

2017-18 ANNUAL REPORT

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14 September, 2018



Government
of South Australia

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1.0 CHAIR'S REPORT

Dear Minister,

Each of the three venues under the Adelaide Venue Management (AVM) Board's management achieved trading profits in 2017-18, with AVM achieving an overall trading profit of \$8.7 million. We were pleased to again provide a \$1.6 million dividend to the Government.

2017-18 has been a highly successful and memorable year. The \$397 million Adelaide Convention Centre expansion was completed on time, with the new East Building opening to much acclamation on 30 August 2017. This ensured that the International Astronautical Congress held in September 2017—the largest convention ever to be hosted in South Australia—was a spectacular success. This event reinforced the increased benefits that the newly upgraded and expanded world-class facilities deliver to the South Australian visitor economy, but also the lasting economic legacy that business events provide Adelaide through attracting key thinkers and decision makers from across the globe to meet, learn, exchange ideas and innovate for the future.

The Adelaide Convention Centre also opened Home Ground, a stylish café court offering a unique range of indoor and outdoor dining, complemented by stunning views of Adelaide's Riverbank Precinct, in December 2017. Whilst being aware at this early stage of the Precinct's redevelopment that this type of venture would prove commercially challenging, the AVM Board felt it important to show leadership in establishing dining options along the Riverbank Promenade if the Precinct is to reach its full potential as a meeting place for visitors and locals. Consisting of four different offerings, Home Ground is adding to the vibrancy of the Riverbank Precinct for those seeking out casual riverfront dining experiences.

The Adelaide Convention Centre's core business is of course conventions and exhibitions, and it is in this area where AVM has excelled in 2017-18 with the Centre achieving a record economic contribution in excess of \$96 million to the local visitor economy. 754 events were held within the Centre, including 71 conferences and 24 exhibitions, delivering more than 30,000 interstate and international visitors along with more than 117,000 bed nights. Forward bookings for the Adelaide Convention Centre are exceptionally strong.

Minister, the State Government's injection of additional funding towards business events from 1 July 2018, is welcomed by the industry and we are appreciative of your support. AVM will work closely with the industry to ensure we continue to deliver a significant return on your investment through the attraction of major international and national conventions and exhibitions to South Australia.

The Adelaide Entertainment Centre has also enjoyed a good year despite increased competition for contemporary live entertainment acts from local venues. Whilst the Australian Dollar is lower than ideal at this time to attract a better than average run of international acts to Australia, the stability of the Dollar over the past 18 months has helped deliver a steady flow of major acts to the Centre. Some of the acts to perform at the Adelaide Entertainment Centre in 2017-18 included: Seinfeld; Grinspoon; Placebo; Grease – The Arena Experience; The Chainsmokers; The Australian Ballet; Take That; Cirque Du Soleil – Toruk; Paul Kelly; The Wiggles; Alt-J; Culture Club; PBR; The Weeknd; Roger Waters; For the Love of Mrs Brown; Queen & Adam Lambert; Jackson Browne; Limp Bizkit; Bruno Mars; Sheryl Crow & Melissa Etheridge; The Killers; PAW Patrol Live!; STOMP; Disney on Ice Celebrates 100 Years of Magic; and Pendulum. Whilst the Adelaide Entertainment Centre works to short booking lead times, 2018-19 appears to be very strong based on bookings already secured.

AVM established an external catering business, AVMCatering, operating out of the Adelaide Entertainment Centre in mid-2017. AVMCatering has already secured key contracts and a regular client base, which is assisting to further underpin the trading profitability of the Centre.

Coopers Stadium also enjoyed a solid year. Attendances at Adelaide United Football Club (AUFC) A-League matches held at Coopers Stadium were down on recent seasons; however, there was a similar downward trend in attendances across the A-League. Events such as the Foo Fighters concert (January 2018) and the inaugural AFLX fixture (February 2018) assisted to counter this.

AUFC was sold to new owners in March 2018. I take this opportunity to thank the outgoing owners, particularly Greg Griffin and Robert Gerard, for their support of Coopers Stadium since taking ownership of the Club in 2010. We are excited by the Club's potential and future direction under the new owners, and AVM will continue to support AUFC with generous venue hire arrangements as a means of playing its part in AUFC achieving further success along with supporting the ongoing development of the code in South Australia.

Thank you to fellow Board members Gay Wallace (Deputy Chair), Robert Debelle, Joanne Denley, Fiona Hele, Cathie King (commenced 1 August 2017), Jim Kouts, Leah Manuel and Geoffrey Pitt (retired 31 July 2017, after more than 14 years of service). AVM continues to perform exceptionally well, thanks in no small part to their sound governance and strategic insight.

I acknowledge also the strong leadership provided by AVM Chief Executive Officer, Anthony Kirchner, and his senior management team made up of Sally Arch, Simon Burgess, Coralie Cheney, Alec Gilbert (departed February 2018), Marie Hannaford, Simon Hockridge and Mike Smith. AVM's 900 plus employees do an outstanding job in the delivery of service to venue hirers and visitors.

With healthy bookings across all three venues as we move into 2018-19, AVM is well placed to continue to deliver further significant economic and social benefit 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 (ACC), Adelaide Entertainment Centre (AEC) 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; and,
- To carry out other functions conferred on AVM by the Minister.

AVM's sites include:

- Adelaide Convention Centre site;
- Adelaide Entertainment Centre site; and,
- 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 Corporations (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 2017-18 were:

- Board member Geoffrey Pitt (departed as Committee Chair July 2017);
- Board member Fiona Hele (appointed as Committee Chair August 2017);
- Board member Joanne Denley;
- Board member Leah Manuel (appointed August 2017);
- Alternate delegate – Board member Gay Wallace; and,
- The Corporation's Chief Financial Officer, Marie Hannaford, 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

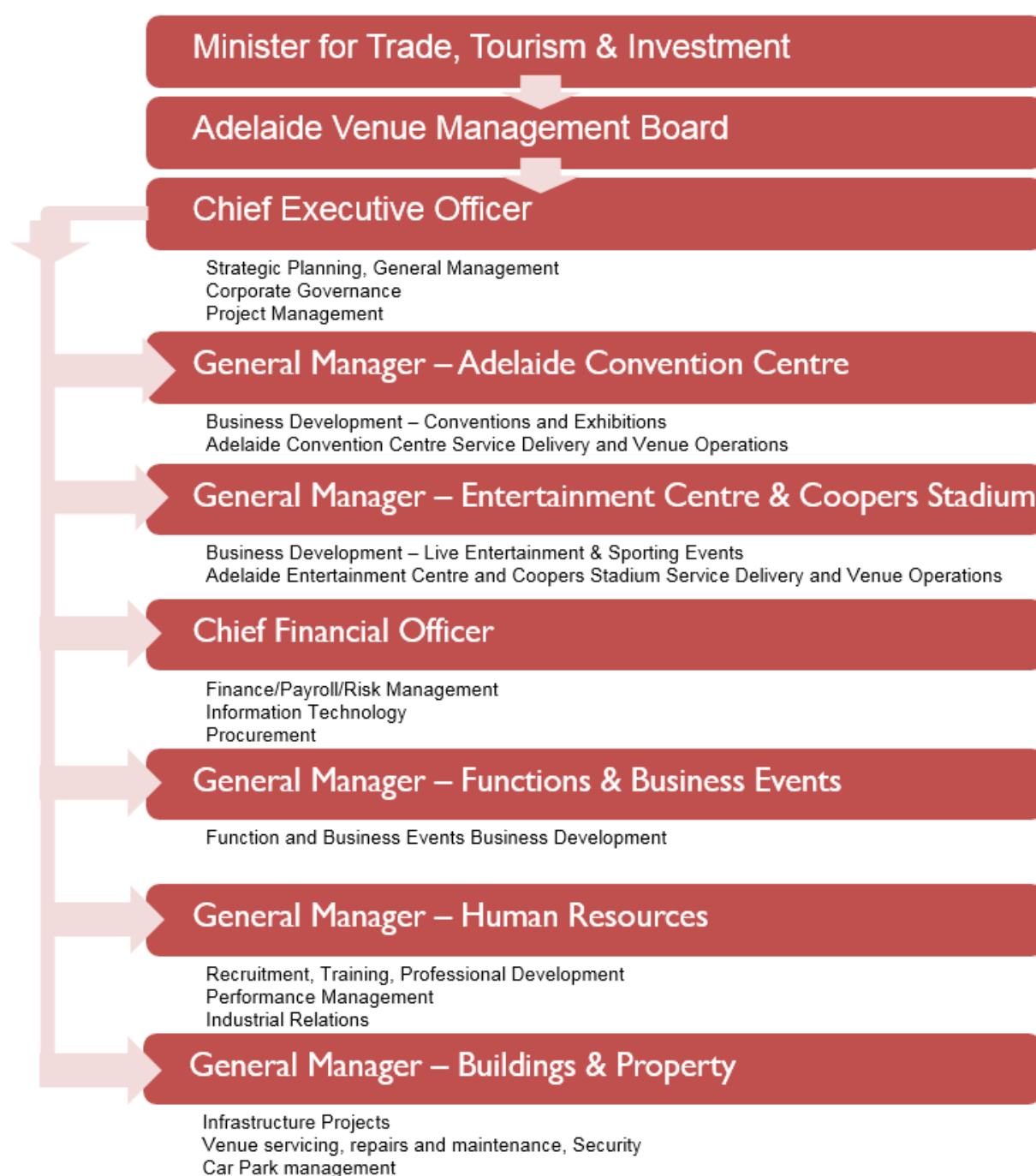
The South Australian Government provides funding (through the Minister for Trade, Tourism & Investment) to AVM for expenses relating to the ACC site maintenance and management of the Common Areas and the Riverbank Precinct, ACC Exhibition Hall land rent, and for asset replacement. This income and associated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

The funding for asset replacement is transferred by the Department of Treasury and Finance into the AVM 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). The loan balance as at 30 June 2017 was fully drawn at \$382.3 million. All borrowings are interest only, with the interest rate fixed for life, with the Department of Treasury and Finance providing AVM 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, Rostering, Building Repairs/Maintenance, etc.) using the ACC as its administrative base. The Corporation has leading industry specialists based at each venue to manage the service/event delivery and operational requirements unique to each. AVM utilises a largely an in-house model for the delivery of all services, which enables it to maintain a significant, flexible, 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 more than 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.

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 undercover 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 event space, meeting rooms, office accommodation and kitchen facilities along with Regattas restaurant. The project was 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 \$397 million State Government funded redevelopment. The project, which was managed in two stages, created a new 'breed' of convention centre in terms of its design and flexibility, ensuring the venue's continued competitiveness in the global business events industry. The first stage of the redevelopment, the West Building, was completed in 2015, with the second stage, the East Building, officially opened on 30 August 2017.

The Centre is able to host a conference for more than 3,500 delegates or three conferences of up to 1,000 delegates simultaneously, and provides the following world-class facilities:

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

The ACC currently operates 24 hours per day providing full catering and audio-visual services. In 2017-18, it hosted over 754 events, including 71 major international/national conferences and 24 exhibitions, delivering in excess of 30,000 interstate and international visitors and more than 117,000 bed nights.

The ACC plays a pivotal role in assisting the State Government achieve its strategic objectives by providing state-of-the-art facilities for major conference, exhibitions and business events. The Centre brings together people from all parts of the world to meet, learn, exchange ideas and innovate.

The success of the ACC directly translates to a vibrant, liveable city 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

The 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 its development. In 2010, the Government funded \$52 million in facility enhancements (new Theatre, Entry) and the Corporation refurbished much of the pre-existing facility.

The AEC is South Australia's leading contemporary indoor live entertainment venue. It has two major performance spaces – the Arena and the Theatre, which boast a capacity of 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 significant functions business with four dedicated function spaces: the Arena, Theatre, Star Room and Revelations Chapel. Since mid-2017, AVM has operated an external catering business, AVMCatering, from the AEC.

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

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

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

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

The AEC is an important community facility. Since opening, the AEC has attracted more than eight million concertgoers. The AEC hosted 91 publicly ticketed performances in 2017-18, which consisted of 51 different acts/events.

In 2017-18, the venue showcased a wide variety of performances including: Little Mix; Seinfeld; Grinspoon; Placebo; The Glenn Miller Orchestra; Grease – The Arena Experience; Michael Ball & Alfie Boe; The Chainsmokers; The Australian Ballet; Take That; Tash Sultana; Cirque Du Soleil – Toruk; Paul Kelly; The Wiggles; Alt-J; Culture Club; PBR; The Weeknd; Celtic Woman; Roger Waters; For the Love of Mrs Brown; Queen & Adam Lambert; Jackson Browne; Limp Bizkit; Lano & Woodley; Bruno Mars; Touch Bass; Sheryl Crow & Melissa Etheridge; The Killers; PAW Patrol Live!; STOMP; Disney on Ice Celebrates 100 Years of Magic; and Pendulum, among many others.

Despite the Australian Dollar remaining lower than ideal, its relative stability saw a healthy number of arena tours come to Australia throughout 2017-18. AVM is forecasting a further uplift in activity in 2018-19.

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 and TEG Live; and,
- Feld Entertainment.

2.7.3 COOPERS STADIUM

Coopers Stadium stands on the former site of Hindmarsh Oval, which was home to the SANFL's West Torrens Football Club from 1905 until 1921 when the team moved to the 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 people. Six light towers for night games along with an additional eight 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 quality football (soccer) venue and home to the A-League's Adelaide United Football Club. The Stadium underwent redevelopment for the Sydney 2000 Summer Olympics; an event for which it 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. The stadium's current capacity is approximately 16,500. Key features include:

- Full international-standard facility;
- High-quality playing surface and lighting – 120m x 80m;
- Media facilities; and,
- 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 14 major publicly ticketed events in 2017-18; 12 of which were Adelaide United Football Club A-League home matches.

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

- 4A Manton Street – currently tenanted by the 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. The following served on the Board during 2017-18:

- William Spurr AO, Chair
- Gay Wallace, Deputy Chair
- Joanne Denley
- Robert Debelle
- Fiona Hele
- Cathie King (commenced 1 August 2017)
- Jim Kouts
- Leah Manuel
- Geoffrey Pitt (retired 31 July 2017)

3.2 INTERNAL AUDIT

AVM is committed to maintaining a working environment free of fraud and corrupt behaviour. The internal audit activities undertaken during 2017-18 did not reveal any instances of fraud and management is not aware of any fraud. AVM undergoes an external audit examination by the Auditor General in addition to the internal audit program.

The established Audit & Risk Committee works to ensure 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 AVM;
- liaising with external auditors;
- reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the AVM; and,
- oversight of AVM's internal auditing program.

3.3 USE OF CONSULTANTS

The AVM engaged two consultancies during 2017-18 at a total cost of \$39 000.

Payments to Consultants	Purpose of Consultancy	2018	
		No	\$'000
Value below \$10 000			
Subtotal		1	4
Value \$10 000 and above			
KPMG	IT Security Audit		
Subtotal		1	35
Total		2	39

3.4 CONTRACTING OUT ARRANGEMENTS

The Corporation has no contractual arrangements which exceed \$4 million 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	15 859	98.87%	75 648 393	99.67%
Within 30 to 60 days	167	1.04%	227 390	0.30%
Greater than 60 days	14	0.09%	21 188	0.03%

3.6 OVERSEAS TRAVEL

Destinations	Reasons for Travel	No. Employees	Total Cost \$'000
Prague, Germany	ICCA General Assembly (International Congress and Convention Association)	2	25
London, UK	AIPC Conference	1	9
Frankfurt, Germany	IMEX (Worldwide exhibition and trade show for incentive travel, meetings and events)	2	19

3.7 HUMAN RESOURCES

3.7.1 EMPLOYMENT OPPORTUNITY PROGRAMS

Program name	Result of the program
Governor's Aboriginal Employment Industry Clusters	<p>AVM has been a key driver of the Hospitality Cluster of this program since 2011. During 2017-18, AVM provided opportunities to 11 additional Aboriginal employees.</p> <p>Pleasingly, seven of our current 23 Aboriginal employees (four did not work during the last pay week of the year) have been with us for more than four years, and four of those have now achieved pro-rata Long Service Leave.</p> <p>A former Tauondi College commercial cookery student (who joined us as a casual Kitchen Hand in 2012) completed his four-year Apprenticeship during the year and is now a qualified Chef. Another of our casual Aboriginal employees has also commenced undertaking an identical full-time 4-year trade course.</p>
Apprenticeships in Commercial Cookery	Seven full-time Apprentice Chefs are at various stages of completing a four-year Apprenticeship in Commercial Cookery.
Traineeship in Hospitality (Events)	<p>Six full-time trainees are currently undertaking a two-year Certificate III program, rotating through eight different departments across all AVM venues.</p> <p>Since 2002, the program has consistently yielded top-quality, home-grown talent who have progressed to key positions of leadership within the organisation.</p> <p>Four additional high-quality applicants have successfully navigated the selection process, ready to start the program early in the new financial year.</p>
Disability Employment	<p>A casual AVM staff member, who is legally blind, topped the selection process from a pool of seven candidates for a casual Rostering Coordinator role, before being onward promoted to a full-time position 10 months later.</p> <p>For the tenth consecutive year, AVM sponsored and hosted the graduation for the State's Transition Program, where 100+ school children with acute learning disabilities graduated in front of their families. The program assists final year students with disability and learning difficulties to transition from school to future employment pathways through structured learning, skill development and work placement opportunities.</p>
Adelaide Events Crew: Skills Intensive	This government-funded program, coordinated by Service Skills SA, supported 35 unemployed/under-employed South Australians in becoming work-ready for entry-level employment within the South Australian events industry. The program produced multi-skilled individuals holding a construction work white card and capable of performing basic audio-visual and event staging set-up; operating forklifts and elevated work platforms; and implementing traffic management plans. Eight of the successful participants gained ongoing paid employment with AVM.

3.7.2 PERFORMANCE MANAGEMENT AND DEVELOPMENT

Performance Management and Development System	Assessment of effectiveness and efficiency
<p>AVM utilises Cognology Software to conduct an effective biannual performance review and development planning process for all of its permanent staff. The process, which also incorporates a cultural survey, was most recently undertaken in May/June 2018.</p> <p>As from May 2018, immediate 'shift by shift' performance feedback was implemented for all casual event staff.</p>	<p>100% of active AVM permanent staff had their performance reviewed and forward-looking key objectives and development plans set by 11 June 2018, with mid-term review scheduled for December 2018.</p> <p>From May 2018 onwards, instances of extraordinary performance were fed back to management for acknowledgement, career advancement planning, skills-development training and/or formal performance improvement processes.</p>
<p>In line with AVM's Training & Development Plan coming out of the above process, targeted employee professional development was successfully delivered across a broad cross-section of disciplines.</p>	<p>All priority 1 and 2 professional development activities (there are four levels) were programmed and delivered throughout the year.</p> <p>Refresher compliance training, including the Public Sector Code of Ethics, ICAC Guidelines, Bullying & Harassment Prevention, and Workplace Equity & Diversity was delivered to all AVM employees during August 2017.</p>

3.7.3 HEADCOUNT AND FTEs

The tables below outline all 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 years due to variability of events held in the last pay week of each year.

	Female	%	Male	%	Other	%	Total
Headcount	383	49.7%	387	50.3%	0	0	770
FTEs	229	47.2%	256	52.8%	0	0	485

3.7.4 WORKFORCE DIVERSITY

Number of Employees by Age Bracket and Gender

Age Bracket (years)	Number of Employees (Persons)				% of all Corporation employees
	Male	Female	Other	Total	
15-19	9	33	0	42	5.5%
20-24	74	81	0	155	20.1%
25-29	47	41	0	88	11.4%
30-34	40	37	0	77	10.0%
35-39	35	36	0	71	9.2%
40-44	35	29	0	64	8.3%
45-49	49	33	0	82	10.6%
50-54	40	36	0	76	9.9%
55-59	31	36	0	67	8.7%
60-64	15	14	0	29	3.8%
65+	12	7	0	19	2.5%
TOTAL	387	383	0	770	100.0

Disability

	NUMBER OF EMPLOYEES WITH DISABILITIES (According to Commonwealth DDA Definition)				
	Male	Female	Other	Total	% of Agency
Total	2	3	0	5	0.9%

Types of Disability (where specified)

Disability	TYPES OF DISABILITY				
	Male	Female	Other	Total	% of Agency
Disability Requiring Workplace Adaption	2	3	0	5	0.7%
Physical	0	1	0	1	0.1%
Intellectual	1	1	0	2	0.3%
Sensory	1	1	0	2	0.3%
Psychological/ Psychiatric	0	0	0	0	0.0%

Employees Identifying as Aboriginal and/or Torres Strait Islander

Headcount	19
% of Agency Headcount	2.47%

3.7.5 EXECUTIVES

EXECUTIVES BY GENDER AND CLASSIFICATION – TOTALS

Classification	Female	%	Male	%	Other	%	Total
EXECOPS	3	43%	4	57%	0	0%	7

EXECUTIVES BY GENDER AND CLASSIFICATION – CONTRACT TYPE

Classification	Ongoing			Term Tenured			Term Untenured		
	Male	Female	Other	Male	Female	Other	Male	Female	Other
EXECOPS	2	3	0	0	0	0	2	0	0

3.7.6 LEAVE MANAGEMENT

AVERAGE DAYS LEAVE TAKEN PER FULL TIME EQUIVALENT EMPLOYEE				
Leave Type	2014-15	2015-16	2016-17	2017-18
Sick Leave Taken	3.6	3.7	3.3	3.3
Family Carer's Leave Taken	0.4	0.3	0.3	1.3
Miscellaneous Special Leave	0.2	0	0	0.1

The [Office for the Public Sector](#) has a [data dashboard](#) for a further breakdown of the above information, which is best viewed in a Google Chrome web browser.

3.8 WORK HEALTH & SAFETY PROGRAM

WHS notices, prosecutions, and enforceable undertakings	2017-18
Number of notifiable incidents pursuant to <i>WHS Act</i> Part 3	0
Number of notices served pursuant to <i>WHS Act</i> Section 90, 191 & 195	0
Number of prosecutions pursuant to the <i>WHS Act</i> Part 2 Division 5	0
Number of enforceable undertakings pursuant to <i>WHS Act</i> Part 11	0

WHS & injury management programs initiatives and their effectiveness

WHS & Injury Management (IM) programs	Effectiveness and efficiency
<p>Continuous improvement: AVM manages the continuous improvement objectives of the Strategic Plan including key result area balanced scorecards, strategic priorities and priority actions to align with the operational risks and the <i>'Building Safety Excellence in the Public Sector 2015 -2020 Strategy'</i>.</p>	<p>BSE Balanced Scorecard</p>
<p>Electronic systems: AVM has continued to develop and operate a centralised online and integrated safety management system platform for WHS, Injury Management and support functions. The platform provides an overarching framework for organisation synergy and operational effectiveness and efficiency.</p>	<ul style="list-style-type: none"> ✓ Elimination of hardcopy systems ✓ Centralised real-time data ✓ WHS administered by two staff ✓ Employees 928 / 2 = 0.2% staff
<p>Workers compensation claims: Injury risk management efforts at AVM have focused on pre-employment health assessments and early intervention medical assessments as a means for achieving best practice health and safety outcomes for the employee and the workplace.</p>	<p>2013-14 2014-15 2015-16 2016-17 2017-18</p>
<p>Claims expenditure, income & medical costs: As the business has recently grown in size, AVM has managed to reduce the frequency and severity of incidents that cause harm and give rise to claims. Employees 928 / 7 = 0.8% claims</p>	<p>2013-14 2014-15 2015-16 2016-17 2017-18</p>

Agency gross workers compensation expenditure for 2017-18 compared with 2016-17

Expenditure	2016-17 (\$'000s)	2017-18 (\$'000s)	Variation (\$'000) + (-)	% Change + (-)
Income maintenance	17	13	4	24%
Lump sum settlements WPI	0	0	0	0%
Medical & hospital costs	13	38	-25	-192%
Other	0	0	0	0%
Total claims expenditure	\$30	\$51	\$21	-70%

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 (Adelaide Venue Management Corporation) Regulations 2013*.

The Corporation had no FOI requests in 2017-18.

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; and,
- 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, 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 \$35.00 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 AVM Administration Office, which is based at Adelaide Convention Centre, North Terrace, Adelaide SA 5000, by contacting the Chief Executive Officer at 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
ARN 53 327 061 410
audgensa@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 financial report of the Adelaide Venue Management Corporation for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Venue Management Corporation as at 30 June 2018, 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.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chairman, the Chief Executive Officer and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Adelaide Venue Management Corporation. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Conduct for Professional Accountants have been met.

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

Responsibilities of the Chief Executive Officer and the members of the Board for the financial report

The Chief Executive Officer is 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 management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

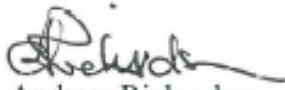
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the Board
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

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



Andrew Richardson

Auditor-General

31 August 2018

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: 27 AUGUST 2018


.....
Anthony Kirchner

CHIEF EXECUTIVE OFFICER

Adelaide Venue Management Corporation

Date: 27 AUGUST 2018


.....
Marie Hannaford

CHIEF FINANCIAL OFFICER

Adelaide Venue Management Corporation

Date: 27 AUGUST 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Expenses from Trading Activities			
Employee benefits expenses	3	29 284	24 519
Supplies and services	5	15 976	12 771
Depreciation and amortisation expense	6	4 139	3 210
Net loss from the disposal of non-current assets	7	195	25
Total expenses from Trading Activities		49 594	40 525
Income from Trading Activities			
Facility charges revenues	9	58 347	47 371
Interest revenues		580	545
Other revenues	10	2 032	1 833
Total income from Trading Activities		60 959	49 749
Profit from Trading Activities		11 365	9 224
Expenses from Property Management Activities			
Employee benefits expenses	3	3 142	2 538
Supplies and services	5	9 422	7 368
Depreciation and amortisation expense	6	13 819	10 968
Borrowing costs	8	19 135	17 733
Total expenses from Property Management Activities		45 518	38 607
Income from Property Management Activities			
Interest revenues		183	341
Revenues from SA Government	11	24 174	22 649
Other revenues	10	653	682
Total income from Property Management Activities		25 010	23 672
Loss from Property Management Activities		(20 508)	(14 935)
Net Profit / (Loss)		(9 143)	(5 711)
Other Comprehensive Income			
Change in Asset Revaluation Surplus		9 614	-
Total Other Comprehensive Income		9 614	-
Total Comprehensive Result		471	(5 711)

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 2018

	Note No.	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	12, 30	31 540	38 345
Receivables	13	6 169	5 830
Inventories	14	500	407
Total current assets		38 209	44 582
Non-current assets			
Specific purpose deposits	15, 30	11 648	15 815
Property, plant and equipment	17	640 908	633 415
Total non-current assets		652 556	649 230
Total assets		690 765	693 812
Current liabilities			
Payables	19	6 296	9 834
Employee benefits	20	3 925	3 558
Other current liabilities	23	10 606	9 385
Total current liabilities		20 827	22 777
Non-current liabilities			
Payables	19	99	91
Employee benefits	20	1 090	1 008
Other non-current liabilities	23	4 957	5 015
Borrowings	24	382 321	382 321
Total non-current liabilities		388 467	388 435
Total liabilities		409 294	411 212
Net assets		281 471	282 600
Equity			
Contributed capital	25	133 840	133 840
Revaluation surplus	25	63 481	53 867
Accumulated surplus	25	84 150	94 893
Total equity		281 471	282 600

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

Commitments 26

Contingent assets and liabilities 28

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Note	Contributed Capital	Revaluation Surplus	Accumulated Surplus	Total
	No.	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2016		133 840	53 867	102 204	289 911
Net profit / (loss) for 2016-17		-	-	(5 711)	(5 711)
Total Comprehensive Result for 2016-17		-	-	(5 711)	(5 711)
Transactions with SA Government as owner					
Dividends paid		-	-	(1 600)	(1 600)
Balance at 30 June 2017		133 840	53 867	94 893	282 600
Net profit / (loss) for 2017-18		-	-	(9 143)	(9 143)
Gain / (loss) on revaluation of land and buildings during 2017-18		-	9 614	-	9 614
Total Comprehensive Result for 2017-18		-	9 614	(9 143)	471
Transactions with SA Government as owner					
Dividends paid	22	-	-	(1 600)	(1 600)
Balance at 30 June 2018	25	133 840	63 481	84 150	281 471

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 2018

	Note No.	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		31 913	26 893
Supplies and services		28 826	30 018
GST remitted to the ATO		1 678	-
Cash used in operations		62 417	56 911
Cash inflows			
Receipts from the sale of goods and services		67 399	57 127
Interest received		779	896
GST recovered from the ATO		-	3 779
Cash generated from operations		68 178	61 802
Cash flows from SA Government			
Receipts from SA Government		24 133	22 277
Cash generated from SA Government		24 133	22 277
Net cash provided by operating activities	30	29 894	27 168
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		20 209	71 107
Cash used in investing activities		20 209	71 107
Cash inflows			
Proceeds from the sale of property, plant and equipment		37	55
Cash generated from investing activities		37	55
Net cash (used in) / provided by investing activities		(20 172)	(71 052)
Cash flows from financing activities			
Cash outflows			
Dividends paid to SA Government		1 600	1 600
Income Tax Equivalent paid to SA Government		-	-
Borrowing Costs		19 094	17 362
Cash used in financing activities		20 694	18 962
Cash inflows			
Borrowings		-	67 746
Cash generated from financing activities		-	67 746
Net cash (used in) / provided by financing activities		(20 694)	48 784
Net increase / (decrease) in cash and cash equivalents		(10 972)	4 900
Cash and cash equivalents at the beginning of the financial year		54 160	49 260
Cash and cash equivalents at the end of the financial year	30	43 188	54 160

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

Note 1 Basis of Financial Statements

1.1 Reporting Entity

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

The Corporation does not control any other entity and has no interests in unconsolidated structured entities.

1.2 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. 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 period ending 30 June 2018.

1.3 Basis of Preparation

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.

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

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle 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.

Significant accounting policies are set out in the notes.

1.4 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. The Corporation is required to pay to the SA Government an income tax equivalent for the Adelaide Convention Centre site. 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.

Adelaide Venue Management Corporation

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 (ATO), 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 ATO 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 ATO is classified as part of operating cash flows.

Note 2 Objectives and Activities

The Corporation was established on 4 February 1999 as a subsidiary of the Minister for Tourism by Regulations under the *Public Corporations Act 1993*.

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.

2.1 Objectives

The objectives 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.

2.2 Activities

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

Note 3 Employee Benefits**3.1 Employee Benefits Expenses**

	2018	2017
	\$'000	\$'000
Trading Activities		
Salaries and wages	23 638	19 458
Long service leave	478	331
Annual leave	959	857
Skills and experience retention leave (SERL)	54	44
Employment on-costs - superannuation*	2 337	2 284
Employment on-costs - other	1 632	1 382
Board fees	186	163
Total employee benefits expenses from Trading Activities	29 284	24 519
Property Management Activities		
Salaries and wages	2 568	2 057
Long service leave	52	30
Annual leave	113	118
Skills and experience retention leave (SERL)	8	8
Employment on-costs - superannuation*	255	207
Employment on-costs - other	146	118
Total employee benefits expenses from Property Management Activities	3 142	2 538
Total employee benefits expenses	32 426	27 057

*The superannuation employment on-cost charge represents the Corporation's contributions to superannuation plans in respect of current services of current employees.

3.2 Key Management Personnel

Key management personnel of the Corporation include the Minister, Board, the Chief Executive Officer and the six members of the Executive Team who have responsibility for the strategic direction and management of the Corporation.

Total compensation for key management personnel was \$2 034 000 in 2017-18 and \$1 747 000 in 2016-17.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Tourism receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2018 \$'000	2017 \$'000
Compensation		
Salaries and other short-term employee benefits	1 965	1 747
Termination benefits	69	-
Total	2 034	1 747

3.3 Remuneration of Employees

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

	2018	2017
\$149 001 to \$159 000	2	3
\$159 001 to \$169 000	2	2
\$169 001 to \$179 000	-	1
\$179 001 to \$189 000	1	1
\$189 001 to \$199 000	1	-
\$209 001 to \$219 000	1	1
\$359 001 to \$369 000	-	1
\$369 001 to \$379 000	1	-
\$389 001 to \$399 000	-	1
\$399 001 to \$409 000	1	-
Total number of employees	9	10

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, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$1 994 000 (\$2 121 000).

Note 4 Remuneration of Board Members

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

William Spurr (Chair)

Gay Wallace (Deputy Chair)

Geoffrey Pitt (concluded 31st July 2017)

Robert Debelle

Pauline Denley

Fiona Hele

Jim Kouts

Leah Manuel *

Catherine King (commenced 1st August 2017)

*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.

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

	2018	2017
\$0 to \$9 999	2	1
\$20 000 to \$29 999	6	6
\$30 000 to \$39 999	-	1
\$40 000 to \$49 999	1	-
Total number of governing board members	9	8

Remuneration of Board members reflects all costs of performing their duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$203 000 (\$178 000).

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 5 Supplies and Services

	Note	2018	2017
Trading Activities		\$'000	\$'000
Administration expenses and sundries	5.1, 5.2	3 486	2 416
Direct materials		9 936	8 344
Building services costs		50	52
Repairs and maintenance		153	154
Marketing and promotions		2 351	1 805
Total supplies and services from Trading Activities		15 976	12 771
Property Management Activities			
Administration expenses and sundries	5.2	75	85
Direct materials		35	54
Building services costs	5.3	6 979	5 131
Repairs and maintenance		2 333	2 098
Total supplies and services from Property Management Activities		9 422	7 368
Total supplies and services		25 398	20 139

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.

5.1 Audit Fees

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$80 100 (\$78 200). No other services were provided by the Auditor-General's Department.

5.2 Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:		2018		2017	
	No	\$'000	No	\$'000	
Below \$10 000	1	4	2	3	
Above \$10 000	1	35	1	75	
Total paid/payable to the consultants engaged	2	39	3	78	

5.3 Operating Leases

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets. These payments totalled \$589 900 (\$602 500).

Note 6 Depreciation and Amortisation

	2018	2017
	\$'000	\$'000
Trading Activities		
Plant and equipment	4 139	3 210
Total depreciation and amortisation for Trading Activities	4 139	3 210
Property Management Activities		
Buildings	13 515	10 677
Leasehold improvements	304	291
Total depreciation and amortisation for Property Management Activities	13 819	10 968
Total depreciation and amortisation	17 958	14 178

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.

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.

Land and non-current assets held for sale are not depreciated.

6.1 Useful Life

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

Class of Asset	Depreciation Method	Useful life (Years)
Buildings & Improvements	Straight Line & Diminishing Value	2-147
Leasehold Improvements	Straight Line	3-15
Plant and Equipment	Straight Line	2-25

6.2 Revision of Accounting Estimate

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.

Note 7 Net loss from the disposal of non-current assets

	2018	2017
	\$'000	\$'000
Plant and equipment		
Proceeds from disposal	37	55
Less net book value of assets disposed	(232)	(80)
Net loss from the disposal of plant and equipment	(195)	(25)
Total net loss from the disposal of non-current assets	(195)	(25)

Losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Note 8 Borrowing Costs

	2018	2017
	\$'000	\$'000
Guarantee fees on long term borrowings	6 103	5 594
Interest expense on long term borrowings	13 032	12 139
Total borrowing costs	19 135	17 733

Borrowings

The Corporation has an agreement with the South Australian Financing Authority (SAFA) to source debt funding for the extension and redevelopment of the Adelaide Convention Centre.

Treasury and Finance provide grant payments to the Corporation for interest and guarantee fees associated with the borrowings. Refer Note 11.

Note 9 Facility Charges Revenues

	2018	2017
	\$'000	\$'000
Car park	6 009	4 590
Catering	29 104	23 469
Corporate	2 224	2 273
Recoveries	5 408	4 629
Technical services	4 635	4 080
Venue hire	10 967	8 330
Total facility charges revenues	58 347	47 371

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.

Note 10 Other Revenues

	Note	2018	2017
		\$'000	\$'000
Trading Activities			
Merchandise revenues		274	235
Ticketing charges		758	511
Other revenue		1 000	1 087
Total other revenue from Trading Activities		2 032	1 833
Property Management Activities			
Property lease revenue	(a)	455	447
Other revenue		198	235
Total other revenues from Property Management Activities		653	682
Total other revenues		2 685	2 515

(a) Rental income from the leasing of investment properties is recognised on a straight-line basis over the lease term.

Note 11 Revenues from SA Government

	Note	2018	2017
		\$'000	\$'000
Funding	11.1	5 039	4 916
Grant Payments	11.2	19 135	17 733
Total revenues from SA Government		24 174	22 649

11.1 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 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.

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

11.2 Grant Payments

Treasury and Finance provide grant payments to the Corporation for interest and guarantee fees associated with borrowings sourced for the extension and redevelopment of the Adelaide Convention Centre. Refer Note 8.

11.3 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.

Note 12 Cash and Cash Equivalents

	2018	2017
	\$'000	\$'000
Cash at bank and Cash on hand	31 540	38 345
Total cash and cash equivalents	31 540	38 345

Cash deposits

Cash is measured at nominal amounts. 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 1.35% (1.41%). Interest is accrued daily and distributed monthly and quarterly.

Note 13 Receivables

	Note	2018	2017
		\$'000	\$'000
Current			
Receivables		3 167	2 221
Less allowance for doubtful debts	13.1	(12)	(5)
Accrued revenues		2 258	2 204
GST input tax recoverable		78	1 085
Prepayments		678	325
Total current receivables		6 169	5 830

13.1 Movements in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (i.e. 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' for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2018	2017
	\$'000	\$'000
Carrying amount at the beginning of the period	(5)	(5)
Increase in the allowance	(7)	-
Amounts written off	-	-
Carrying amount at the end of the period	(12)	(5)

13.2 Interest rate and credit risk

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Corporation will not be able to collect the debt. Other than as recognised in the allowance 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.

Refer Note 31 for further information on risk management.

Note 14 Inventories

	2018	2017
	\$'000	\$'000
Current - Inventories held for resale		
Beverages	331	258
Food	169	149
Total inventories held for resale	500	407

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 and standard cost methods. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

14.1 Inventory wastage

The Corporation has recognised an inventory wastage expense of \$36 000 (\$30 000) in the Statement of Comprehensive Income.

14.2 Cost of Inventories

The Corporation recognised an expense for raw materials and consumables of \$7 412 000 (\$6 182 000).

Note 15 Specific Purpose Deposits

	2018 \$'000	2017 \$'000
Specific purpose deposits with SA Government entities		
Investments with SA Financing Authority	2 797	2 745
Future assets replacement deposit account	8 851	13 070
Total specific purpose deposits	11 648	15 815

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. 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 1.9% (1.9%). 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 1.35% (1.38%). 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 16 Non-Current Assets

16.1 Revaluation

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 three 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.

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.

Note 17 Property, plant and equipment

	2018	2017
	\$'000	\$'000
Land and buildings		
Land at fair value	32 630	27 055
Buildings at fair value	584 803	230 052
Accumulated depreciation	-	(34 547)
Total land and buildings	617 433	222 560
Buildings and improvements		
Buildings and improvements at cost	-	219 265
Accumulated depreciation	-	(7 143)
Total buildings and improvements	-	212 122
Leasehold improvements		
Leasehold improvements at cost	3 721	3 859
Accumulated amortisation	(1 010)	(876)
Total leasehold improvements	2 711	2 983
Work in progress	40	180 101
Total work in progress	40	180 101
Plant and equipment		
Plant and equipment at cost	47 878	40 963
Accumulated depreciation	(27 154)	(25 314)
Total plant and equipment	20 724	15 649
Total property, plant and equipment	640 908	633 415

17.1 Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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 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 2018.

17.2 Valuation of land and buildings

An independent valuation of land and buildings was performed in June 2018 by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd, as at 30 June 2018.

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.

17.3 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.

17.4 Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2018.

17.5 Reconciliation of Non-Current Assets during 2017-18

	Land \$'000	Buildings \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Non-current assets total \$'000
Carrying amount at beginning of period	27 055	195 505	212 122	2 983	180 101	15 649	633 415
Additions	-	-	-	-	16 069	-	16 069
Transfers in / (out)	-	392 044	(205 392)	32	(196 130)	9 446	-
Disposals e.g. sales, write off	-	-	-	-	-	(232)	(232)
Revaluation increment / (decrement)	5 575	4 039	-	-	-	-	9 614
Depreciation and amortisation	-	(6 785)	(6 730)	(304)	-	(4 139)	(17 958)
Carrying amount at end of period	32 630	584 803	-	2 711	40	20 724	640 908

17.6 Reconciliation of Non-Current Assets during 2016-17

	Land \$'000	Buildings \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Non-current assets total \$'000
Carrying amount at beginning of period	27 055	202 305	215 896	3 188	119 310	16 054	583 808
Additions	-	-	-	-	63 865	-	63 865
Transfers in / (out)	-	-	102	87	(3 074)	2 885	-
Disposals e.g. sales, write off	-	-	-	-	-	(80)	(80)
Depreciation and amortisation	-	(6 800)	(3 876)	(292)	-	(3 210)	(14 178)
Carrying amount at end of period	27 055	195 505	212 122	2 983	180 101	15 649	633 415

Note 18 Fair Value Measurement

AASB 13 *Fair Value Measurement* 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.

The carrying amount of non-current assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Note 17 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-current assets.

18.1 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:

18.2 Fair value measurements at 30 June 2018

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	17	32 630	-	32 630
Buildings	17	890	583 913	584 803
Buildings and improvements	17	-	-	-
Leasehold improvements	17	-	2 711	2 711
Work in progress	17	-	40	40
Plant and equipment	17	-	20 724	20 724
Total recurring fair value measurements		33 520	607 388	640 908

18.3 Fair value measurements at 30 June 2017

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	17	27 055	-	27 055
Buildings	17	847	194 658	195 505
Buildings and improvements	17	-	212 122	212 122
Leasehold improvements	17	-	2 983	2 983
Work in progress	17	-	180 101	180 101
Plant and equipment	17	-	15 649	15 649
Total recurring fair value measurements		27 902	605 513	633 415

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 17.

During 2018 and 2017, 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.

18.4 Reconciliation of Level 3 recurring fair value measurements at 30 June 2018

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

	Buildings \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in progress \$'000	Plant and equipment \$'000
Opening balance at the beginning of the period	194 658	212 122	2 983	180 101	15 649
Acquisitions	-	-	-	16 035	-
Transfers in / (out)	392 010	(205 392)	32	(196 096)	9 446
Total gains / (losses) for the period in profit and loss:					
Depreciation	(6 745)	(6 730)	(304)	-	(4 139)
Disposals	-	-	-	-	(232)
Total gains / (losses) for the period recognised in other comprehensive income:					
Revaluation increment / (decrement)	3 990	-	-	-	-
Closing balance at the end of the period	583 913	-	2 711	40	20 724

18.5 Reconciliation of Level 3 recurring fair value measurements at 30 June 2017

	Buildings	Buildings and improvements	Leasehold improvements	Work in progress	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	201 419	215 896	3 188	119 310	16 054
Acquisitions	-	-	-	63 865	-
Transfers in / (out)	-	102	87	(3 074)	2 885
Total gains / (losses) for the period in profit and loss:					
Depreciation	(6 761)	(3 876)	(292)	-	(3 210)
Disposals	-	-	-	-	(80)
Closing balance at the end of the period	194 658	212 122	2 983	180 101	15 649

Note 19 Payables

	2018	2017
	\$'000	\$'000
Current		
Creditors	3 092	6 933
Accrued expenses	1 312	1 090
Employment on-costs^	459	406
Interest accrued	1 433	1 405
Total current payables	6 296	9 834
Non-current		
Employment on-costs^	99	91
Total non-current payables	99	91
Total payables	6 395	9 925

^Employment on-costs include payroll tax, Return to Work SA levy and superannuation contributions. The Corporation makes contributions to several State Government and 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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2017 rate (40%) to 41%. This rate is used in the employment on-cost calculation. The net financial effect of the change in the current financial year is an increase in the employment on-cost and employee benefits expense of \$3 000. The estimated impact on future periods is immaterial.

19.1 Interest rate and credit risk

Payables are measured at nominal amounts and are normally settled within 30 days from the date the invoice is first received. Creditors and accruals are raised for all amounts owing but unpaid. 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 20 Employee Benefits - Liability

	2018	2017
	\$'000	\$'000
Current		
Annual leave	1 210	1 020
Long service leave	2 118	2 188
Skills and experience retention leave	58	50
Accrued salaries and wages	539	300
Total current employee benefits	3 925	3 558
Non-current		
Long service leave	1 090	1 008
Total non-current employee benefits	1 090	1 008
Total employee benefits	5 015	4 566

Employee benefits accrue 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.

20.1 Salaries and wages, annual leave, time off in lieu, SERL and sick leave

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.

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.

20.2 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.

AASB 119 *Employee Benefits* 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 and is based on actuarial assumptions on 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.

AASB 119 *Employee Benefits* 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 remains unchanged for 2018 from the 2017 rate (2.5%).

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$117 000 and employee benefits expense of \$128 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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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.

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 Venue Management Corporation/United Voice Enterprise Agreement and 10 years of service for all other staff.

Note 21 Workers Compensation

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 2018, no provision has been recognised in the Statement of Financial Position.

Note 22 Dividends

A current period dividend of \$1 600 000 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 23 Other Liabilities

	2018	2017
	\$'000	\$'000
Current		
Income received in advance	10 548	9 327
Unearned lease revenue	58	58
Total current other liabilities	10 606	9 385
Non-current		
Unearned lease revenue	4 957	5 015
Total non-current other liabilities	4 957	5 015
Total other liabilities	15 563	14 400

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

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

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

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.

Note 24 Borrowings

	2018 \$'000	2017 \$'000
Non-current		
Borrowings from SA Government	382 321	382 321
Total borrowings	382 321	382 321

The Corporation has a Client Services Agreement with the South Australian Financing Authority for the Adelaide Convention Centre extension and redevelopment project. Under the arrangement, the Corporation has fully drawn down the approved borrowings limit of \$382.321 million from SA Government.

The total project budget, managed by the Department of Planning, Transport and Infrastructure, is \$396.821 million, and the difference in borrowings to the approved project budget (\$14.5 million) is being funded from the Corporation's Future Asset Replacement Account.

The fair value of total borrowings at 30 June 2018 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 25 Equity

	2018 \$'000	2017 \$'000
Contributed capital	133 840	133 840
Revaluation surplus	63 481	53 867
Accumulated surplus	84 150	94 893
Total equity	281 471	282 600

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 26 Commitments

Unrecognised commitments are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments are disclosed on a gross basis.

26.1 Capital Commitments

	2018	2017
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	497	2 140
Total capital commitments	497	2 140

26.2 Expenditure Commitments

	2018	2017
	\$'000	\$'000
The Corporation's expenditure commitments are associated with ongoing business operations.		
Within one year	418	321
Later than one year but not longer than five years	349	58
Later than five years	8	34
Total expenditure commitments	775	413

26.3 Operating lease commitments payable

	2018	2017
	\$'000	\$'000
Future minimum lease payments payable under non-cancellable operating leases contracted for at reporting date but not recognised as liabilities are:		
Within one year	433	579
Later than one year but not longer than five years	1 730	1 691
Later than five years	25 975	25 814
Total operating lease expenditure commitments	28 138	28 084

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.

26.4 Operating lease commitments receivable

	2018	2017
	\$'000	\$'000
Future minimum lease payments receivable under non-cancellable operating leases contracted for at reporting date but not recognised as receivables are:		
Within one year	351	326
Later than one year but not longer than five years	759	244
Total operating lease revenue commitments	1 110	570

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 27 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.

	2018 \$'000	2017 \$'000
Event Funds		
Administered Revenues		
Net Box Office Receipts	34 719	21 103
Interest Earned on event funds	254	108
Total Administered Revenues	34 973	21 211
Administered Expenses		
Settlements Paid	27 256	18 985
Total Administered Expenses	27 256	18 985
Movement in Administered Items during the year	7 717	2 226
Administered Assets		
Cash at Bank	15 048	7 343
Receivable - Interest	21	9
Total Administered Assets	15 069	7 352
Administered Liabilities		
Funds held in trust	15 048	7 343
Accrued Interest Payable	21	9
Total Administered Liabilities	15 069	7 352
Movement in Administered Items during the year	7 717	2 226
Total Administered Assets held at the beginning of the financial year	7 352	5 126
Total Administered Assets held at the end of the financial year	15 069	7 352

The Corporation receives gross box office receipts from its ticketing agency, and holds those receipts in a separate Event Funds bank account. 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.

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. Funds are on-call and carry an average variable interest rate of 1.70% (1.72%). 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 28 Contingent Assets and Liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the contingencies are disclosed on a gross basis.

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 29 Related Party Transactions

29.1 Significant transactions with government related entities

The Corporation does not have any significant transactions with government related entities which are not elsewhere disclosed in the financial statements.

29.2 Collectively, but not individually significant transactions with government related entities

Quantitative information about transactions and balances between the Corporation and other SA Government entities are disclosed at Note 34.

29.3 Transactions with Key Management Personnel and other related parties

Compensation of Key Management Personnel is disclosed at Note 3.2.

Unless otherwise disclosed, transactions between key management personnel and other related parties 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.

Note 30 Cash Flow Reconciliation

	2018	2017
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Statement of Financial Position		
Current		
Cash and cash equivalents	31 540	38 345
Non-current		
Specific purpose deposits	11 648	15 815
Cash and cash equivalents as recorded in the Statement of Cash Flows	43 188	54 160
Reconciliation of profit / (loss) to net cash provided by operating activities:		
Net Profit / (Loss) for the year	(9 143)	(5 711)
Add / (less) non-cash items		
Depreciation and amortisation expense	17 958	14 178
Leased land income	(58)	(58)
Net (Gain)/Loss on disposal of assets	195	25
Changes in assets / liabilities		
(Increase) / Decrease in receivables	(339)	291
(Increase) / Decrease in inventories	(93)	26
(Decrease) / Increase in payables	610	(728)
(Decrease) / Increase in other liabilities	1 221	1 636
(Decrease) / Increase in employee benefits	449	147
Borrowing Costs	19 094	17 362
Net cash provided by operating activities	29 894	27 168

Note 31 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 32 Impact of Standards and Statements not yet implemented

The Corporation has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet implemented and changes to Accounting Policy Statements issued by the Treasurer.

The material impacts are outlined in the table below.

Ref	Title and date of standard application	Summary	Impact on financial statements	Application date for Corporation
AASB 16	Leases 1 Jan 2019	<p>This new standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>A lessee is required to recognise a right-of-use asset representing its rights to use the underlying leased asset, and a lease liability representing its obligations to make lease payments.</p> <p>The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use assets will give rise to depreciation expense.</p> <p>The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.</p>	<p>As at 30 June, the Corporation has non-cancellable operating lease commitments of \$28 138 000. Refer Note 26.</p> <p>These are currently recorded as commitments and are not captured in the Statement of Financial Position.</p> <p>The initial assessment has indicated that as most operating leases will meet the definition of leases under AASB 16 and therefore come on balance sheet, recognition of right-of-use lease assets and lease liabilities will have a significant impact on the Statement of Financial Position and an increase in net debt.</p> <p>Further, it is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within operating activities in the Statement of Cash Flows.</p> <p>The Corporation has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases.</p>	1 July 2019

AASB 16	Leases 1 Jan 2019 (Continued)	<p>Further, the classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows.</p> <p>AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognised existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus at the date of initial application.</p>	The quantitative effect will depend on the transition method adopted, discount rates applied, the extent to which we use practical expedients and recognition exemptions and any additional leases entered into.	
AASB 1058	Income of Not-for-Profit Entities 1 Jan 19	<p>The new standard specifies income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15.</p> <p>AASB 1058 and AASB 15 will supersede the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004.</p> <p>The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.</p>	The Corporation has commenced analysing the recognition requirements under this standard and is yet to form conclusions about significant impacts.	1 July 2019

Note 33 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. The Corporation is not aware of any such events arising.

Note 34 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	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
	EXPENSES						
3	Employee benefits expenses						
	Salaries and wages	-	-	26 206	21 515	26 206	21 515
	Long service leave	-	-	530	361	530	361
	Annual leave	-	-	1 072	975	1 072	975
	Skills and experience retention leave (SERL)	-	-	62	52	62	52
	Employment on-costs - superannuation	2 532	2 132	60	359	2 592	2 491
	Employment on-costs - other	1 532	1 269	246	231	1 778	1 500
	Board fees	-	-	186	163	186	163
	Total employee benefits expenses	4 064	3 401	28 362	23 656	32 426	27 057
5	Supplies and services						
	Administration expenses and sundries	619	489	2 942	2 012	3 561	2 501
	Direct materials	-	-	9 971	8 398	9 971	8 398
	Building services costs	1 849	2 449	5 180	2 734	7 029	5 183
	Repairs and maintenance	-	-	2 486	2 252	2 486	2 252
	Marketing and promotions	-	3	2 351	1 802	2 351	1 805
	Total supplies and services	2 468	2 941	22 930	17 198	25 398	20 139
6	Depreciation and amortisation						
	Plant and equipment	-	-	4 139	3 210	4 139	3 210
	Buildings	-	-	13 515	10 677	13 515	10 677
	Leasehold improvements	-	-	304	291	304	291
	Total depreciation and amortisation	-	-	17 958	14 178	17 958	14 178

Note		SA Government*		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
7	Net (loss) / gain from the disposal of non-current assets						
	Proceeds from disposal	-	-	37	55	37	55
	Less net book value of assets disposed	-	-	(232)	(80)	(232)	(80)
	Total (loss) / gain from the disposal of non-current assets	-	-	(195)	(25)	(195)	(25)
8	Borrowing costs						
	Guarantee fees	6 103	5 594	-	-	6 103	5 594
	Interest expense	13 032	12 139	-	-	13 032	12 139
	Total borrowing costs	19 135	17 733	-	-	19 135	17 733
	REVENUES						
9	Facility charges revenues						
	Car park	29	71	5 980	4 519	6 009	4 590
	Catering	2 026	1 442	27 078	22 027	29 104	23 469
	Corporate	-	-	2 224	2 273	2 224	2 273
	Recoveries	296	294	5 112	4 335	5 408	4 629
	Technical services	624	622	4 011	3 458	4 635	4 080
	Venue hire	742	914	10 225	7 416	10 967	8 330
	Total facility charges revenues	3 717	3 343	54 630	44 028	58 347	47 371
	Interest revenues	677	839	86	47	763	886
	Total interest revenues	677	839	86	47	763	886
10	Other revenues						
	Merchandise revenues	-	-	274	235	274	235
	Ticketing charges	-	-	758	511	758	511
	Property lease revenue	-	-	455	447	455	447
	Other revenue	-	-	1 198	1 322	1 198	1 322
	Total other revenues	-	-	2 685	2 515	2 685	2 515

Note		SA Government*		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
11	Revenues from SA Government						
	Funding	5 039	4 916	-	-	5 039	4 916
	Grant Payments	19 135	17 733	-	-	19 135	17 733
	Total revenues from SA Government	24 174	22 649	-	-	24 174	22 649
	FINANCIAL ASSETS						
12	Cash and cash equivalents						
	Cash at bank and Cash on hand	31 061	37 938	479	407	31 540	38 345
	Total cash and cash equivalents	31 061	37 938	479	407	31 540	38 345
13	Receivables						
	Receivables	445	111	2 722	2 110	3 167	2 221
	Less allowance for doubtful debts	-	-	(12)	(5)	(12)	(5)
	Accrued revenues	2 156	2 100	102	104	2 258	2 204
	GST input tax recoverable	-	-	78	1 085	78	1 085
	Prepayments	17	12	661	313	678	325
	Total receivables	2 618	2 223	3 551	3 607	6 169	5 830
15	Specific purpose deposits						
	Investments with SA Financing Authority	2 797	2 745	-	-	2 797	2 745
	Future assets replacement deposit account	8 851	13 070	-	-	8 851	13 070
	Total specific purpose deposits	11 648	15 815	-	-	11 648	15 815
	FINANCIAL LIABILITIES						
19	Payables						
	Creditors	1 215	4 641	1 877	2 292	3 092	6 933
	Accrued expenses	723	820	589	270	1 312	1 090
	Employment on-costs	558	497	-	-	558	497
	Interest accrued	1 433	1 405	-	-	1 433	1 405
	Total payables	3 929	7 363	2 466	2 562	6 395	9 925

Note		SA Government*		Non-SA Government		Total	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
23	Other liabilities						
	Income received in advance	1 071	1 578	9 477	7 749	10 548	9 327
	Unearned lease revenue	-	-	5 015	5 073	5 015	5 073
	Total other liabilities	1 071	1 578	14 492	12 822	15 563	14 400
24	Borrowings	382 321	382 321	-	-	382 321	382 321
	Total borrowings	382 321	382 321	-	-	382 321	382 321

* This note does not include a dividend/distribution to the SA Government as owner. Dividend information is provided in Note 22.