	4 280	-	-	-	4 280
	Interest expense	9 784	-	-	-	9 784
	<b>Total borrowing costs</b>	14 064	-	-	-	14 064
	<b>REVENUES</b>					
14	Facility charges revenues					
	Car park	284	-	3 944	1 001	4 228
	Catering	687	185	22 419	8 136	23 106
	Corporate	-	-	2 519	2 467	2 519
	Recoveries	61	67	4 368	2 768	4 429
	Technical services	286	-	3 655	130	3 941
	Venue hire	489	8	7 651	3 451	8 140
	<b>Total facility charges revenues</b>	1 807	260	44 556	17 953	46 363
	Interest revenues	956	185	209	275	1 165
	<b>Total interest revenues</b>	956	185	209	275	1 165
	Revenues from SA Government	18 860	-	-	-	18 860
	<b>Total revenues from SA Government</b>	18 860	-	-	-	18 860

Note		SA Government *		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
15	Other revenues						
	Merchandise revenues	-	-	343	405	343	405
	Ticketing charges	-	-	799	827	799	827
	Property lease revenue	-	-	433	432	433	432
	Other revenue	100	-	1 532	1 220	1 632	1 220
	<b>Total other revenues</b>	100	-	3 107	2 884	3 207	2 884
	<b>FINANCIAL ASSETS</b>						
16	Cash and cash equivalents						
	Cash at bank and Cash on hand	19 585	-	1 263	1 362	20 848	1 362
	Short-term deposits with SAFA	-	3 416	-	-	-	3 416
	Term deposits	-	-	-	4 500	-	4 500
	<b>Total cash and cash equivalents</b>	19 585	3 416	1 263	5 862	20 848	9 278
17	Receivables						
	Receivables	202	2	2 617	767	2 819	769
	Less provision for doubtful debts	-	-	( 5)	( 5)	( 5)	( 5)
	Accrued revenues	1 736	13	84	36	1 820	49
	GST Receivable	-	-	1 348	-	1 348	-
	Prepayments	23	13	116	62	139	75
	<b>Total receivables</b>	1 961	28	4 160	860	6 121	888
19	Specific purpose deposits						
	Investments with SA Financing Authority	2 692	-	-	-	2 692	-
	Future assets replacement deposit account	25 720	-	-	-	25 720	-
	<b>Total specific purpose deposits</b>	28 412	-	-	-	28 412	-

		SA Government *		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCIAL LIABILITIES</b>							
22	Payables						
	Creditors	7 045	80	984	1 142	8 029	1 222
	Accrued expenses	7 717	66	392	133	8 109	199
	GST payable	-	-	-	16	-	16
	Employment on-costs	479	113	-	98	479	211
	Interest accrued	1 278	-	-	-	1 278	-
	<b>Total payables</b>	<b>16 519</b>	<b>259</b>	<b>1 376</b>	<b>1 389</b>	<b>17 895</b>	<b>1 648</b>
25	Other liabilities						
	Income received in advance	971	18	6 721	2 050	7 692	2 068
	Unearned lease revenue	-	-	5 130	5 188	5 130	5 188
	<b>Total other liabilities</b>	<b>971</b>	<b>18</b>	<b>11 851</b>	<b>7 238</b>	<b>12 822</b>	<b>7 256</b>
26	Borrowings	314 575	-	-	-	314 575	-
	<b>Total borrowings</b>	<b>314 575</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>314 575</b>	<b>-</b>

\* This note does not include a dividend/distribution to the SA Government as owner. Dividend information is provided in Note 24.