



ADELAIDE VENUE MANAGEMENT



2019-20 ANNUAL REPORT

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Government
of South Australia

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1.0 CHAIR'S REPORT

Dear Minister,

As you would appreciate, 2019-20 was a challenging and disheartening year for Adelaide Venue Management (AVM) as a result of the COVID-19 outbreak. Few industries have been impacted by the virus to the same degree as the business events, live entertainment, professional sports and hospitality industries. The very necessary restrictions pertaining to mass gatherings and interstate and international travel that were implemented to mitigate the risk of the virus spreading had devastating impacts on all core elements of AVM's business.

That stated, AVM was well prepared for such a downturn. The Board and management has reviewed and updated its Downturn Plan on an annual basis since 2007 to ensure that AVM was positioned to withstand and take appropriate action should a major downturn occur that may significantly threaten its viability. Thanks to this planning, and despite being ineligible for the JobKeeper Payment and maintaining its full and part time workforce, AVM expects to be able to ride-out the impacts of COVID-19 without making a call upon the taxpayer for assistance. AVM's prudent and professional governance and management practices have served us well. AVM delivered an overall trading profit of \$2.41M in 2019-20, understandably well down on recent years.

The Adelaide Convention Centre was set for yet another record year in 2019-20 before the COVID-19 outbreak, with forward bookings for 2020-21 also on-track to surpass these lofty levels. Alas, COVID-19 put an immediate end to this enviable position. The Centre did however make a significant contribution to the visitor economy in 2019-20; in excess of 500 events were held, including 66 conferences and 15 exhibitions, delivering \$154 million in economic benefit and more than 159,000 bed nights. Highlight events included: International Transforming Education Conference; HUPO (Human Proteome) International Conference; International High Energy Physics Conference; Cardiology Society Conference; Royal Australian College of General Practitioners; and Australian Wine Industry Technical Conference. The Adelaide Convention Bureau continues to do excellent work in ensuring South Australia attracts major business events, and we are grateful for their ongoing support.

Apart from COVID-19, the falling Australian dollar caused further difficulties for the Adelaide Entertainment Centre, with all major arenas throughout Australia experiencing a decline in international touring acts in 2019-20. Headline acts included: Michael Buble; Alice Cooper; Jack Whitehall; America; Khalid; The Wiggles; Sticky Fingers; Steve Martin & Martin Short; PBR; Grinspoon; Jimmy Barnes; Troye Sivan; Hugh Jackman; and Hilltop Hoods, among many others. A lifting of international and national travel restrictions as well as mass gathering restrictions is essential to the Centre's patronage and profitability returning to regular levels.

Minister, the Adelaide 36ers and the Adelaide Entertainment Centre both enjoyed the opportunity to host you on a few occasions as the Adelaide 36ers' Number One Male Ticketholder during the 2019-20 National Basketball League (NBL) Season. We were delighted to have the 36ers call the Centre home for the first time in 2019-20. Together, we believe we've created a match-day experience that is the envy of all in the League. Despite an indifferent Season, attendances at the 36ers' 14 home matches were strong. AVM has admired the courageous leadership of 36ers' owner Grant Kelley, and his willingness to invest so big-heartedly in the development of basketball within South Australia. It's a tough, costly job.

Adelaide United Football Club (AUFC) joint owner Piet Van Der Pol also had a difficult 2019-20 with the impacts of COVID-19 taking a significant toll on football. In addition, the A-League as a whole continues to experience a decline in attendances, and AUFC and Coopers Stadium were not immune to this throughout the 2019-20 Season. AVM is concerned about how the A-League and NBL, and Adelaide's local franchises within these codes, will fare post COVID-19. AVM continues to do its bit by providing very generous and supportive venue hiring arrangements.

The hosting of the largest women's international football match held in Adelaide between the Matildas and Chile was a highlight for Coopers Stadium. 10,000 plus fans attended Coopers Stadium in November 2019 to watch the Matildas play in Adelaide for first time in 13 years, rejoicing in the Australian national women's team's 1-0 victory.

Equally impressive was AUFC's consecutive FFA Cup Championship win in front of a near full Coopers Stadium in October 2019. Their 4-0 victory over Melbourne City resulted in AUFC becoming the first Club to win the competition three times and go back-to-back.

As highlighted in part above, the challenges of COVID-19 were immense. That stated, AVM was quick to repurpose its venues within weeks of the introduction of restrictions to produce more than 55,000 meals per week during peak times to support local community catering organisations facing unprecedented demand. This enabled these organisations to continue to deliver food for South Australia's most vulnerable, and was a powerful demonstration of the resilience and resourcefulness of the AVM team.

Minister, AVM continues to make representations to Government pertaining to the future entertainment, business events and sporting infrastructure needs of South Australia. As you are aware, we have articulated a vision to your Government that would position South Australia at the forefront. We hope to win your confidence to move this vision forward.

Thank you to Hon. David Ridgway MLC for his support during his tenure as Minister for Tourism. I've also greatly valued having the expertise and advice of Board members Gay Wallace (Deputy Chair); Fiona Hele (Audit & Risk Committee Chair); Joanne Denley; Jim Kouts; Denise von Wald; Dr Andrew MacDonald; Shaun Allan; Cathie King; and Leah Manuel. AVM Chief Executive Officer Anthony Kirchner and his executive team of Marie Hannaford, Simon Burgess, Phil King, Coralie Cheney and Simon Hockridge, along with their Venue Staff teams, have done exceedingly well under the most demanding of circumstances.

I take this opportunity to acknowledge AVM's casual Event Staff, many of whom have suffered financial hardship as a result of COVID-19. AVM will be doing all in its power to ensure that it returns to being a reliable source of ongoing employment for them.

2020-21 will be a period of uncertainty for AVM as the significant impacts of COVID-19 continue to be felt. We are expecting a slow year in terms of events, and therefore an extremely challenging year financially. However, we have the plans, leadership, expertise, talent and resources to ensure AVM makes a speedy recovery when the opportunity presents.

We appreciate your continued support, guidance and interest.



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 2019-20 were:

- Board member Fiona Hele (Committee Chair);
- Board member Joanne Denley;
- Board member Gay Wallace (commenced 1 August 2019);
- Board member Leah Manuel (concluded 31 July 2019);
- Alternate delegate – Board member Denise von Wald; 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.

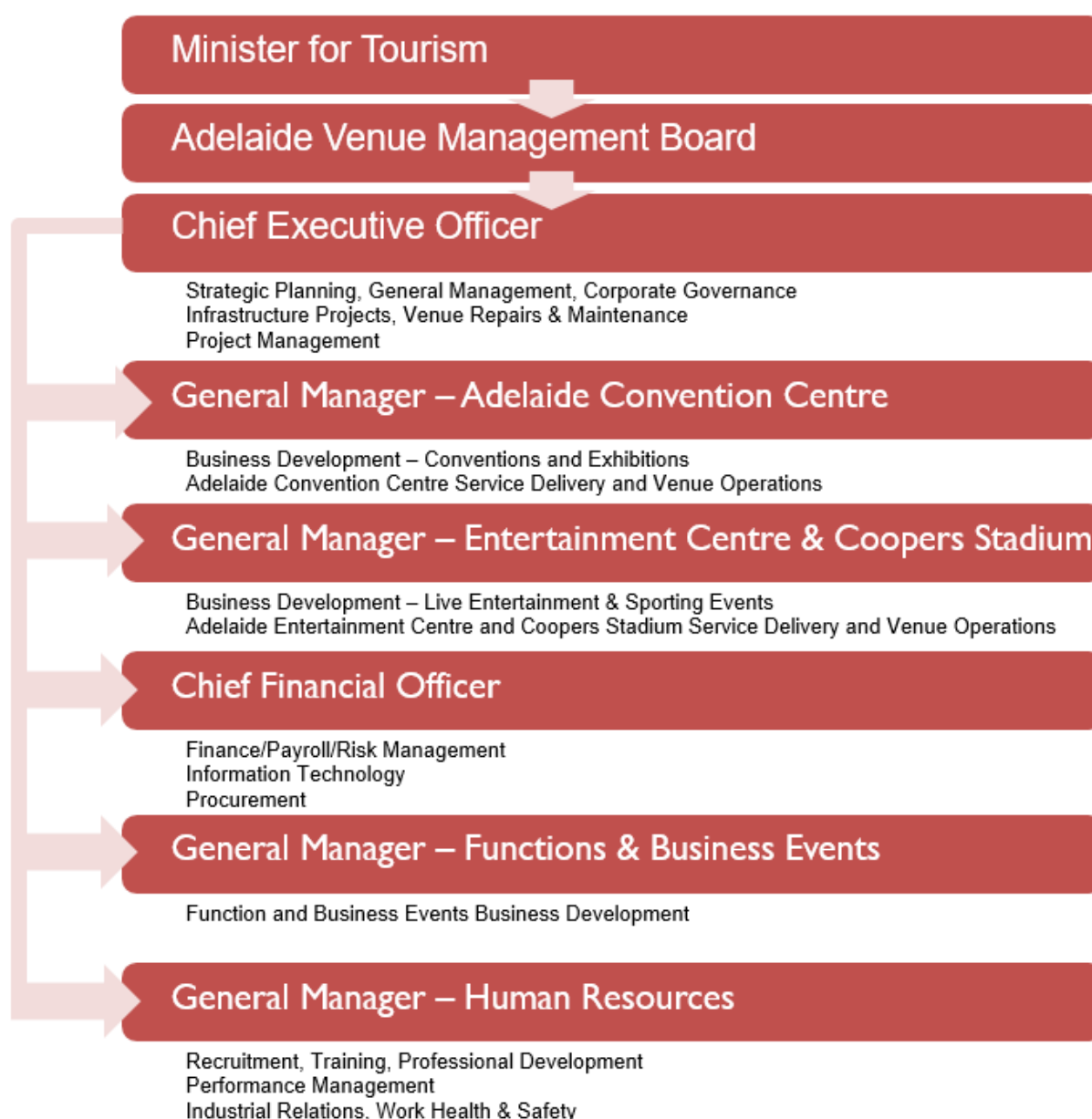
2.5 AVM FUNDING

The South Australian Government provides funding (through the Minister for Tourism) 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. All other operational, property and recurrent capital expenditure is self-funded from AVM operating profits.

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 in-house model for the delivery of 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 pillar-less 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 pillar-less 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;
- 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

Despite being heavily impacted by COVID-19, the ACC hosted over 500 events, including 66 major international/national conferences and 15 exhibitions, delivering in excess of 26,000 interstate and international visitors and more than 159,000 bed nights in 2019-20.

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 Platinum 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 28,900 square metres 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, spectaculars and sporting events, the AEC hosts trade shows, exhibitions, seminars and banquets.

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 and half million concertgoers. Also severely impacted upon by COVID-19, the AEC hosted 56 publicly ticketed performances in 2019-20, which consisted of 46 different acts/events. In 2019-20, the venue showcased a wide variety of performances including: Michael Buble, Alice Cooper, Jack Whitehall, America, Khalid, The Wiggles, Sticky Fingers, Steve Martin & Martin Short, PBR, Grinspoon, Jimmy Barnes, Troye Sivan, Hugh Jackman, Hilltop Hoods; among many others.

AVM values the support of, and its ongoing relationships with, Ticketek and the following major 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:

- 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 15 major publicly ticketed events in 2019-20; 11 of which were Adelaide United Football Club A-League home matches. COVID-19 resulted in the 2019-20 A-League Season being placed on hold in March 2020, with 2 scheduled Adelaide United Football Club home matches not proceeding due to the virus.

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 2019-20:

- William Spurr AO, Chair
- Gay Wallace, Deputy Chair
- Joanne Denley
- Fiona Hele
- Jim Kouts
- Denise von Wald
- Dr Andrew MacDonald (commenced 1 August 2019)
- Shaun Allan (commenced 1 January 2020)
- Cathie King (concluded 31 July 2019)
- Leah Manuel (concluded 31 July 2019)

3.2 INTERNAL AUDIT

AVM is committed to maintaining a working environment free of fraud and corrupt behaviour. The internal audit activities undertaken during 2019-20 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 one consultancy during 2019-20 at a total cost of \$65 000.

Payments to Consultants	Purpose of Consultancy	No	\$'000
Value below \$10 000			
Subtotal		0	0
Value \$10 000 and above			
KPMG	IT Security Audit.	1	65
Subtotal		1	65
Total		1	65

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)
Paid within 20 days	14 704	96.52%	59 109 975	97.78%
Paid between 21 to 30 days	472	3.10%	1 302 126	2.15%
Paid between 31 to 60 days	53	0.35%	41 583	0.07%
Paid more than 60 days	5	0.03%	1 333	0.00%

3.6 OVERSEAS TRAVEL

Destinations	Reasons for Travel	No. Employees	Total Cost \$'000
Las Vegas, USA	IMEX USA 2019 (Worldwide exhibition and trade show for incentive travel, meetings and events)	1	10
Houston, USA	ICCA General Assembly (International Congress and Convention Association)	2	25
Barcelona, Spain	ICCA Forum for Young Professionals Europe (International Congress and Convention Association)	1	2
San Francisco, USA	PCMA Trade Show San Francisco (Professional Conference Management Association)	1	6

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 an active leader and participant in the Governor's Hospitality Industry Cluster, since 2011.</p> <p>Ongoing collaboration with key community bodies and specialist training providers, in holding a number of well-attended venue site tours and off-site Aboriginal student engagement and pre-employment training programs – has resulted in 5 new employment opportunities with AVM, for Aboriginal job-seekers during 2019-20.</p> <p>Although the table below only shows 6 ATSI employees working in the last pay week of June (due to COVID-19 restrictions), AVM currently has 27 Aboriginal people employed.</p>
Apprenticeships in Commercial Cookery	Ten full-time Apprentice Chefs are at various stages of completing a four-year Apprenticeship in Commercial Cookery.
Traineeship in Hospitality (Events)	Four full-time Hospitality trainees are currently undertaking a two-year Certificate III program, rotating through eight different departments across all AVM venues. Since 2002, this program has consistently yielded top-quality, multi-skilled talent that has progressed to key positions of leadership within the organisation. Four full-time Audio Visual trainees are currently under taking a 12 month Certificate III program with AVM.
Disability Employment	<p>For the twelfth 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.</p> <p>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>
RIDE (formerly Cycle of Change) and Oz Harvest Nourish Programs	AVM participated in site visits, work experience placements, mock interview sessions and paid employment outcomes related to both of these programs for disadvantaged youth. One of the participants is currently undertaking a 4-year Apprenticeship in Commercial Cookery.

3.7.2 PERFORMANCE MANAGEMENT AND DEVELOPMENT

Performance Management and Development System	Assessment of effectiveness and efficiency
<p>AVM conducts a biannual Performance Review and Development Planning (PRDP) process for all of its permanent staff.</p> <p>The process, which also incorporates a 'pulse survey' of workplace culture, was most recently undertaken in May / June 2020.</p> <p>Instantaneous feedback is also provided on a 'shift by shift' basis to 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 on or before 19 June 2020.</p> <p>100% of all instances of extraordinary performance were reported for acknowledgement, career advancement planning, skills-development training and/or formal performance improvement processes.</p>

In line with AVM's Training & Development Plan coming out of the above process, targeted employee professional development is delivered across a broad range of disciplines throughout the year.

All priority 1 and 2 professional development activities (there are four levels) were programmed and delivered throughout the year.

Emerging Leaders Program: a total of 65 potential or newly-appointed team leaders, supervisors and managers were upskilled in a range of essential leadership principles, including 'role-modelling a positive workplace culture'.

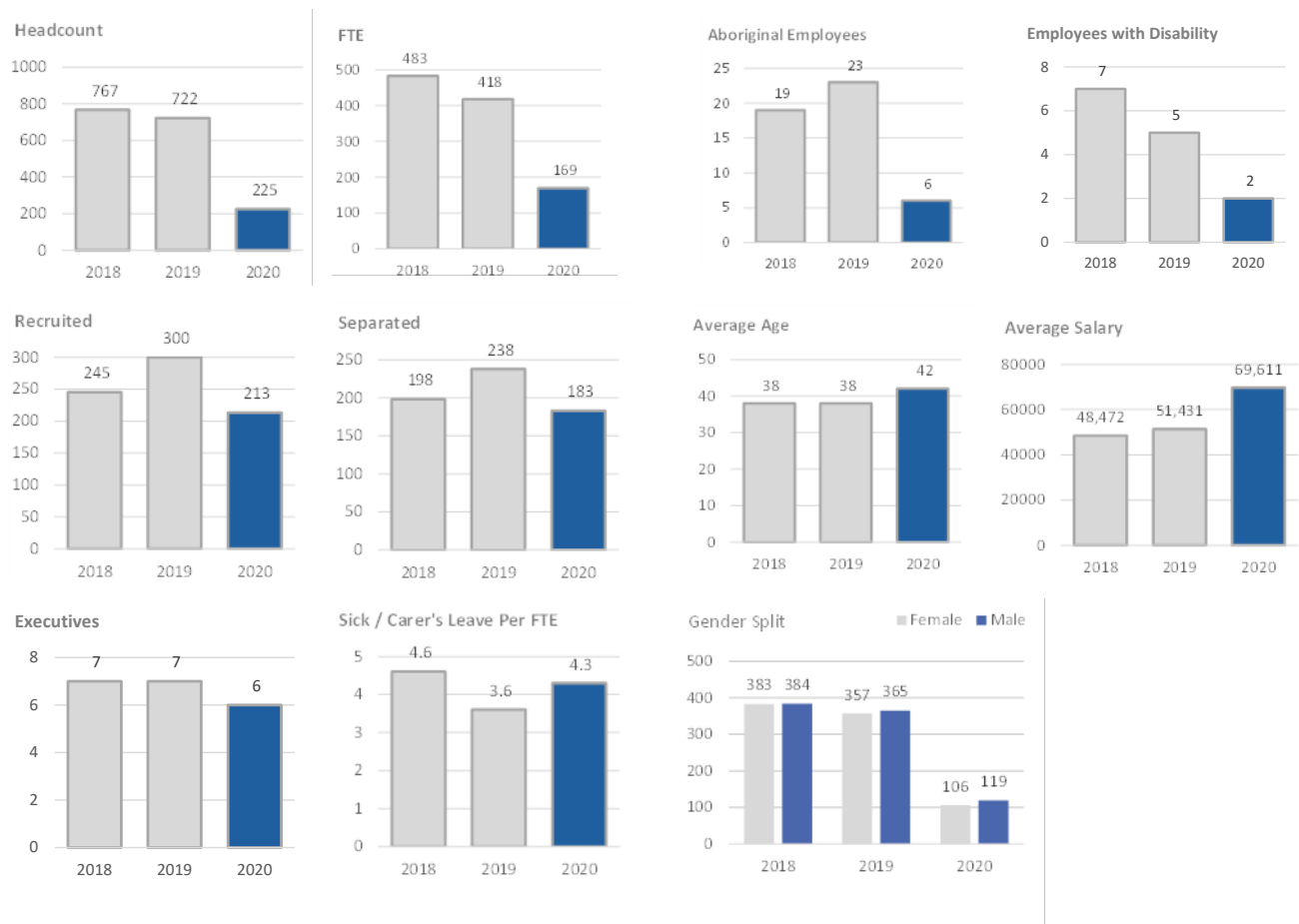
A total of 739 Event Staff attended 'face to face' workshops covering a broad range of WHS, compliance, emergency management, disability awareness and customer service / brand values related modules.

In addition, 898 staff completed online 'ICAC' and 'Public Sector Code of Ethics' training.

3.7.3 AVM WORKFORCE DEMOGRAPHICS

The tables below relate to all permanent staff 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 the variability of events held in the last pay week of each year. Even more so this year, with the majority of casual Event Staff unable to be provided with work, as a result of COVID-19 related restrictions in place at the time.

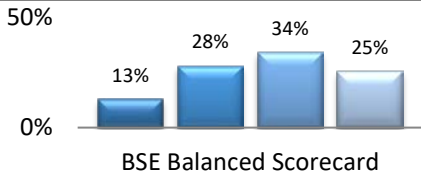
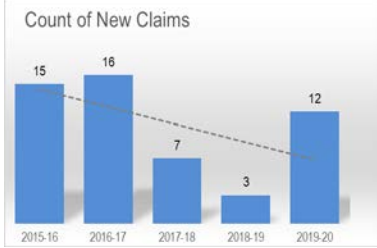
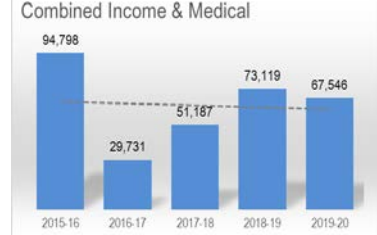


The Office for the Public Sector has a filterable [Workforce Information Report Data Dashboard](#) available for a detailed breakdown of the above information.

3.8 WORK HEALTH & SAFETY PROGRAM

WHS notices, prosecutions, and enforceable undertakings	2019-20
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 'Building Safety Excellence in the Public Sector Strategy'.</p>	 <p>BSE Balanced Scorecard</p>
<p>Electronic Systems: AVM has continued to 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 collaboration and operational effectiveness and efficiency.</p>	<ul style="list-style-type: none"> ✓ Consolidated real-time data ✓ Immediate multi-level incident and hazard reporting ✓ Assigned accountabilities ✓ WHS currently administered by 0.8 FTE
<p>Workers Compensation Claims: Injury risk management efforts at AVM have focused on pre-employment assessments as a means for achieving best practice health and safety outcomes for the employee and the workplace. AVM has maintained a relationship with an established organisation that provides a multi-disciplinary services model for occupational health.</p>	 <p>Count of New Claims</p>
<p>Claims Expenditure, Income & Medical costs:</p> <p>As the business continues to grow, AVM has managed to reduce the frequency of incidents that cause harm and give rise to claims. Application of a proactive, hands on approach to claim management resulted in suitably controlled medical costs.</p>	 <p>Combined Income & Medical</p>

Agency gross workers compensation expenditure for 2019-20 compared with 2018-19

Expenditure	2018-19 (\$'000s)	2019-20 (\$'000s)	Variation (\$'000) + (-)	% Change + (-)
Income maintenance	17	22	5	29%
Lump sum settlements WPI	0	38	38	100%
Medical & hospital costs	56	46	-10	-18%
Other	0	0	0	0%
Total claims expenditure	\$73	\$106	\$33	45%

3.8 PUBLIC INTEREST DISCLOSURE ACT 2018

The Adelaide Venue Management Corporation has appointed a responsible officer for the purposes of the *Public Interest Disclosure Act 2018* (PIDA) pursuant to Section 12 of the *Public Interest Disclosure Act 2018*. There have been no instances of disclosure of public interest information to a responsible officer under the PIDA.

3.9 FREEDOM OF INFORMATION ACT 1991 INFORMATION STATEMENT

SECTION 9(2)(a) – 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 one FOI request in 2019-20.

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 \$37.50 application fee (to be paid by cheque or money order). Should more than two hours be required to accommodate the FOI request, additional charges may apply, as listed in the South Government's current *Freedom of Information (Fees and Charges) Regulations* at the time of the request.

Applications should be directed in writing to:

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

Access to documents listed under section 9(2)(d) can be arranged between 9am and 4.30pm, Monday to Friday, at the 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. Other publications are available on request but may incur a fee.

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
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ABN 53 327 061 410
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To the Chairman of the Board Adelaide Venue Management Corporation

Opinion

I have audited the financial report of Adelaide Venue Management Corporation for the financial year ended 30 June 2020.

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 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued 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 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- 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 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 Ethics for Professional Accountants* (including Independence Standards) have been met.

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

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

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued 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

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 Adelaide Venue Management Corporation for the financial year ended 30 June 2020.

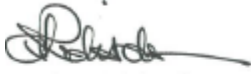
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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, but not for the purpose of expressing an opinion on the effectiveness of the Adelaide Venue Management Corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- 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 and the Board about, 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

14 September 2020

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 2020



Anthony Kirchner

CHIEF EXECUTIVE OFFICER

Adelaide Venue Management Corporation

Date: 27 AUGUST 2020



Marie Hannaford

CHIEF FINANCIAL OFFICER

Adelaide Venue Management Corporation

Date: 27 AUGUST 2020

Statement of Comprehensive Income
for the year ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Income from trading activities			
Facility charges	3.1	49 124	63 493
Interest		177	512
Other income	3.2	1 932	2 038
Total income from trading activities		51 233	66 043
Expenses from trading activities			
Employee benefits expenses	2.3	28 432	32 585
Supplies and services	4.1	13 671	16 832
Depreciation and amortisation	4.2	5 667	4 684
Net loss from the disposal of property, plant and equipment	4.3	45	18
Total expenses from trading activities		47 815	54 119
Profit from trading activities		3 418	11 924
Income from property management activities			
Interest		87	193
Appropriation	3.3	5 294	5 165
SA Government grant	3.4	19 146	19 134
Other income	3.2	658	721
Total income from property management activities		25 185	25 213
Expenses from property management activities			
Employee benefits expenses	2.3	3 151	3 536
Supplies and services	4.1	9 155	10 550
Depreciation and amortisation	4.2	29 450	28 853
Borrowing costs	4.4	19 548	19 134
Total expenses from property management activities		61 304	62 073
Loss from property management activities		(36 119)	(36 860)
Net profit / (loss)		(32 701)	(24 936)
Total comprehensive result		(32 701)	(24 936)

The accompanying notes form part of these financial statements. The net profit / (loss) and total comprehensive result are attributable to the SA Government as owner.

Statement of Financial Position

as at 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1, 8.2	18 769	29 968
Receivables	6.3	3 078	5 211
Inventories	5.4	385	451
Total current assets		22 232	35 630
Non-current assets			
Specific purpose deposits	6.2, 8.2	15 208	13 453
Property, plant and equipment	5.1	596 970	615 197
Total non-current assets		612 178	628 650
Total assets		634 410	664 280
Current liabilities			
Payables	7.1	3 584	6 877
Financial liabilities	7.2	48	-
Employee benefits	2.4	3 292	3 886
Contract liabilities	7.3	4 448	-
Other current liabilities	7.4	117	10 025
Total current liabilities		11 489	20 788
Non-current liabilities			
Payables	7.1	84	111
Financial liabilities	7.2	393 547	382 321
Employee benefits	2.4	910	1 223
Contract liabilities	7.3	2 904	-
Other non-current liabilities	7.4	4 842	4 899
Total non-current liabilities		402 287	388 554
Total liabilities		413 776	409 342
Net assets		220 634	254 938
Equity			
Contributed capital		133 840	133 840
Asset revaluation surplus	8.1	63 481	63 481
Accumulated surplus		23 313	57 617
Total equity		220 634	254 938

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Statement of Changes in Equity
for the year ended 30 June 2020

	Note No.	Contributed capital \$'000	Asset revaluation surplus \$'000	Accumulated surplus \$'000	Total \$'000
Balance at 1 July 2018		133 840	63 481	84 150	281 471
Net profit / (loss) for 2018-19		-	-	(24 936)	(24 936)
Total comprehensive result for 2018-19		-	-	(24 936)	(24 936)
Dividends paid		-	-	(1 600)	(1 600)
Balance at 30 June 2019		133 840	63 481	57 614	254 935
Net profit / (loss) for 2019-20		-	-	(32 701)	(32 701)
Total comprehensive result for 2019-20		-	-	(32 701)	(32 701)
Dividends paid	8.4	-	-	(1 600)	(1 600)
Balance at 30 June 2020		133 840	63 481	23 313	220 634

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Statement of Cash Flows
for the year ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from the sale of goods and services		56 069	72 974
Appropriation		5 294	5 165
SA Government grant		19 146	19 093
Interest received		311	711
Cash generated from operations		80 820	97 943
Cash outflows			
Employee benefit payments		32 605	36 032
Supplies and services		25 697	30 156
Borrowing costs		19 548	19 093
GST remitted to the ATO		2 731	3 667
Cash used in operations		80 581	88 948
Net cash provided by operating activities	8.2	239	8 995
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		74	68
Cash generated from investing activities		74	68
Cash outflows			
Purchase of property, plant and equipment		8 115	7 230
Cash used in investing activities		8 115	7 230
Net cash (used in) / provided by investing activities		(8 041)	(7 162)
Cash flows from financing activities			
Cash outflows			
Dividends paid to SA Government		1 600	1 600
Repayment of leases		42	-
Cash used in financing activities		1 642	1 600
Net cash (used in) / provided by financing activities		(1 642)	(1 600)
Net increase / (decrease) in cash and cash equivalents		(9 444)	233
Cash and cash equivalents at the beginning of the financial year		43 421	43 188
Cash and cash equivalents at the end of the financial year	8.2	33 977	43 421

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

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 - 1.1. Basis of preparation
 - 1.2. Objectives and activities
 - 1.3. Impact of COVID-19 pandemic on the Corporation
 - 1.4. Significant transactions with government related entities
- 2. Board and employees**
 - 2.1. Key management personnel
 - 2.2. Board members
 - 2.3. Employee benefits expenses
 - 2.4. Employee benefits liability
- 3. Income**
 - 3.1. Facility charges
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 - 3.4. SA Government grant
- 4. Expenses**
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 - 5.2. Property, plant and equipment owned by the Corporation
 - 5.3. Property, plant and equipment leased by the Corporation
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 - 6.3. Receivables
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 - 7.1. Payables
 - 7.2. Financial liabilities
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- 8. Other disclosures**
 - 8.1. Equity
 - 8.2. Cash flow
 - 8.3. Administered items
 - 8.4. Dividends
- 9. Changes in accounting policy**
 - 9.1. AASB 16 Leases
 - 9.2. AASB 15 Revenue from Contracts with Customers
 - 9.3. AASB 1058 Income of Not-for-Profit Entities
 - 9.4. Effects on financial statements from AASB 15
 - 9.5. Presentation of Financial Statements

10. Outlook

- 10.1. Unrecognised contractual commitments
- 10.2. Expected realisation of contract liabilities as revenue
- 10.3. Contingent assets and liabilities
- 10.4. Impact of standards not yet effective
- 10.5. COVID-19 pandemic outlook for the Corporation
- 10.6. Events after the reporting date

11. Measurement and risk

- 11.1. Long service leave liability - measurement
- 11.2. Fair value
- 11.3. Financial Instruments

1. About Adelaide Venue Management Corporation

Adelaide Venue Management Corporation, (the Corporation), is a not-for-profit statutory authority of the State of South Australia, 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 Corporation does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Corporation.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the 2019-20 financial statements the Corporation adopted AASB 15 – *Revenue from Contracts with Customers*, AASB 16 – *Leases* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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.

Assets and liabilities that are to be 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.

1.2. Objectives and activities

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.

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

1.3. Impact of COVID-19 pandemic on the Corporation

The COVID-19 pandemic has impacted on the operations of the Corporation and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- the Corporation has incurred substantial event booking cancellations as a result of COVID-19 and the uncertainty surrounding the possible ongoing severity and duration of the pandemic;
- the Corporation has activated its Downturn Plan to minimise its financial loss, with key strategies implemented which include ceasing non-essential expenditure, staff drawing down on leave entitlements and the significant majority of casual employees not being utilised;
- the Corporation repurposed its venues when restrictions were initially enforced, to supply community catering organisations who provide meals to vulnerable South Australians. During this period, the Corporation supplied in excess of 250,000 meals to these community organisations who were facing unprecedented demand for their services;
- the Corporation continues to be impacted by ongoing and evolving Government restrictions, with the Corporation constantly assessing and planning for its ability to hold future events, with regard to the nature, format and capacity of proposed events complying with current restrictions; and
- the Corporation has Business Interruption insurance coverage with its captive insurer SAicorp, and has a claim for lost profits under this policy. The indemnity period will cover a reasonable period, which is to be determined, for which the Corporation's profits continue to be impacted.

1.4. Significant transactions with government related entities

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

2. Board and employees

2.1. Key management personnel

Key management personnel of the Corporation include the Minister, the Board, the Chief Executive Officer and the Executive Team. Total compensation for key management personnel was \$1 751 000 in 2019-20 and \$2 016 000 in 2018-19.

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*.

	2020	2019
Compensation	\$'000	\$'000
Salaries and other short-term employee benefits	1 692	2 016
Termination benefits	59	-
Total	1 751	2 016

Transactions with key management personnel and other related parties

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.

2.2. Board members

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

William Spurr (Chair)
Gay Wallace (Deputy Chair)
Shaun Allan (commenced 1st January 2020)
Pauline Denley
Fiona Hele
Catherine King (concluded 31st July 2019)
Jim Kouts
Philip MacDonald (commenced 1st August 2019)
Leah Manuel* (concluded 31st July 2019)
Denise Von Wald

*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.

Board remuneration

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

	2020	2019
\$0 to \$19 999	3	2
\$20 000 to \$39 999	6	6
\$40 000 to \$59 999	1	1
Total number of governing board members	10	9

The total remuneration received or receivable by Board members was \$217 000 (\$203 000). Remuneration of Board members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Trading activities		
Salaries and wages	22 776	26 041
Long service leave	427	816
Annual leave	973	980
Skills and experience retention leave (SERL)	58	65
Employment on-costs - superannuation	2 305	2 628
Employment on-costs - other	1 695	1 869
Board fees	198	186
Total employee benefits expenses from trading activities	28 432	32 585
Property management activities		
Salaries and wages	2 580	2 831
Long service leave	25	97
Annual leave	138	147
Skills and experience retention leave (SERL)	2	6
Employment on-costs - superannuation	256	289
Employment on-costs - other	150	166
Total employee benefits expenses from property management activities	3 151	3 536
Total employee benefits expenses	31 583	36 121

Employment on-costs - superannuation

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

Executive remuneration

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

	2020	2019
\$154 001 to \$174 000	4	5
\$174 001 to \$194 000	-	1
\$194 001 to \$214 000	1	1
\$214 001 to \$234 000	2	1
\$234 001 to \$254 000	-	1
\$414 001 to \$434 000	1	-
\$474 001 to \$494 000	-	1
Total number of employees	8	10

The total remuneration received by those employees for the year was \$1 736 000 (\$2 136 000).

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.

2.4. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Annual leave	443	878
Long service leave	2 354	2 353
Skills and experience retention leave (SERL)	51	69
Accrued salaries and wages	444	586
Total current employee benefits	3 292	3 886
Non-current		
Long service leave	910	1 223
Total non-current employee benefits	910	1 223
Total employee benefits	4 202	5 109

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.

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.

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. Details about the measurement of long service leave liability is provided as note 11.1.

3. Income

3.1. Facility charges

	2020	2019
	\$'000	\$'000
Car park	5 465	6 409
Catering	25 297	31 985
Corporate	1 513	2 147
Recoveries	4 709	6 519
Technical services	4 059	4 609
Venue hire	8 081	11 824
Total facility charges	49 124	63 493

Revenues from facility charges are derived under contracts for the provision of goods and services to the public and other SA Government agencies. Revenue is recognised in the period in which the goods and services are provided.

Some contracts include a number of deliverables. In such cases, the transaction price is allocated to each deliverable to determine when revenue is recognised. Other contracts require ongoing provisions of services, for which revenue is recognised over the time services are provided. This is because the Corporation's obligations are satisfied over time and the customer receives and uses the benefits simultaneously.

Payments are largely due in advance or at the time of delivery, for contracted provision of goods and services. For the majority of its contracts, the Corporation expects at contract inception, that the period of time between when a customer pays for goods and services in advance and when the Corporation transfers those goods and services to the customer is less than 1 year. For the minority of contracts where the Corporation expects the transfer of goods and services to be greater than 1 year after contract inception, only the initial deposit is paid greater than 1 year in advance, which would result in any financing component being immaterial. The Corporation has applied the practical expedient per AASB 15 *Revenue from Contracts with Customers* para 63, whereby the consideration has not been adjusted for the effects of any financing component.

In the comparative period, revenue from facility charges was also recognised in the accounting period in which the Corporation provided the goods and services.

3.2. Other income

	2020	2019
	\$'000	\$'000
Trading activities		
Merchandise commission	217	427
Ticketing	587	822
Other	1 128	789
Total other income from trading activities	1 932	2 038
Property management activities		
Leased properties	483	482
Other	175	239
Total other income from property management activities	658	721
Total other income	2 590	2 759

3.3. Appropriation

	2020	2019
	\$'000	\$'000
Appropriation	5 294	5 165
Total appropriation	5 294	5 165

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution. Where money has been appropriated in the form of a loan, the Corporation has recorded borrowings. Refer to note 7.2. Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Corporation and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

Total appropriation revenues from the Government (through the Minister for Tourism) provide 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 and for replacement of Corporation assets.

The funding for asset replacement is transferred by the Department of Treasury and Finance into an interest bearing Special Deposit Account titled 'Adelaide 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.

3.4. SA Government grant

	2020	2019
	\$'000	\$'000
SA Government grant	19 146	19 134
Total SA Government grant	19 146	19 134

The Department of 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 4.4.

4. Expenses

Employee benefits expenses are disclosed in note 2.3.

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Trading activities		
Administration expenses and sundries	3 169	3 643
Direct materials	8 505	10 766
Building services costs	51	54
Repairs and maintenance	159	137
Marketing and promotions	1 787	2 232
Total supplies and services from trading activities	13 671	16 832
Property management activities		
Administration expenses and sundries	108	108
Direct materials	82	765
Building services costs	6 345	7 001
Repairs and maintenance	2 620	2 676
Total supplies and services from property management activities	9 155	10 550
Total supplies and services	22 826	27 382

Operating leases payments

Operating lease payments are recognised on a straight-line basis over the lease term. This information is provided for 2018-19 only, as AASB 16 *Leases* does not distinguish between operating and finance leases for lessees. These payments totalled \$432 600 in 2018-19.

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:

	2020		2019	
	No	\$'000	No	\$'000
\$10 000 or above	1	65	1	25
Total	1	65	1	25

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 \$85 200 (\$80 700). No other services were provided by the Auditor-General's Department.

4.2. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Trading activities		
Plant and equipment	5 667	4 684
Total depreciation and amortisation for trading activities	5 667	4 684
Property management activities		
Buildings	28 944	28 566
Leasehold improvements	329	287
Right-of-use land	177	-
Total depreciation and amortisation for property management activities	29 450	28 853
Total depreciation and amortisation	35 117	33 537

All non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

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	5-147
Leasehold Improvements	Straight Line	3-15
Right-of-use land	Straight Line	Lease term
Plant and Equipment	Straight Line	1-30

Review of accounting estimates

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

4.3. Net loss from the disposal of property, plant and equipment

	2020	2019
	\$'000	\$'000
Plant and equipment		
Proceeds from disposal	74	68
Less carrying amount of assets disposed	(119)	(86)
Net loss from the disposal of plant and equipment	(45)	(18)
Total net loss from the disposal of property, plant and equipment	(45)	(18)

4.4. Borrowing costs

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	402	-
Guarantee fees on long term borrowings	6 107	6 103
Interest expense on long term borrowings	13 039	13 031
Total borrowing costs	19 548	19 134

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 3.4.

5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets.

	2020	2019
	\$'000	\$'000
Land and buildings		
Land at fair value	32 630	32 630
Buildings at fair value	584 803	584 803
Improvements at cost	4 919	4 128
Accumulated depreciation	(57 511)	(28 567)
Total land and buildings	564 841	592 994
Right-of-use land		
Right-of-use land at cost	11 316	-
Accumulated depreciation	(177)	-
Total right-of-use land	11 139	-
Leasehold improvements		
Leasehold improvements at cost	4 339	3 853
Accumulated amortisation	(1 626)	(1 297)
Total leasehold improvements	2 713	2 556
Work in progress	111	-
Total work in progress	111	-
Plant and equipment		
Plant and equipment at cost	52 592	49 766
Accumulated depreciation	(34 426)	(30 119)
Total plant and equipment	18 166	19 647
Total property, plant and equipment	596 970	615 197

5.2. Property, plant and equipment owned by the Corporation

Property, plant and equipment owned by the Corporation with a value equal to or in excess of \$3 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Corporation is recorded at fair value. Detail about the Corporation's approach to fair value is set out in note 11.2.

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.

Impairment

Property, plant and equipment owned by the Corporation have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Reconciliation 2019-20

	Land \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Total \$'000
Carrying amount 1 July 2019	32 630	560 364	2 556	-	19 647	615 197
Additions	-	-	-	5 693	-	5 693
Transfers in / (out)	-	791	486	(5 582)	4 305	-
Disposals e.g. sales, write off	-	-	-	-	(119)	(119)
Depreciation and amortisation	-	(28 944)	(329)	-	(5 667)	(34 940)
Carrying amount at 30 June 2020	32 630	532 211	2 713	111	18 166	585 831

Reconciliation 2018-19

	Land \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Total \$'000
Carrying amount 1 July 2018	32 630	584 803	2 711	40	20 724	640 908
Additions	-	-	-	7 912	-	7 912
Transfers in / (out)	-	4 128	132	(7 952)	3 692	-
Disposals e.g. sales, write off	-	-	-	-	(86)	(86)
Depreciation and amortisation	-	(28 567)	(287)	-	(4 683)	(33 537)
Carrying amount at 30 June 2019	32 630	560 364	2 556	-	19 647	615 197

5.3. Property, plant and equipment leased by the Corporation

Property, plant and equipment leased by the Corporation is recorded at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and have not been separately disclosed in the financial statements as they are immaterial.

The Corporation has a limited number of leases:

- The Corporation has entered into a long term operating lease with Renewal SA for part of the land on which the Adelaide Convention Centre buildings are situated. Rental payments are made monthly, and subject to annual Consumer Price Index (CPI) review. There are no contingent rental provisions within the lease agreement. The initial lease term is 93 years, expiring 30 June 2083. The lease contains an option to renew the lease for a further 20 years at the end of the lease term.
- The Corporation has a concessionary lease with the Minister for Recreation and Sport for Coopers Stadium. Under the terms of the lease the Corporation is responsible for managing and maintaining the premises. The annual lease payment is \$1. The lease expires 30 June 2028, with provision for extension of this lease being for an additional period as agreed in writing by the parties. As required by *Treasurer's Instructions (Accounting Policy Statements)*, the Corporation has exercised the exemption to not measure this right-of-use asset at fair value on initial recognition as the lease is significantly below-market terms and conditions principally to enable the Corporation to further its objectives.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.2.

Impairment

Property, plant and equipment leased by the Corporation has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4. Inventories

	2020	2019
	\$'000	\$'000
Current - Inventories held for resale		
Beverages	249	293
Food	136	158
Total inventories held for resale	385	451

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.

Cost of inventories

The Corporation recognised an expense for raw materials and consumables of \$6 529 000 (\$8 076 000).

6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Operating Account	18 504	29 664
Total cash and cash equivalent deposits with the Treasurer	18 504	29 664
Cash on hand	265	304
Total cash and cash equivalents	18 769	29 968

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The Operating Account 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 0.51% (1.35%). Interest is accrued daily and distributed monthly.

6.2. Specific purpose deposits

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Future Asset Replacement Account	12 327	10 602
Total specific purpose deposits with the Treasurer	12 327	10 602
Investment with SA Financing Authority	2 881	2 851
Total specific purpose deposits	15 208	13 453

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Although the Corporation controls the money reported above in the Future Asset Replacement Account, its use must be approved by the Treasurer.

The Future Asset Replacement Account is lodged with SAFA in a Deposit Account. The Future Asset Replacement Account funds carry an average variable interest rate of 0.51% (1.35%). Interest is accrued daily and distributed monthly.

Investment with SA Financing Authority

The Investment with the SA Financing Authority is held in a Cash Management Facility. The SAFA Cash Management Funds carry an average variable interest rate of 0.88% (1.90%). Interest is accrued daily and distributed monthly.

6.3. Receivables

	2020	2019
	\$'000	\$'000
Current		
Trade receivables from government entities	37	229
Trade receivables from non-government entities	379	2 214
Accrued revenues	2 133	2 254
GST input tax recoverable	66	-
Prepayments	463	514
Total current receivables	3 078	5 211

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

Other than as recognised in the allowance for impairment loss on receivables, 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. There is no concentration of credit risk.

Refer to note 11.3 for further information on risk management.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST recoverable from the ATO is included as part of receivables.

Allowance for impairment loss on receivables

The Corporation has provided a nil (2019 nil) loss allowance for trade receivables. Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

Contract balances	30 June 2020	1 July 2019
Receivables from contracts with customers, included in 'Receivables'	2 549	4 697

7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2020 \$'000	2019 \$'000
Current		
Trade payables	698	3 881
Accrued expenses	1 070	1 068
GST payable	-	24
Employment on-costs	355	443
Interest accrued	1 461	1 461
Total current payables	3 584	6 877
Non-current		
Employment on-costs	84	111
Total non-current payables	84	111
Total payables	3 668	6 988

Payables and accruals are raised for all amounts owing but unpaid. Payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST payable to the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, Return to Work SA levy and superannuation contributions, and are settled when the respective employee benefit that they relate to is discharged.

The Corporation contributes 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 2019 rate (41%) to 42%. 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.

7.2. Financial liabilities

	2020	2019
	\$'000	\$'000
Current		
Lease liabilities	48	-
Total current financial liabilities	48	-
Non-current		
Borrowings from SA Government	382 321	382 321
Lease liabilities	11 226	-
Total non-current financial liabilities	393 547	382 321
Total financial liabilities	393 595	382 321

The Corporation measures financial liabilities including borrowings at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above. For 2018-19 the lease liabilities reflect only finance leases recognised in accordance with AASB 117.

Borrowings from SA Government

The Corporation has a Client Services Agreement with SAFA 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 interest rates were in the range of 2.33% and 4.35%.

7.3. Contract liabilities

	2020	2019
	\$'000	\$'000
Current		
Contract liabilities	4 448	-
Total current contract liabilities	4 448	-
Non-current		
Contract liabilities	2 904	-
Total non-current contract liabilities	2 904	-
Total contract liabilities	7 352	-

Contract liabilities relate to monies received in advance for goods and services, for which revenue is recognised when the goods and services are provided. It includes amounts invoiced in relation to events and car parking which relate to future periods and amounts invoiced under Corporate Suite Licensing and Advertising Agreements. In the prior year this balance was classified as Income received in advance. Refer notes 7.4 and 9.2.

Contract liabilities	30 June 2020	1 July 2019
Contract liabilities - current	4 448	9 473
Contract liabilities - non-current	2 904	437

Contract liabilities have decreased during the financial year, predominantly due to the cancellation of existing events due to COVID-19, a deferral of invoicing by the Corporation for future events due to the uncertainty of whether the event could be held under current Government restrictions and a significant reduction in new short lead event bookings. This has resulted in significantly fewer instalment payments on future events being raised prior to end of financial year in comparison to the same time period in the prior financial year.

Revenue totalling \$9 124 000 was recognised in 2019-20 that was included in contract liabilities at 1 July 2019. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

7.4. Other liabilities

	2020	2019
	\$'000	\$'000
Current		
Income received in advance	-	9 910
Unearned lease revenue	58	58
Security deposits	59	57
Total current other liabilities	117	10 025
Non-current		
Unearned lease revenue	4 842	4 899
Total non-current other liabilities	4 842	4 899
Total other liabilities	4 959	14 924

Income received in advance includes amounts invoiced in relation to events and car parking which relate to future periods and amounts invoiced under Corporate Suite Licensing and Advertising Agreements. Revenue is recognised when the goods and services are provided.

On adoption of AASB 15 *Revenue from Contracts with Customers*, Income received in advance has been reclassified to Contract liabilities. Refer note 9.2.

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.

7.5. Provisions

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 2020, no provision has been recognised in the Statement of Financial Position.

8. Other disclosures

8.1. Equity

The asset 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 derecognised.

For information about equity contributions refer to note 3.3.

8.2. Cash flow

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.

Leases

	2020	2019
	\$'000	\$'000
Land	444	-
Total cash outflow for leases	444	-

Reconciliation of net result to cash flows from operating activities

	2020	2019
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Statement of Financial Position		
Current		
Cash and cash equivalents	18 769	29 968
Non-current		
Specific purpose deposits	15 208	13 453
Cash and cash equivalents as recorded in the Statement of Cash Flows	33 977	43 421

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

Net profit / (loss) for the year	(32 701)	(24 936)
Add / (less) non-cash items		
Depreciation and amortisation expense	35 117	33 537
Leased land income	(58)	(58)
Net (gain) / loss on disposal of assets	45	18
Movement in assets / liabilities		
(Increase) / decrease in receivables	2 133	958
(Increase) / decrease in inventories	66	49
(Decrease) / increase in payables	(901)	(86)
(Decrease) / increase in other liabilities	(9 907)	(581)
(Decrease) / increase in contract liabilities	7 352	-
(Decrease) / increase in employee benefits	(907)	94
Net cash provided by operating activities	239	8 995

8.3. 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 APS 1050.B.

	2020 \$'000	2019 \$'000
Event funds		
Administered revenues		
Net box office receipts	9 650	27 244
Interest earned on event funds	60	144
Total administered revenues	9 710	27 388
Administered expenses		
Settlements paid	18 478	31 387
Total administered expenses	18 478	31 387
Movement in administered items during the year	(8 768)	(3 999)
Administered assets		
Cash at bank	2 301	11 056
Receivable - interest	1	14
Total administered assets	2 302	11 070
Administered liabilities		
Funds held in trust	2 301	11 056
Accrued interest payable	1	14
Total administered liabilities	2 302	11 070
Movement in administered items during the year	(8 768)	(3 999)
Total administered assets held at the beginning of the financial year	11 070	15 069
Total administered assets held at the end of the financial year	2 302	11 070

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

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 0.85% (1.68%). Interest is accrued daily and distributed monthly.

8.4. 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*.

9. Changes in accounting policy

9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 Leases from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 Leases only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 Leases applies a comprehensive model to all leases. Applying AASB 16 resulted in a lease previously classified as an operating lease having a right-of-use asset and related lease liability being recognised in the Statement of Financial Position.
- AASB 117 Leases resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 Leases largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on accumulated surplus

The total impact on the Corporation's accumulated surplus as at 1 July 2019 is as follows:

	\$'000
Closing accumulated surplus 30 June 2019 – AASB 117	57 617
<u>Assets</u>	
Property, plant and equipment	11 316
<u>Liabilities</u>	
Financial liabilities	(11 316)
Opening accumulated surplus 1 July 2019 – AASB 16	57 617

The Corporation disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$28 134 000 under AASB 117. The impact of the annual variable rate index increase was \$591 000. The impact of discounting was (\$17 409 000).

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The *Treasurer's Instructions (Accounting Policy Statements)* requires certain choices in those transitional provisions to be taken. The Corporation has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing rate published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 3.63%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020.

Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Corporation's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Corporation, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the Corporation to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

9.2. AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on accumulated surplus

The total impact on the Corporation's accumulated surplus as at 1 July 2019 is as follows:

	\$'000
Closing accumulated surplus 30 June 2019 – AASB 118	57 617
<u>Liabilities</u>	
Contract liabilities	(9 910)
Other current liabilities	9 910
Opening accumulated surplus 1 July 2019 – AASB 15	57 617

Accounting policies on transition

The Corporation has adopted AASB 15 on 1 July 2019. The *Treasurer's Instructions (Accounting Policy Statements)* require certain choices in those transitional provisions to be taken. The Corporation has on transition recognised the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of accumulated surplus as at 1 July 2019. Therefore, the comparative information has not been restated.

Impacts on the financial statements are explained at note 9.4.

Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify requirements for public authorities in applying AASB 15. These requirements are reflected in the Corporation's accounting policies as follows:

- AASB 15 is applied to portfolio contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the Corporation would have recognised is one year or less.

Significant accounting policies relating to the application of AASB 15 are disclosed under relevant notes.

9.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to enable the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on accumulated surplus.

9.4. Effects on financial statements from AASB 15

The following table shows the effect of adopting AASB 15 on the Corporation's financial statements for the year ending 30 June 2020.

Statement of Financial Position

for the year ended 30 June 2020

	As reported	Adjustments AASB 15	Balances without adoption of AASB 15
	\$'000	\$'000	\$'000
Contract liabilities	4 448	4 448	-
Other current liabilities	117	(4 448)	4 565
Total current liabilities	11 489	-	11 489
Contract liabilities	2 904	2 904	-
Other non-current liabilities	4 842	(2 904)	7 746
Total non-current liabilities	402 287	-	402 287

On adoption of AASB 15, monies received in advance for goods and services is classified as a Contract liability. In the prior year, these balances were classified as Other current liabilities.

9.5. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Corporation. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

10. Outlook

10.1. Unrecognised contractual commitments

Commitments include operating and capital arising from contractual sources and are disclosed at their nominal value.

Capital Commitments

	2020 \$'000	2019 \$'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	7	1 053
Total capital commitments	7	1 053

Expenditure Commitments

	2020 \$'000	2019 \$'000
Within one year	456	358
Later than one year but not longer than five years	319	193
Total expenditure commitments	775	551

The Corporation's expenditure commitments are associated with ongoing business operations.

Operating lease commitments payable

	2020 \$'000	2019 \$'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	-	440
Later than one year but not longer than five years	-	1 758
Later than five years	-	25 936
Total operating lease expenditure commitments	-	28 134

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee. Refer notes 5.3 and 7.2.

Operating lease commitments receivable

	2020 \$'000	2019 \$'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	282	352
Later than one year but not longer than five years	600	913
Total operating lease revenue commitments	882	1 265

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.

10.2. Expected realisation of contract liabilities as revenue

	2020-21	2021-22	2022-23	2023-26	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue expected to be recognised	4 448	2 422	427	55	7 352

Revenue expected to be recognised in 2021-22 and beyond relates to deposits and instalment payments for future events.

10.3. 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.

The Corporation has a contingent asset by way of a Business Interruption insurance claim for lost profits, with its captive insurer SAicorp. Refer note 1.3. The initial claim up to 30 June 2020 has been lodged with SAicorp, and is expected to be in the vicinity of \$6 000 000.

The Corporation is not aware of any contingent liabilities.

10.4. Impact of standards not yet effective

The Corporation has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective. The Corporation has assessed that there are no material impacts.

10.5. COVID-19 pandemic outlook for the Corporation

The COVID-19 pandemic will continue to impact the operations of the Corporation in 2020-21. The key expected impacts are:

- The number of events and attendees are expected to be significantly below normal levels due to:
 - the ongoing uncertainty surrounding the severity and/or duration of the COVID-19 pandemic;
 - ongoing, varied or new Government restrictions, including mass gathering and capacity restrictions and national and international travel restrictions;
 - significant lead times on some event types resulting in a delay in the Corporation returning to normal operational levels even when restrictions are lifted; and
 - an uncertain economic climate and lack of consumer confidence may result in a change in spending patterns for clients and patrons.
- The Corporation is insured for Business Interruption through its captive insurer SAicorp. The indemnity period will cover a reasonable period, which is to be determined, for which the Corporation's profits continue to be impacted. The Corporation intends to claim for lost profits on a quarterly basis throughout the indemnity period.

10.6. Events after the reporting period

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.

11. Measurement and risk

11.1. Long service leave liability - measurement

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.

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 has decreased from 2019 (1.25%) to 2020 (0.50%). This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance decreased the salary inflation rate from 2019 (4.00%) to 2020 (2.50%) for long service leave liability. This decrease in the salary inflation rate results in a decrease in the reported long service leave liability.

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 \$152 000 and employee benefits expense of \$166 000. 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.

The unconditional portion of the long service leave provision is classified as current as the Corporation does not have or will not exercise 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 7 (previously 10) years of service for all other staff. Due to the COVID-19 pandemic and its significant impact on the operations of the Corporation, the Corporation is allowing all staff to take their long service leave accrual as leave after 7 years.

11.2. Fair value

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.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recorded at book value (i.e. the amount recorded by the transferor immediately prior to transfer).

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Financial Officer and the Corporation's Board each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. 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.

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.

Fair value hierarchy

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

During 2020 and 2019, 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.

Fair value classification – non-financial assets at 30 June 2020

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	32 630	-	32 630
Buildings and improvements	5.1	806	531 405	532 211
Leasehold improvements	5.1	-	2 713	2 713
Work in progress	5.1	-	111	111
Plant and equipment	5.1	-	18 166	18 166
Total recurring fair value measurements		33 436	552 395	585 831

Fair value classification – non-financial assets at 30 June 2019

	Note	Level 2	Level 3	Total
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	5.1	32 630	-	32 630
Buildings and improvements	5.1	848	559 516	560 364
Leasehold improvements	5.1	-	2 556	2 556
Work in progress	5.1	-	-	-
Plant and equipment	5.1	-	19 647	19 647
Total recurring fair value measurements		33 478	581 719	615 197

Land and buildings

Every six years the Corporation revalues land and buildings and improvements owned by the Corporation, with the valuation appraisal performed by an independent Certified Practising Valuer. The most recent 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.

Plant and equipment

All items of plant and equipment owned by the Corporation had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Reconciliation of Level 3 recurring fair value measurements at 30 June 2020

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

	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in progress \$'000	Plant and equipment \$'000
Opening balance at the beginning of the period	559 516	2 556	-	19 647
Acquisitions	-	-	5 693	-
Transfers in / (out)	791	486	(5 582)	4 305
Total gains / (losses) for the period in profit and loss:				
Depreciation	(28 902)	(329)	-	(5 667)
Disposals	-	-	-	(119)
Closing balance at the end of the period	531 405	2 713	111	18 166

Reconciliation of Level 3 recurring fair value measurements at 30 June 2019

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

	Buildings and improvements \$'000	Leasehold improvements \$'000	Work in progress \$'000	Plant and equipment \$'000
Opening balance at the beginning of the period	583 913	2 711	40	20 724
Acquisitions	-	-	7 912	-
Transfers in / (out)	4 128	132	(7 952)	3 692
Total gains / (losses) for the period in profit and loss:				
Depreciation	(28 525)	(287)	-	(4 683)
Disposals	-	-	-	(86)
Closing balance at the end of the period	559 516	2 556	-	19 647

11.3. Financial instruments

Financial risk management

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's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Credit risk

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.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Corporation uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Corporation's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Corporation is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

As a result of the Corporation's assessment for non-government debtors a nil loss allowance for trade receivables has been provided for based on negligible bad debt write offs over the past 10 years, due to the Corporation's practices of holding the gross box office receipts for publically ticketed events, from which the Corporation then deducts monies owed to it post event, requiring payment in advance of an event in most other instances and stringent credit management policies.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Corporation and a failure to make contractual payments for a period of greater than 90 days past due.

The Corporation considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

No impairment losses were recognised in relation to the Corporation's receivables arising from the Corporation's contracts with customers.

Market risk

The Corporation does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging.

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

Exposure to interest rate risk may arise through interest earned on cash and cash equivalent balances, which earn a floating interest rate.

There is no interest rate risk on Borrowings, as 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.

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

There have been no changes in risk exposure since the last reporting period.