



ADELAIDE VENUE MANAGEMENT



2021-22 ANNUAL REPORT

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Government
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1. CHAIR'S REPORT

Dear Minister,

I write to you in my capacity as the Acting Chair of the Adelaide Venue Management (AVM) Board following the sad passing of the previous Chair, Bill Spurr AO, in July 2022. Bill had served as Board Chair for the past seven years, and had given more than 20 years' of service to the Adelaide Convention Centre and Adelaide Entertainment Centre in a Board director capacity. As one of South Australia's most respected and admired public figures, Bill leaves an indelible mark on our State's tourism, entertainment and business events industries. He is remembered by all at AVM for being a generous, warm and caring person and a strong, inspiring leader who successfully navigated AVM's venues through the most challenging period in their histories with the advent of COVID-19. Bill is greatly missed by all at AVM.



AVM Board Chair (2015-2022), William (Bill) Spurr AO

May I take this opportunity to congratulate you on being appointed Minister for Tourism in March 2022. AVM looks forward to advancing its important work under your direction.

AVM continued to be devastated by the impacts of COVID-19 throughout much of 2021-22. There were signs of a potential recovery at various times throughout the fiscal year, but these were soon dashed by ever-changing restrictions and disease variants which continued to undermine the confidence of AVM's core business clients and patrons.

Key factors impacting on AVM throughout 2021-22 included:

- **Delta Variant (July 2021)** – The new Delta variant established a foothold in the eastern states, and saw South Australia go into lockdown in July 2021 as a result. Many AVM clients that had been willing to reschedule their events previously were no longer willing to do so for a second or third time, and AVM experienced mass event cancellations. AVM’s situation was direr than at any time since the onset of COVID-19 in early 2020.
- **New Test, Trace Isolate and Quarantine (TTIQ) model (November 2021)** – In anticipation of widespread community COVID-19 transmission associated with the opening of South Australia’s borders, the government announced a new TTIQ model on 15 November 2021, to be put into effect just one week later on 23 November 2021. The new TTIQ model’s requirement that those visiting an ‘exposure site’ be required to self-isolate for 7-14 days had an immense impact on places of mass gatherings, such as AVM’s venues, with many people choosing to avoid these venues for fear of having to quarantine. Again, AVM experienced mass event cancellations, including local-market function bookings. AVM’s indoor venues were operating at density limits of 3 persons per 4 square metres, or 75% of seated capacity, at this time.
- **Omicron Variant/Retightening of Restrictions (December 2021)** – The government announced it was retightening restrictions as at 26 December 2021, in part due to the emerging threat of the Omicron variant, which saw the Adelaide Convention Centre and Adelaide Entertainment Centre return to density limits of 1 person per 4 square metres, or 25% of capacity, making it unviable and impractical for clients to stage events at these venues. Mass event cancellations continued and new bookings enquiries were rare.

It was not until density caps were removed in mid-March 2022 that AVM started to experience an increased level of confidence from event organisers in terms of their willingness to make booking enquiries and stage events.

AVM’s sound governance around annual downturn planning, together with its business interruption insurance cover, has ensured that AVM was able to withstand the impacts of COVID-19 and also pay a \$1.6 million dividend to government in 2021-22. Unsurprisingly, AVM’s operating profitability was again well below pre-COVID levels, but with insurance cover receipts AVM maintained its forecast net operating profit position of \$12.0 million. AVM acknowledges the South Australian Financing Authority (SAFA) for its fairness in the assessment of its COVID-19 insurance claim. Whilst not always in agreement and having to rightly provide exhaustively detailed information throughout to validate its claim, AVM appreciated SAFA’s willingness to regularly engage with us to understand all relevant matters implicitly. AVM’s claim indemnity period ceased on 30 June 2022.

At the time of writing, there is reason for considerable optimism with government-imposed restrictions lifted and community acceptance towards living with COVID-19. Both the Adelaide Convention Centre and Adelaide Entertainment Centre are set for near record levels of business in 2022-23 barring no more pandemic-related surprises. Based on forward bookings, we are confident that 2023-24 will also be equally strong. Whilst the levels of event activity will be high across both of these venues, AVM is forecasting that it will take some time before AVM’s business recovers to pre-COVID levels of profitability. AVM’s short to medium term focus has been to incentivise clients to come to Adelaide so as to provide every opportunity for those South Australian businesses that are heavily reliant on the business events and live entertainment sectors to recover from the pandemic as quickly as possible.

Particularly pleasing has been the quick rebound of the Adelaide Convention Centre which generally has booking lead times ranging between 2-5 years for major conventions and exhibitions. This recovery has been aided by the outstanding work and success of the Adelaide Convention Bureau in securing large business events via prudent investment of the government’s Convention Bid Fund funding. The Fund is essential to South Australia’s ability to remain highly competitive and relevant as a business events destination; it returned more than \$40 in economic benefit for each dollar invested throughout COVID-19.

The Adelaide Entertainment Centre is also now in a good place thanks to no capacity restrictions and the reopening of international borders. As a result, many international artists are eager to tour to Australia after two years in the wilderness. Some tours are still affected by COVID-19 isolation requirements, having to cancel when a singer or band member contracts the virus. That stated, the Adelaide Entertainment Centre has an extremely healthy line-up of world-class acts booked for 2022-23.

The Adelaide 36ers have now called the Adelaide Entertainment Centre home for three National Basketball League (NBL) seasons. The 2021-22 NBL season was marred by constant changes to fixtures as a result of COVID-19 which made for difficult trading and playing conditions. Owner Grant Kelley continues to inspire with his leadership in overcoming the many challenges, and we thank him for his unwavering devotion to the Club and South Australian basketball.

A-League crowds were disappointing across the country throughout the 2021-22 season. However, Adelaide United Football Club (AUFC) achieved the fourth highest average home crowd across the League throughout the season despite the challenges presented by COVID-19, Coopers Stadium undergoing redevelopment and a disappointing on-field start to the season. AUFC Chief Executive Officer Nathan Kosmina and his team continue to do an excellent job in marketing the Club and maximising results, both on and off the pitch, with comparatively limited resources. At the time of writing, a potential new ownership group was undertaking a due diligence process with the view to possibly purchasing the Club.

The \$53 million upgrade of Coopers Stadium, \$45 million of which is being funded by the government and the remainder from AVM profits, is progressing on schedule for completion in December 2022, well ahead of the 2023 FIFA Women's World Cup (July-August 2023). Coopers Stadium will proudly host five matches during the tournament. The successful completion of the project will be yet another demonstration of AVM's proven ability to deliver major venue infrastructure projects with a minimum of fuss, and within deadlines and funding commitments. The redevelopment of Coopers Stadium affords new commercial opportunities for AUFC and will enhance the user experience for both fans and players.

AVM is delighted to have entered into a long-term arrangement with Tennis SA to provide publicly ticketed events (excluding tennis events) and function event management services to The Drive Tennis Centre upon completion of the venue's redevelopment in late 2022. Tennis SA has done an exemplary job in redeveloping The Drive into a contemporary venue that can not only be used for world-class tennis events, but also concerts and other forms of live entertainment (6,000+ capacity). Its new function room will also be highly sought after given its panoramic views of the River Torrens. We are grateful to the Tennis SA Board, led by Kent Thiele and Philip Roberts, and Chief Executive Officer Debbie Sterrey, for providing AVM with this exciting opportunity to partner with them.

A focus of AVM's strategic planning had been supporting South Australia's growth agenda for conventions and exhibitions together with ensuring Adelaide continued to attract the world's best contemporary live entertainment through the proposed 15,000-seat multipurpose Adelaide Riverbank Arena. The proposed arena does not meet the new government's current expenditure priorities and AVM understands this. AVM looks forward to assisting the government to achieve further growth and positive outcomes in accordance with its future vision for the State.

I commend the outstanding contributions of AVM Board members Fiona Hele (Audit & Risk Committee Chair); Joanne Denley; Jim Kouts; Denise von Wald; Dr Andrew MacDonald; Shaun Allan; and management led by Chief Executive Officer Anthony Kirchner and his executive team of Marie Hannaford, Simon Burgess (departed March 2022), Phil King, Coralie Cheney and Simon Hockridge. For AVM to be in a sound financial position and able to rebound from COVID-19 in the manner it has speaks volumes for the sound governance provided by the Board, and the expertise of management.

Similarly, AVM's Venue and Event Staff have demonstrated great loyalty and resilience in assisting AVM to get through the worst of COVID-19 over the past two years. They have been wonderful, and will be rewarded with exciting times ahead as AVM puts the pandemic behind us to achieve many more significant milestones.

Minister, there are few industries, if any, that were more impacted by COVID-19 than the venue management, live entertainment and business events industries – AVM's core business. It's been an incredibly demanding, challenging and worrying journey at times. I'm pleased to report that AVM is in an exceptionally strong position to rebound quickly and continue to fulfil its charter on behalf of South Australia and government.

Again, the AVM Board and I are grateful for the opportunity to work with you in this exciting next phase. Thank you.



Gay Wallace
Acting Chair
Adelaide Venue Management Corporation

2. ROLES & OBJECTIVES

2.1 MISSION

The Adelaide Venue Management Corporation (AVM), 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 2021-22 were:

- Board member Fiona Hele (Committee Chair);
- Board member Joanne Denley;
- Board member Gay Wallace;
- Alternate delegate – Board member Denise von Wald; and,
- The Corporation's Chief Financial Officer, Marie Hannaford – 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 government provides annual 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 annually. 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 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. The Department of Treasury and Finance provides 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, Marketing and Communications, 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 and included a major raked plenary hall with seating for more than 2,000 delegates; along with 11 meeting rooms; and an ability to produce more than 10,000 meals per day.

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

In 2001, the ACC expanded again with the construction of the Central Building with its iconic postcard facade overlooking the River Torrens. The construction of this building was a unique engineering feat, traversing the railway yard, and included 5,700 square metres of multipurpose event space, meeting rooms, office accommodation and kitchen facilities along with Regattas restaurant. The project was funded by the 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 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 multipurpose meeting and breakout rooms;
- Restaurant seating for more than 200 patrons;
- Secure undercover parking for 1,200 vehicles;
- WiFi connectivity for up to 12,000 concurrent devices;
- Onsite catering of up to 20,000 meals per day.

The ACC plays a pivotal role in assisting the government achieve its strategic objectives by providing state-of-the-art facilities for major conferences, 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 global EarthCheck Program for the tourism and hospitality sector. In 2018, the ACC became the world's first convention centre to achieve EarthCheck's coveted platinum certification, reflecting 10 consecutive years best practice in business and environmental sustainability. The ACC is now well on its way towards Master status, which represents a 15 year commitment.

2.7.2 ADELAIDE ENTERTAINMENT CENTRE

The AEC was established by the 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, which spans 28,900 square metres, housed light industrial and warehouse retail stores prior to its development.

The AEC is South Australia's leading contemporary indoor live entertainment venue. It has two major performance spaces – the Arena and the Theatre. In addition to concerts, spectaculars and sporting events, the AEC hosts tradeshows, exhibitions, seminars and banquets.

The AEC's Food & Beverage operations offer services to patrons via foyer outlets, as well as sophisticated in-house catering 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 site.

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.

Given its proximity to tram and train services, the AEC operates a Park 'n' Ride facility when its car park is not in use for major publicly ticketed events. This 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 nine million concertgoers. It has also been the home to the Adelaide 36ers National Basketball League team since 2019.

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 former 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.

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

Coopers Stadium hosted 18 major publicly ticketed events in 2021–22, 13 of which were Adelaide United Football Club A-League home matches.

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

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

AVM commenced construction of a \$53 million upgrade of Coopers Stadium in 2021-22. The project is to deliver increased shade/rain cover; new and refurbished patron facilities; enhanced player facilities, including new female-friendly change rooms, among many other things. The project will provide improved facilities and experiences for all users of the Stadium and extend its useful life. The upgrade will be showcased as part of the FIFA 2023 Women's World Cup, when the Stadium shall play host to four group stage matches and one round of 16 match in July–August 2023.

3. 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 2021–22:

- William (Bill) Spurr AO, Chair
- Gay Wallace, Deputy Chair
- Joanne Denley
- Fiona Hele
- Jim Kouts
- Denise von Wald
- Dr Andrew MacDonald
- Shaun Allan

3.2 INTERNAL AUDIT

AVM is committed to maintaining a working environment free of fraud and corrupt behaviour. The internal audit activities undertaken during 2021–22 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 four consultants during 2021–22 at a total cost of \$89 000.

Payments to Consultants	Purpose of Consultancy	No	\$'000
Value below \$10 000			
Subtotal		2	11
Value \$10 000 and above			
All Access Crewing	Staging consultancy.	1	13
KPMG	IT Security Audit.	1	65
Subtotal		2	78
Total		4	89

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	11 765	94.07%	59 664 940	96.14%
Paid between 21 to 30 days	603	4.82%	2 305 471	3.72%
Paid between 31 to 60 days	132	1.05%	88 071	0.14%
Paid more than 60 days	7	0.06%	620	0.00%

3.6 OVERSEAS TRAVEL

Destinations	Reasons for Travel	No. Employees	Total Cost \$'000
Frankfurt, Germany	IMEX FRANKFURT (Worldwide exhibition and trade show for incentive travel, meetings and events)	1	10

3.7 HUMAN RESOURCES

3.7.1 EMPLOYMENT OPPORTUNITY PROGRAMS

Program name	Result of the program
Aboriginal Employment	Significant student engagement / career exploration, industry collaboration and employee capacity-building has taken place in association with key community bodies and support agencies – which resulted in six new First Nations employees joining us this year. There were a total of 23 Aboriginal and Torres Strait employees undertaking paid work with AVM at various stages throughout the year.
Apprenticeships in Commercial Cookery	AVM continues to play its part in growing future talent for the industry, particularly in the areas of known skills shortages such as Chefs / Commercial Cooks. There were fourteen (four in-house employed and 10 GTO-hosted) Apprentice Chefs undertaking a four-year Apprenticeship in Commercial Cookery with AVM during 2021–22. Two of these completed their Apprenticeships in late 2021 and were subsequently retained in a full-time salaried capacity, as Commis Chefs in the ACC kitchens.
Traineeships in Hospitality (Events) and Production and Services (Audio Visual)	<p>Four full-time Hospitality (Events) Trainees were contracted to undertake a two-year Certificate III program in 2021-22. The program, which involves rotating through 11 different front and back of house AVM departments, has long been a successful breeding ground for producing future middle-senior level talent for the Corporation.</p> <p>Similarly, four full-time Audio Visual Trainees, who were initially contracted for a 12 month Certificate III Program, unanimously accepted progression to an intensified Certificate IV program in Production and Services. This additional training will see them suitably-skilled to be able to step up to ‘Senior Technician’ roles with AVM upon completion of their studies.</p>
Disability Employment	<p>AVM proudly hosted and sponsored the Barkuma ‘School to Work Transition Program Graduation’ at the ACC for the 14th consecutive year – attended by 120 beaming students, family and friends.</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> <p>A number of past program participants with varying degrees of developmental disabilities have subsequently become employees of AVM (some with between 5-14 years of service).</p> <p>AVM currently employs six staff with declared physical, intellectual and sensory disabilities.</p>
Operation Flinders, and OzHarvest Nourish Programs	AVM facilitated and participated in numerous student site visits, training workshops, work experience placements, mock interview sessions, graduation ceremonies and paid employment outcomes related to these programs for disadvantaged youth throughout the year.

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 2022.</p> <p>Instantaneous feedback was 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 24 June 2022.</p> <p>100% of all instances of extraordinary performance (good or bad) by Event Staff were reported for acknowledgement, career advancement planning, skills-development training and/or formal performance improvement processes.</p>
<p>AVM launched a new Learning Management System 'AVM Academy' that delivers 24/7 staff access to a comprehensive 'Learning on Demand' professional development content library. It also provides the base platform for the delivery of all in-house delivered induction, WHS and mandatory compliance training.</p>	<p>All priority 1 and 2 professional development activities (there are four priority levels) were programmed and delivered to staff throughout the year.</p> <p>In total, there were 23,000 training completions relating to 2,000 courses covering an extensive range of topics. The most common being AVM Corporate Induction & Refresher Training, WHS for Workers and Managers, Emergency Management, Active Armed Offender, Bomb Threats, Safe Work Method Statements (SWMS), Cultural Awareness, Disability Awareness, Liquor Licensing, Mental Health First Aid, Warden, Chemical Exposure, 'ICAC', 'Public Sector Code of Ethics' and other customer service, leadership and brand values related modules.</p>

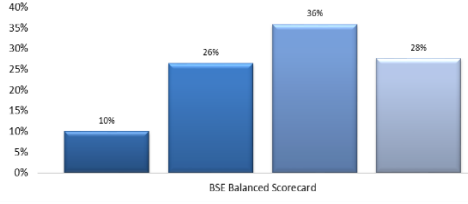
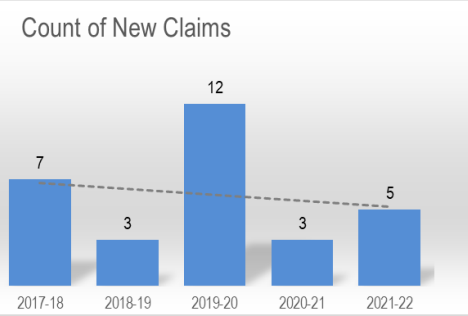
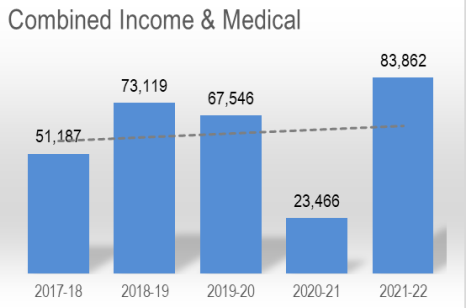
3.7.3 EXECUTIVE EMPLOYMENT

AVM currently has six employees (four male and two female) who meet the Office of the Commissioner for Public Sector Employment (OCPSE) definition of Executive. OCPSE has a filterable [Workforce Information Report Data Dashboard](#) that provides further detailed breakdown of all relevant workforce data by agency, including executive gender, salary and tenure.

3.7.4 WORK HEALTH & SAFETY PROGRAM

WHS notices, prosecutions and enforceable undertakings	2021–22
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 its WHS & IM 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>Consolidated Internal Auditing: AVM consolidated its internal auditing profile. Scheduled audits were undertaken to ensure compliance and to apply continuous improvement actions in all areas of Safety Leadership, Wellbeing & Engagement, Risk Management & Performance Measurement.</p>	<ul style="list-style-type: none"> ✓ WHS Accountabilities defined ✓ Strong commitment to WHS ✓ Engaged leadership ✓ Timely reporting ✓ Strengthened & maturing safety culture ✓ Continuous improvement ✓ WHS administered by 2 FTE
<p>Health & Wellbeing: AVM implemented a multifaceted Wellbeing Program based on healthy body & healthy mind, with a focus on psychosocial wellbeing.</p> <p>Initiatives of the program include:</p> <p>An Employee Assistance Program (EAP): AVM has engaged an external provider to provide a confidential assistance service which is available to all AVM personnel. This service was utilised throughout the period.</p> <p>Mental Health First Aid Training was delivered to nominated personnel within the organisation.</p> <p>Internal training delivered to personnel regarding managing psychological injuries.</p>	<ul style="list-style-type: none"> ✓ A supported workforce ✓ Flu vaccinations ✓ Health assessments ✓ Ergonomic assessments ✓ Healthy activities such as: Corporate Cup, healthy vending machine, supporting blood donor week, promoting Safe Work Month, A – League Pride match ✓ Communications regarding wellbeing initiatives & support mechanisms
<p>Workers Compensation Claims: Injury risk management efforts at AVM focus on hazard management and pre-employment assessments as a means of 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 service model for occupational health.</p> <p>This proactive approach in conjunction with reporting of hazards, workplace inspections and internal auditing enables early identification of safety issues within the organisation.</p>	 <p>Count of New Claims</p>
<p>Claims Income, Medical & Expenditure costs:</p> <p>A settlement with a claim that was submitted in 2020 resulted in the combined medical and income costs increase in comparison to the previous year. AVM's focus remains on early intervention, partnered with establishing open lines of communication and strong relationships with injured employees.</p>	 <p>Combined Income & Medical</p>

Agency gross workers compensation expenditure for 2021–22 compared with 2020–21

Expenditure	2021–22 (\$'000s)	2020–21 (\$'000s)	Variation (\$'000) + (-)	% Change + (-)
Income Maintenance	3	5	-2	-40%
Medical & Expenditure	97	32	65	203%
Total Claims Expenditure	100	37	63	170%

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 no FOI requests in 2021–22.

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; 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.

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 \$39.00 application fee (to be paid by cheque or money order). Should more than two hours be required to accommodate the FOI request, additional charges may apply, as listed in the government's current *Freedom of Information (Fees) Notice 2022* 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.

4. INDEPENDENT AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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

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

Opinion

I have audited the financial report of the Adelaide Venue Management Corporation for the financial year ended 30 June 2022.

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 2022, 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Deputy Chair, the Chief Executive Officer and the Chief Financial Officer.

Basis for opinion

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

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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 the Adelaide Venue Management Corporation for the financial year ended 30 June 2022.

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 Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Chief Executive Officer 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.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

19 September 2022

5. 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 for the financial year over its financial reporting and its preparation of financial statements have been effective.

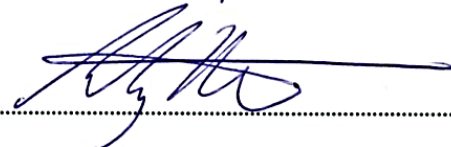


Gay Wallace

DEPUTY CHAIR

Adelaide Venue Management Corporation

Date: 1 September 2022



Anthony Kirchner

CHIEF EXECUTIVE OFFICER

Adelaide Venue Management Corporation

Date: 1 September 2022



Marie Hannaford

CHIEF FINANCIAL OFFICER

Adelaide Venue Management Corporation

Date: 1 September 2022

Statement of Comprehensive Income
for the year ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Income from trading activities			
Facility charges	3.1	32 964	22 683
Business Interruption insurance proceeds	3.2	20 744	26 412
Interest		17	12
Other income	3.3	736	631
Net gain from the disposal of property, plant and equipment	4.3	-	66
Total income from trading activities		54 461	49 804
Expenses from trading activities			
Employee benefits expenses	2.3	25 009	20 076
Supplies and services	4.1	11 166	7 454
Depreciation and amortisation	4.2	4 434	5 290
Net loss from the disposal of property, plant and equipment	4.3	69	-
Total expenses from trading activities		40 678	32 820
Profit from trading activities		13 783	16 984
Income from property management activities			
Interest		4	9
Appropriation	3.4	5 562	5 426
SA Government grant	3.5	10 706	18 145
Other income	3.3	625	850
Total income from property management activities		16 897	24 430
Expenses from property management activities			
Employee benefits expenses	2.3	2 647	2 410
Supplies and services	4.1	9 256	8 227
Depreciation and amortisation	4.2	28 459	28 731
Borrowing costs	4.4	11 114	18 547
Total expenses from property management activities		51 476	57 915
Loss from property management activities		(34 579)	(33 485)
Net profit / (loss)		(20 796)	(16 501)
Other comprehensive income			
Change in asset revaluation surplus		7 815	-
Total other comprehensive income		7 815	-
Total comprehensive result		(12 981)	(16 501)

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 2022

	Note No.	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1, 8.2	45 238	28 481
Specific purpose deposits	6.2, 8.2	7 653	16 914
Receivables	6.3	8 406	6 993
Inventories	5.4	382	339
Total current assets		61 679	52 727
Non-current assets			
Property, plant and equipment	5.1	544 647	564 297
Total non-current assets		544 647	564 297
Total assets		606 326	617 024
Current liabilities			
Payables	7.1	4 326	3 519
Financial liabilities	7.2	54	51
Employee benefits	2.4	2 412	2 373
Contract liabilities	7.3	10 464	7 798
Other current liabilities	7.4	107	105
Total current liabilities		17 363	13 846
Non-current liabilities			
Payables	7.1	58	82
Financial liabilities	7.2	393 928	393 604
Employee benefits	2.4	608	868
Contract liabilities	7.3	1 691	1 307
Other non-current liabilities	7.4	4 726	4 784
Total non-current liabilities		401 011	400 645
Total liabilities		418 374	414 491
Net assets		187 952	202 533
Equity			
Contributed capital		133 840	133 840
Asset revaluation surplus	8.1	71 296	63 481
Accumulated surplus		(17 184)	5 212
Total equity		187 952	202 533

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 2022

	Note No.	Contributed capital	Asset revaluation surplus	Accumulated surplus	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2020		133 840	63 481	23 313	220 634
Net profit / (loss) for 2020-21		-	-	(16 501)	(16 501)
Total comprehensive result for 2020-21		-	-	(16 501)	(16 501)
Dividends paid		-	-	(1 600)	(1 600)
Balance at 30 June 2021		133 840	63 481	5 212	202 533
Net profit / (loss) for 2021-22		-	-	(20 796)	(20 796)
Gain / (loss) on revaluation of land during 2021-22		-	7 815	-	7 815
Total comprehensive result for 2021-22		-	7 815	(20 796)	(12 981)
Dividends paid	8.4	-	-	(1 600)	(1 600)
Balance at 30 June 2022		133 840	71 296	(17 184)	187 952

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 2022

	Note No.	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from the sale of goods and services		40 385	27 031
Business Interruption insurance proceeds		19 943	23 073
Appropriation		5 562	5 426
SA Government grant		10 823	19 094
Interest received		19	27
Cash generated from operations		76 732	74 651
Cash outflows			
Employee benefit payments		27 878	23 534
Supplies and services		22 594	16 551
Borrowing costs		11 231	19 496
GST remitted to the ATO		1 483	918
Cash used in operations		63 186	60 499
Net cash provided by operating activities	8.2	13 546	14 152
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		9	124
Cash generated from investing activities		9	124
Cash outflows			
Purchase of property, plant and equipment		4 408	1 210
Cash used in investing activities		4 408	1 210
Net cash (used in) / provided by investing activities		(4 399)	(1 086)
Cash flows from financing activities			
Cash outflows			
Dividends paid to SA Government		1 600	1 600
Repayment of principal portion of lease liabilities		51	48
Cash used in financing activities		1 651	1 648
Net cash (used in) / provided by financing activities		(1 651)	(1 648)
Net increase / (decrease) in cash and cash equivalents		7 496	11 418
Cash and cash equivalents at the beginning of the financial year		45 395	33 977
Cash and cash equivalents at the end of the financial year	8.2	52 891	45 395

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 About Adelaide Venue Management Corporation

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- 1.2 Objectives and activities
- 1.3 Impact of COVID-19 pandemic on the Corporation
- 1.4 Significant transactions with government related entities

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- 2.1 Key management personnel
- 2.2 Board members
- 2.3 Employee benefits expenses
- 2.4 Employee benefits liability

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- 3.1 Facility charges
- 3.2 Business Interruption insurance proceeds
- 3.3 Other income
- 3.4 Appropriation
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- 4.3 Net (loss)/gain from the disposal of property, plant and equipment
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- 10.1 Unrecognised commitments
- 10.2 Expected realisation of contract liabilities as revenue
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- 10.4 Contingent assets and liabilities
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- 10.6 COVID-19 pandemic outlook for the Corporation
- 10.7 Events after the reporting period

11 Measurement and risk

- 11.1 Long service leave liability - measurement
- 11.2 Fair Value
- 11.3 Possible lease cash outflows not reflected in lease liabilities
- 11.4 Financial instruments

I. About Adelaide Venue Management Corporation

Adelaide Venue Management Corporation, (the Corporation), is a 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.

I.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 purposes of preparing the financial statements, the Corporation is a not-for-profit entity. 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.

I.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 2021-22 were:

- the Corporation continued to incur substantial event booking cancellations / postponements and fewer new bookings relative to traditional levels as a result of COVID-19 and the uncertainty surrounding the possible ongoing severity and duration of the pandemic;
- the Corporation continued to deploy its Downturn Plan strategies to minimise its financial loss, including ceasing non-essential expenditure, staff drawing down on leave entitlements and minimising the use of casual employee labour when no event activity occurs within Venues;
- the Corporation was impacted by 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 evolving restrictions; and
- the Corporation has Business Interruption insurance coverage with its captive insurer the South Australian Financing Authority (SAFA), and has a claim for lost profits under this policy with the indemnity period concluding 30 June 2022.

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 \$1 842 000 in 2021-22 and \$1 691 000 in 2020-21.

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 under section 6 of the *Parliamentary Remuneration Act 1990*.

	2022	2021
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	1 842	1 691
Total	1 842	1 691

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 AO (Chair)
Gay Wallace (Deputy Chair)
Shaun Allan
Pauline Denley
Fiona Hele
Jim Kouts
Philip MacDonald
Denise Von Wald

Board remuneration

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

	2022	2021
\$20 000 to \$39 999	7	7
\$40 000 to \$59 999	1	1
Total number of governing board members	8	8

The total remuneration received or receivable by Board members was \$232 000 (\$231 000). Remuneration of Board members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3 Employee benefits expenses

	2022	2021
	\$'000	\$'000
Trading activities		
Salaries and wages	19 961	15 931
Long service leave	104	88
Annual leave	1 006	998
Skills and experience retention leave (SERL)	69	58
Employment on-costs - superannuation	2 128	1 657
Employment on-costs - other	1 527	1 137
Board fees	214	207
Total employee benefits expenses from trading activities	25 009	20 076
Property management activities		
Salaries and wages	2 187	1 914
Long service leave	1	50
Annual leave	105	134
Skills and experience retention leave (SERL)	1	3
Employment on-costs - superannuation	229	198
Employment on-costs - other	124	111
Total employee benefits expenses from property management activities	2 647	2 410
Total employee benefits expenses	27 656	22 486

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:

	2022	2021
\$157 001 to \$177 000	2	4
\$177 001 to \$197 000	1	1
\$197 001 to \$217 000	2	1
\$217 001 to \$237 000	1	1
\$237 001 to \$257 000	-	1
\$417 001 to \$437 000	-	1
\$577 001 to \$597 000	1	-
Total number of employees	7	9

The total remuneration received by those employees for the year was \$1 764 000 (\$1 939 000).

The table includes all employees whose normal remuneration was 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 as well as any termination benefits for employees who have left the Corporation.

2.4 Employee benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	683	588
Long service leave	1 468	1 601
Skills and experience retention leave (SERL)	70	52
Accrued salaries and wages	191	132
Total current employee benefits	2 412	2 373
Non-current		
Long service leave	608	868
Total non-current employee benefits	608	868
Total employee benefits	3 020	3 241

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 at note 11.1.

3. Income

3.1 Facility charges

	2022	2021
	\$'000	\$'000
Car park	4 514	5 241
Catering	15 217	10 739
Corporate	547	20
Recoveries	4 566	2 564
Technical services	2 801	1 652
Venue hire	5 319	2 467
Total facility charges	32 964	22 683

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, in most instances 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.

Refer to note 6.3 for disclosure relating to contract balances included in receivables.

Refer to note 7.3 for disclosure relating to contract liabilities.

3.2 Business Interruption insurance proceeds

	2022	2021
	\$'000	\$'000
Business Interruption insurance proceeds	20 744	26 412
Total Business Interruption insurance proceeds	20 744	26 412

The Corporation has Business Interruption insurance coverage with its captive insurer SAFA, and has a claim for lost profits under this policy.

3.3 Other income

	2022	2021
	\$'000	\$'000
Trading activities		
Commission earned	176	45
Ticketing	397	122
Other	163	464
Total other income from trading activities	736	631
Property management activities		
Leased properties	434	451
Other	191	399
Total other income from property management activities	625	850
Total other income	1 361	1 481

3.4 Appropriation

	2022	2021
	\$'000	\$'000
Appropriation	5 562	5 426
Total appropriation	5 562	5 426

Appropriations are recognised on receipt.

This table does not show appropriation 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.

3.5 SA Government grant

	2022	2021
	\$'000	\$'000
SA Government grant	10 706	18 145
Total SA Government grant	10 706	18 145

SA Government grants are recognised as income on receipt.

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

	2022	2021
	\$'000	\$'000
Trading activities		
Administration expenses and sundries	3 380	2 519
Direct materials	6 373	4 193
Building services costs	41	32
Repairs and maintenance	317	178
Marketing and promotions	1 055	532
Total supplies and services from trading activities	11 166	7 454
Property management activities		
Administration expenses and sundries	139	77
Direct materials	183	367
Building services costs	5 536	5 219
Repairs and maintenance	3 398	2 564
Total supplies and services from property management activities	9 256	8 227
Total supplies and services	20 422	15 681

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:

	2022		2021	
	No	\$'000	No	\$'000
Below \$10 000	2	11	-	-
\$10 000 or above	2	78	-	-
Total	4	89	-	-

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 \$88 400 (\$83 100). No other services were provided by the Auditor-General's Department.

4.2 Depreciation and amortisation

	2022	2021
	\$'000	\$'000
Trading activities		
Plant and equipment	4 434	5 290
Total depreciation and amortisation for trading activities	4 434	5 290
Property management activities		
Buildings	27 926	28 201
Leasehold improvements	352	353
Right-of-use land	181	177
Total depreciation and amortisation for property management activities	28 459	28 731
Total depreciation and amortisation	32 893	34 021

All non-current assets not held for sale 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	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)/gain from the disposal of property, plant and equipment

	2022	2021
	\$'000	\$'000
Property, plant and equipment		
Net proceeds from disposal	9	124
Less carrying amount of assets disposed	(78)	(58)
Total net (loss)/gain from the disposal of property, plant and equipment	(69)	66

4.4 Borrowing costs

	2022	2021
	\$'000	\$'000
Interest expense on lease liabilities	408	402
Guarantee fees on long term borrowings	3 250	5 771
Interest expense on long term borrowings	7 456	12 374
Total borrowing costs	11 114	18 547

Borrowings

The Corporation has an agreement with SAFA to source debt funding for the extension and redevelopment of the Adelaide Convention Centre.

The Department of Treasury and Finance provide grant payments to the Corporation for interest and guarantee fees associated with the borrowings. Refer note 3.5.

5. Non-financial assets

5.1 Property, plant and equipment by asset class

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

	2022	2021
	\$'000	\$'000
Land and buildings		
Land at fair value	40 445	32 630
Buildings at fair value	584 803	584 803
Improvements at cost	5 678	4 973
Accumulated depreciation	(113 632)	(85 712)
Total land and buildings	517 294	536 694
Right-of-use land		
Right-of-use land at cost	11 801	11 423
Accumulated depreciation	(535)	(354)
Total right-of-use land	11 266	11 069
Leasehold improvements		
Leasehold improvements	4 228	4 339
Accumulated amortisation	(2 250)	(1 979)
Total leasehold improvements	1 978	2 360
Work in progress	2 643	811
Total work in progress	2 643	811
Plant and equipment		
Plant and equipment at cost	54 526	52 943
Accumulated depreciation	(43 060)	(39 580)
Total plant and equipment	11 466	13 363
Total property, plant and equipment	544 647	564 297

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.

Lessors arrangements

The Corporation is a lessor of shops, offices and site space located on sites owned or leased by the Corporation. The lease terms range between 1 - 5 years, and rental payments are payable monthly by the lessees. The Corporation is also lessor of a section of land, for which the lease term is 99 years. Rental in relation to the lease of this land was received in advance. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the leased assets. The Corporation manages risk of default and damage caused to shops, offices and site space by the use of formal lease agreements, employing a property manager to manage the majority of the leases, holding security deposits and obtaining personal guarantees.

Leased property income is disclosed in note 3.3. A maturity analysis of leased property payments is disclosed in note 10.3.

Impairment

At the end of each reporting period, the Corporation reviews the carrying amounts of property, plant and equipment it owns to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 11.2. 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.

Reconciliation 2021-22

	Land	Buildings and improvements	Leasehold improvements	Work in progress	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	32 630	504 064	2 360	811	13 363	553 228
Additions	-	-	-	5 128	-	5 128
Transfers in / (out)	-	715	19	(3 296)	2 562	-
Disposals e.g. sales, write off	-	(4)	(49)	-	(25)	(78)
Revaluation increment / (decrement)	7 815	-	-	-	-	7 815
Depreciation and amortisation	-	(27 926)	(352)	-	(4 434)	(32 712)
Carrying amount at the end of the period	40 445	476 849	1 978	2 643	11 466	533 381

Reconciliation 2020-21

	Land	Buildings and improvements	Leasehold improvements	Work in progress	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	32 630	532 211	2 713	111	18 166	585 831
Additions	-	-	-	1 299	-	1 299
Transfers in / (out)	-	57	-	(599)	542	-
Disposals e.g. sales, write off	-	(3)	-	-	(55)	(58)
Depreciation and amortisation	-	(28 201)	(353)	-	(5 290)	(33 844)
Carrying amount at the end of the period	32 630	504 064	2 360	811	13 363	553 228

5.3 Property, plant and equipment leased by the Corporation

Right-of-use assets for property, plant and equipment leased by the Corporation as lessee are measured 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 lease with Renewal SA for part of the land on which 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. See note 11.3 for further information.
- The Corporation has 2 concessionary leases with the Minister for Recreation and Sport. These leases are significantly below-market terms and conditions principally to enable the Corporation to further its objectives. The leases are as follows:
 1. Lease of 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.
 2. Lease of a portion of land on which Adelaide Convention Centre buildings are situated. The annual lease payment is \$1. The lease expires 1 July 2083, with a lease extension option of an additional 20 years.

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

	2022	2021
	\$'000	\$'000
Current - Inventories held for resale		
Beverages	266	259
Food	116	80
Total inventories held for resale	382	339

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 \$4 241 000 (\$3 252 000).

6. Financial assets

6.1 Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Operating Account	45 029	28 262
Total cash and cash equivalent deposits with the Treasurer	45 029	28 262
Cash on hand	209	219
Total cash and cash equivalents	45 238	28 481

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 0.00% (0.00%). Interest is accrued daily and distributed monthly.

6.2 Specific purpose deposits

	2022	2021
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Future Asset Replacement Account	4 764	14 027
Total specific purpose deposits with the Treasurer	4 764	14 027
Investment with SA Financing Authority	2 889	2 887
Total specific purpose deposits	7 653	16 914

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 0.00% (0.00%). 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 0.15% (0.18%). Interest is accrued daily and distributed monthly.

6.3 Receivables

	2022	2021
	\$'000	\$'000
Current		
Trade receivables from government entities	407	637
Trade receivables from non-government entities	2 015	1 104
Accrued revenues	5 212	4 544
Prepayments	772	708
Total current receivables	8 406	6 993

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 11.4 for further information on risk management.

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

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.

Allowance for impairment loss on receivables

The Corporation has provided a nil (2021 nil) loss allowance for trade receivables. Refer to note 11.4 for details regarding credit risk and the methodology for determining impairment.

Contract balances	30 June 2022	1 July 2021
Receivables from contracts with customers, included in 'Receivables'	2 422	1 741

7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1 Payables

	2022 \$'000	2021 \$'000
Current		
Trade payables	2 211	1 722
Accrued expenses	929	639
GST payable	143	57
Employment on-costs	293	270
Interest accrued	750	831
Total current payables	4 326	3 519
Non-current		
Employment on-costs	58	82
Total non-current payables	58	82
Total payables	4 384	3 601

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, ReturnToWorkSA levies 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 remains unchanged for 2022 from the 2021 rate (42%). This rate is used in the employment on-cost calculation.

7.2 Financial liabilities

	Note No.	2022 \$'000	2021 \$'000
Current			
Lease Liabilities	5.3	54	51
Total current financial liabilities		54	51
Non-current			
Borrowings from SA Government		382 321	382 321
Lease Liabilities	5.3	11 607	11 283
Total non-current financial liabilities		393 928	393 604
Total financial liabilities		393 982	393 655

The Corporation measures financial liabilities including borrowings at amortised cost.

Note 11.3 describes possible cash outflows for leases the Corporation is exposed to that are not included in lease liabilities.

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 rate was 1.89% in 2022 (in the range of 1.89% and 4.35% in 2021).

7.3 Contract liabilities

	2022 \$'000	2021 \$'000
Current		
Contract liabilities	10 464	7 798
Total current contract liabilities	10 464	7 798
Non-current		
Contract liabilities	1 691	1 307
Total non-current contract liabilities	1 691	1 307
Total contract liabilities	12 155	9 105

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.

Contract liabilities	30 June 2022	1 July 2021
Contract liabilities - current	10 464	7 798
Contract liabilities - non-current	1 691	1 307

Contract liabilities have increased during the financial year, due to an increase in invoicing for future events, as a result of increased client confidence that events will be able to proceed following the easing of Government restrictions that had been implemented in response to the COVID-19 pandemic.

Revenue totalling \$3 389 000 was recognised in 2021-22 that was included in contract liabilities at 1 July 2021. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

7.4 Other liabilities

	2022	2021
	\$'000	\$'000
Current		
Unearned lease revenue	58	58
Security deposits	49	47
Total current other liabilities	107	105
Non-current		
Unearned lease revenue	4 726	4 784
Total non-current other liabilities	4 726	4 784
Total other liabilities	4 833	4 889

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 a self-insured 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 2022, 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 3.4.

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.

Total cash outflows for leases was \$498 000 (\$453 000).

Reconciliation of net result to cash flows from operating activities

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Statement of Financial Position		
Current		
Cash and cash equivalents	45 238	28 481
Specific purpose deposits	7 653	16 914
Cash and cash equivalents as recorded in the Statement of Cash Flows	52 891	45 395
Reconciliation of profit / (loss) to net cash provided by operating activities:		
Net profit / (loss) for the year	(20 796)	(16 501)
Add / (less) non-cash items		
Depreciation and amortisation expense	32 893	34 021
Leased land income	(58)	(58)
Net (gain) / loss on disposal of assets	69	(66)
Movement in assets / liabilities		
(Increase) / decrease in receivables	(1 413)	(3 915)
(Increase) / decrease in inventories	(43)	46
(Decrease) / increase in payables	63	(157)
(Decrease) / increase in other liabilities	2	(10)
(Decrease) / increase in contract liabilities	3 050	1 753
(Decrease) / increase in employee benefits	(221)	(961)
Net cash provided by operating activities	13 546	14 152

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.

Event funds

	2022	2021
	\$'000	\$'000
Administered revenues		
Net box office receipts	17 177	7 415
Interest earned on event funds	41	13
Total administered revenues	17 218	7 428
Administered expenses		
Settlements paid	11 960	3 196
Total administered expenses	11 960	3 196
Movement in administered items during the year	5 258	4 232
Administered assets		
Cash at bank	11 783	6 532
Receivable - interest	9	2
Total administered assets	11 792	6 534
Administered liabilities		
Funds held in trust	11 783	6 532
Accrued interest payable	9	2
Total administered liabilities	11 792	6 534
Movement in administered items during the year	5 258	4 232
Total administered assets held at the beginning of the financial year	6 534	2 302
Total administered assets held at the end of the financial year	11 792	6 534

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 0.38% (0.35%). Interest is accrued daily and distributed monthly.

Coopers Stadium Upgrade Project funds

	2022 \$'000	2021 \$'000
Administered funds receipts		
Receipt of project funds	-	45 000
Total administered funds receipts	-	45 000
Administered funds outflows		
Project spend	16 314	1 040
Total administered funds outflows	16 314	1 040
Movement in administered items during the year	(16 314)	43 960
Administered assets		
Cash at bank	27 646	43 960
Total administered assets	27 646	43 960
Administered liabilities		
Funds held for project	27 646	43 960
Total administered liabilities	27 646	43 960
Movement in administered items during the year	(16 314)	43 960
Total administered assets held at the beginning of the financial year	43 960	-
Total administered assets held at the end of the financial year	27 646	43 960

The Corporation has entered into an administrative arrangement with the Office for Recreation, Sport and Racing (ORSR) to oversee and manage the Coopers Stadium Upgrade project. The SA Government has allocated \$45 000 000 in funding to ORSR which has been subsequently transferred to the Corporation for this purpose. The project period is from 24 April 2021 to 1 December 2024, which includes a 12 month defects liability period. Upon project acquittal the Corporation will return any unspent funding to ORSR. The Corporation is responsible for any project cost overruns.

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 0.00% (0.00%).

8.4 Dividends

A current period dividend of \$1 600 000 (\$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

The Corporation has early-adopted AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*. The main requirements of this standard amend requirements and guidance relating to what accounting policy information is disclosed and, clarifies the distinction between changes in accounting policy and changes in accounting estimates.

10. Outlook

10.1 Unrecognised commitments

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

Capital Commitments

	2022 \$'000	2021 \$'000
Within one year	6 679	948
Total capital commitments	6 679	948

The Corporation's capital expenditure commitments are associated with various capital projects.

Expenditure Commitments

	2022 \$'000	2021 \$'000
Within one year	881	998
Later than one year but not longer than five years	115	226
Total expenditure commitments	996	1 224

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

10.2 Expected realisation of contract liabilities as revenue

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-29 \$'000	Total \$'000
Revenue expected to be recognised	10 464	511	507	673	12 155

Revenue expected to be recognised in 2023-24 and beyond relates to deposits and instalment payments for future events.

10.3 Expected leased property income

Operating lease maturity analysis

	2022 \$'000	2021 \$'000
Within one year	230	361
Later than one year but not longer than two years	166	266
Later than two years but not longer than three years	58	108
Later than three years but not longer than four years	2	-
Total operating lease revenue commitments	456	735

The above table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date. These amounts are not recognised as assets.

See note 5.2 for information about the property the Corporation leases out under operating leases.

10.4 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 is not aware of any contingent assets.

The Corporation is not aware of any contingent liabilities.

10.5 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.

10.6 COVID-19 pandemic outlook for the Corporation

The COVID-19 pandemic is expected to continue to impact the operations of the Corporation in 2022-23, although not to the same extent as the Corporation has experienced since COVID-19 commencement in March 2020, subject to there not being any material new developments in the COVID-19 pandemic which trigger the re-introduction of significant Government restrictions. The key expected impacts are:

- The number of events and attendees are expected to be below pre Covid-19 levels due to:
 - key event personnel / attendees contracting Covid-19 and being unable to attend scheduled events;
 - event cancellation / postponement due to clients / artists / presenters being unwilling to accept the risk of potentially contracting Covid-19 and being required to comply with isolation requirements;
 - events with international attendees are dependent upon the resumption of international flights at regular and reliable schedules; and
 - significant lead times on some event types resulting in a delay in the Corporation returning to normal operational levels even with the lifting of restrictions.
- The Corporation's Business Interruption insurance claim through its captive insurer SAFA ceases 30 June 2022, and consequently ongoing COVID-19 impacts post 30 June 2022 will impact the Corporation's profitability and cash reserves.

10.7 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 increased from 2021 (1.00%) to 2022 (3.25%). This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate unchanged for 2022 from the 2021 rate (2.50%) for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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 \$291 000 and employee benefits expense of \$319 000. 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 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 as leave their long service leave accrual 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, other than right-of-use assets, 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 2022 and 2021, 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 2022

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land	5.1	40 445	-	40 445
Buildings and improvements	5.1	722	476 127	476 849
Leasehold improvements	5.1	-	1 978	1 978
Work in progress	5.1	-	2 643	2 643
Plant and equipment	5.1	-	11 466	11 466
Total recurring fair value measurements		41 167	492 214	533 381

Fair value classification – non-financial assets at 30 June 2021

	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	763	503 301	504 064
Leasehold improvements	5.1	-	2 360	2 360
Work in progress	5.1	-	811	811
Plant and equipment	5.1	-	13 363	13 363
Total recurring fair value measurements		33 393	519 835	553 228

Land and Buildings

The Corporation's regular revaluation cycle for land and buildings and improvements owned by the Corporation is every six years, with the valuation appraisal performed by an independent Certified Practising Valuer. The most recent independent valuation was performed by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd, as at 30 June 2018 for buildings and improvements and as at 30 June 2022 for land.

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 that 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 have not been revalued. The carrying value of these items is deemed to approximate fair value.

Reconciliation of Level 3 recurring fair value measurements at 30 June 2022

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

	Buildings and improvements	Leasehold improvements	Work in progress	Plant and equipment
	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	503 301	2 360	811	13 363
Acquisitions	-	-	5 128	-
Transfers in / (out)	715	19	(3 296)	2 562
Total gains / (losses) for the period in profit and loss:				
Depreciation	(27 885)	(352)	-	(4 434)
Disposals	(4)	(49)	-	(25)
Closing balance at the end of the period	476 127	1 978	2 643	11 466

Reconciliation of Level 3 recurring fair value measurement at 30 June 2021

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

	Buildings and improvements	Leasehold improvements	Work in progress	Plant and equipment
	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	531 405	2 713	111	18 166
Acquisitions	-	-	1 299	-
Transfers in / (out)	57	-	(599)	542
Total gains / (losses) for the period in profit and loss:				
Depreciation	(28 158)	(353)	-	(5 290)
Disposals	(3)	-	-	(55)
Closing balance at the end of the period	503 301	2 360	811	13 363

11.3 Possible lease cash outflows not reflected in lease liabilities

The Corporation has entered into a long term lease with Renewal SA for part of the land on which the Adelaide Convention Centre buildings are situated. The lease liability does not reflect the extension option of an additional twenty years as the Corporation does not consider it reasonably certain that it would be taken up, given the current lease period does not expire until 30 June 2083.

11.4 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 the *SA Government Risk Management Guide*, the principles established in the *Australian Standard Risk Management Principles and Guidelines* 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 or in relation to accrued revenue during the year.

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.
