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**Government
of South Australia**

ADELAIDE FESTIVAL CENTRE TRUST

2022-23 Annual Report

ADELAIDE FESTIVAL CENTRE TRUST

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To:

The Honourable Andrea Michaels MP
Minster for Arts

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Adelaide Festival Centre Trust Act 1971* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the ADELAIDE FESTIVAL CENTRE TRUST by:

The Honourable Hieu Van Le AC
Chair, Adelaide Festival Centre Trust

Date 27/09/2023

Signature



From the Chief Executive

Commemorating 50 wonderful years, 2022-23 saw the first half of Adelaide Festival Centre's 50th Anniversary. A program of events was curated and executed to celebrate the great vision and extraordinary delivery of Australia's first multi-purpose performing arts centre. On the actual birthday, June 2nd in Festival Theatre, patrons, staff, alumni, donors, artists, the Premier, and dignitaries from all industry sectors attended a gala concert. Hosted by Libby O'Donovan OAM and showcasing Adelaide Festival Centre's five festivals, the concert reiterated the national significance and heart felt connection Adelaide audiences have with their performing arts centre.

Prime Minister the Honourable Anthony Albanese said *"50 years ago, two great Labor leaders, Prime Minister Gough Whitlam and SA Premier Don Dunstan, stood shoulder to shoulder and launched the first arts centre in Australia, Adelaide Festival Centre."*

"Both leaders were adamant believers in the power of culture to strengthen society and bring us all together. Half a century on, my government believes and acts on the same convictions. Happy Birthday Adelaide Festival Centre, long may your curtains rise."

In 2022-23, Adelaide Festival Centre reached over one million attendees, back to pre-pandemic levels. High levels of audience satisfaction drove tickets sales and venue utilisation rates, underpinning another positive financial result. New audiences were reached, including multi-cultural communities and the Trust raised \$22 million (47%) of its revenue from commercial activities.

280 performances by our South Australian Home Companies received critical acclaim and contributed greatly to the diversity of programming offerings. Home Companies were celebrated with an exhibition and engagement program.

We presented five Adelaide Festival Centre festivals.

Adelaide Cabaret Festival celebrated the Festival Centre's 50th by inviting previous Artistic Directors to curate the 2023 festival. Julia Holt, David and Lisa Campbell, Kate Ceberano, Eddie Perfect, Ali McGregor, Julia Zemiro, Alan Cumming and Tina Arena presented one of the most successful festivals yet with thirty sold-out performances and a star-studded line up.

DreamBIG Children's Festival had it all – from dinosaurs, to a traditional yurt. With more than 200 sold out performances, and over 100,000 young people, teachers and families attending, DreamBIG continues to claim its place as the first and largest children's arts festival in the country.

The 15th OzAsia Festival under the artistic direction of Annette Shun Wah featured more than five hundred community, national and international artists from eight countries and fifty events. Moon Lantern Trail and Lucky Dumpling Market reconfirmed their status as much-loved traditions for South Australia and the writing

program *In Other Words*, received critical acclaim as the only event nationally to showcase Australian/Asian writers.

Adelaide Guitar Festival, curated by Slava Grigoryan, took to the road with a packed program touring 35 regional venues. Back in Adelaide, thousands of people enjoyed popular favourites including the Adelaide International Guitar Competition and the Winter School which saw students aged 11-70 participate and compete, receiving guidance from great leaders including Slava Grigoryan.

Working closely with Renewal SA, Adelaide Festival Centre managed the new Festival Plaza activation, forming an active precinct partners committee and delivering events to test and trial the new site. Over 200,000 people attended successful activations, giving this beautiful new public space a terrific start.

The year ended with the triumphant Disney Musical starring everyone's favourite Nanny, *Mary Poppins*. With a stellar eight-week season, the results of which will form part of the 2023-24 financial year results.

Our visual arts curators installed outstanding exhibitions, including the 50th celebration of China Australia relations with an international display of exquisite Chinese contemporary art based on traditional customs titled: *China Today*.

Turn Up Your Radio was an exemplar of community-based celebration and pride. As a celebration of South Australia, and supporting Adelaide's UNESCO City of Music designation, the exhibition featured music memorabilia, including handwritten song lyrics, costumes and posters from South Australia's best-known pop musicians and bands.

In the spirit of Reconciliation, our *Innovate* Action Plan was launched and a staff working group met regularly to advance targets and opportunities for our First Nations engagement at all levels. OUR MOB, delivered significant cash prizes to First Nations visual artists and Our Young Mob was received with acclaim. Our Stories and Our Words delivered unique programs for First Nations writers and storytellers.

In addition to working with all the programming streams our Learning & Engagement and CentrED education team continued to support valuable experiences for families and school students who might not otherwise have the opportunity both in-school and at the Adelaide Festival Centre.

This year, the Adelaide Festival Centre Foundation achieved excellent fundraising outcomes. Enabling the 50th Anniversary Concert and other programs, nearly \$1 million was generously donated, which bucks the national 'down-turn' trend of giving. I would like to express my sincere thanks to the Foundation and all who gave generously this year.

Sincere thanks also to the management and staff who delivered a very productive year of events and activities. The production and technical team alongside the customer experience teams should be commended for their extraordinary efforts turning around a large volume of activity this year. I am delighted to be able to work with such a creative organisation, which serves its community so well.

My thanks also to the dedicated volunteers who bring a commitment and joy to the many roles they undertake – thank you!

My thanks to the Chair, the Honourable Hieu Van Le AC for his steady hand throughout the year and to all trustees for their time. Thanks also to our Arts Minister, the Honourable Andrea Michaels MP and to the Government of South Australia for their support.

The 50th Anniversary of Adelaide Festival Centre was worth the wait, with activities to continue into the 2023-24 year.

A handwritten signature in blue ink, appearing to read 'D. Gautier', is positioned above the printed name.

Douglas Gautier AM

Chief Executive Officer and Artistic Director

Adelaide Festival Centre

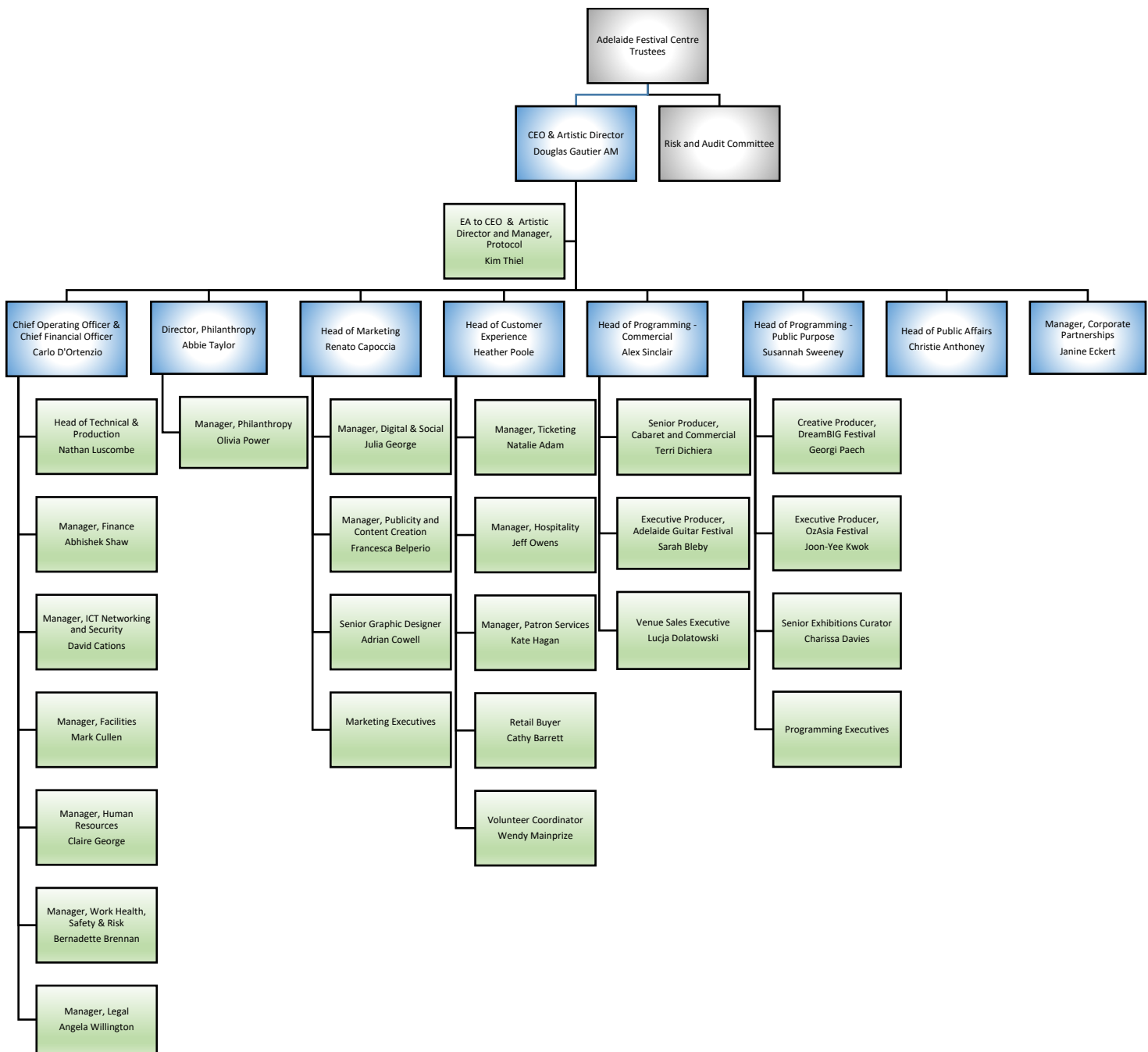
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Overview: about the agency**Our strategic focus**

Our Purpose	To entertain, engage, educate and inspire
Our Vision	To be the arts and entertainment heart of the festival state
Our Values	To be a national and international cultural leader and collaborator
Our functions, objectives and deliverables	<ul style="list-style-type: none"> • To be a local and international cultural leader and trusted partner. • Deliver a dynamic, balanced program of performing arts, exhibitions, education programs, commercial product, and cultural activity across all Adelaide Festival Centre venues, reflective of the diverse communities we serve. Arts for all. • Grow audiences by delivering excellent customer experiences, building our brand and reputation and being responsive to a changing media and consumer landscape. • Provide technically well-provisioned, safe, sustainable and accessible venues and spaces. • Maintain and grow a positive organisational culture built on collaboration and creativity. • Consolidate and increase philanthropic and sponsorship support. • Build financial, IT, administrative and entrepreneurial capacity to respond to change and embrace opportunity. • <i>Adelaide Festival Centre Trust Strategic Plan 2021-2024</i>

Our organisational structure



Changes to the agency

During 2022-23 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

The Honourable Andrea Michaels MP, Minister for Arts

Our Executive team

CEO & Artistic Director	Douglas Gautier AM
Chief Operating & Financial Officer	Carlo D'Ortenzio
Head of Public Affairs	Christie Anthoney
Head of Marketing	Renato Capoccia
Head of Technical & Production	Nathan Luscombe
Head of Customer Experience	Heather Poole
Head of Programming - Cabaret & Commercial	Alex Sinclair
Head Programming – Public Purpose	Susannah Sweeney
Director of Philanthropy	Abbie Taylor

Current Members and Terms

The Hon Hieu Van Le AC – <i>Chair</i> (appointed Chair January 2022)	09/09/2021 to 8/09/2024	Attended 6 meetings
Jacqui McGill AO – <i>Deputy Chair</i>	25/03/2021 to 24/03/2024	Attended 5 meetings
Maggie Zhou	21/04/2019 to 20/04/2022 and 19/05/2022 to 18/05/2024	Attended 4 meetings
Steven Woolhouse	29/10/2020 to 28/10/2023	Attended 6 meetings
Bruce Carter	21/01/2022 to 20/01/2025	Attended 5 meetings
Dr Katherine Tamiko Arguile	27/10/2022 to 26/10/2025	Attended 4 meetings (of 4 held during term)
Councillor Phillip Martin	6/04/2023 to 5/04/2026	Attended 1 meeting (of 2 held during term)
Julia Knight	27/10/2019 to 26/10/2022	Attended 2 meetings (of 2 held during term)
Mitchell Butel	29/06/2020 to 28/06/2023	Attended 3 meetings (of 5 held during term)
Sandy Verschoor	12/09/2017 to 11/09/2020 and 29/10/2020 to 14/11/2022	Attended 2 meetings (of 2 held during term)

Legislation administered by the agency

Adelaide Festival Centre Trust Act 1971

The agency's performance

Agency specific objectives and performance

Adelaide Festival Centre is operated by the Adelaide Festival Centre Trust (the Trust). The Trust is a South Australian Government statutory body, created and with responsibilities outlined in the *Adelaide Festival Centre Trust Act 1971*.

The Trust's purpose, as set out in the Act, is to contribute to the cultural, social and intellectual development of all South Australians. Towards this, the Trust functions:

- a) to produce, present and manage the performing arts in the building occupied by the Trust at Adelaide Festival Centre or any other building;
- b) to provide or assist in providing premises and equipment for the purpose of the presentation of the performing arts;
- c) to promote and encourage the development and presentation of the performing arts;
- d) to promote and encourage public interest and participation in the performing arts;
- e) to promote and encourage either directly or indirectly the knowledge, understanding, appreciation and enjoyment of the performing arts;
- f) to perform the functions given to the Trust under another Act; and
- g) to perform functions that are incidental, complementary or helpful to, or likely to enhance the effective and efficient performance of, the functions mentioned in paragraphs (a) to (g).

The Trust endeavours to maintain a strong governance framework, consistent with contemporary best practice and compliant with legislative requirements and contemporary financial standards, government policies and priorities.

Adelaide Festival Centre Trust Strategic Plan 2021-2024 objectives include:

Corporate: To be a local and international cultural leader and trusted partner.

Programming: Deliver a dynamic and balanced program of performing arts, exhibitions, education programs, commercial product, and cultural activity across all Adelaide Festival Centre venues, reflective of the diverse communities we serve. Arts for all.

Marketing and Customer Experience:
Grow audiences by delivering excellent customer experiences, building our brand and reputation and being responsive to a changing media and consumer landscape.

Venue and Infrastructure:
Provide technically well-provisioned, safe, sustainable, and accessible venues and spaces.

People and Culture:
Maintain and grow a positive organisational culture built on collaboration and creativity.

Sponsorship and Philanthropy:
Consolidate and increase philanthropic and sponsorship support.

Sustainability and Growth:
Build financial, IT, administrative, and entrepreneurial capacity to respond to change and embrace opportunity.

Agency objectives	
Indicators	Performance
Year-round program and festivals	
<p>Adelaide Festival Centre presents theatre, dance, music, and exhibitions, and is committed to supporting and co-presenting some of the world's biggest touring musicals.</p> <p>The program included theatre, ballet, contemporary dance, circus, music and performances for children and young people.</p>	<ul style="list-style-type: none"> • Ticketed: 573,000 • Non-ticketed: 274,927 • Total attendances: 848,527 • Total offsite festival attendances: 163,415 <p>TOTAL ATTENDANCES: 1,011,342</p>

Adelaide Guitar Festival 9 – 24 July 2022

Adelaide Guitar Festival 2022 saw a return to the full program, even though COVID travel restrictions still affected key headline events.

Adelaide Guitar Festival On the Road presented its largest program yet, with support from the federal government's RISE fund, and a large-scale, architectural immersive guitar installed on the Festival Plaza added a new dimension to the free metropolitan program.

The program included two world premieres, and the winner of the 2022 Adelaide International Classical Guitar Competition was Connor Whyte, the first Adelaide-based winner since the competition's inception.

The 2022 festival employed:

180 individual artists for 322 performances across South Australia, including at schools, health care services, 7 metro venues and 35 regional venues.

Total festival attendances at were more than 16,000 including at regional venues on the Eyre and Yorke Peninsulas, SA's Mid North, Kangaroo Island and Adelaide Hills, contributing \$1.67 million in economic impact to the regions.

OzAsia Festival 20 Oct - 6 Nov 2022

OzAsia Festival celebrated another successful festival season with 66,000 attendances in the first 4 days of inspiring performances and exciting community events, including the Moon Lantern Trail. Annette Shun Wah was Artistic Director of the festival which had more than 162,000 attendances across 69 unique events. The events, in addition to Moon Lantern Trail, included Lucky Dumpling Market, Bubble Tea Garden, Anime Go! plus theatre, dance and music performances, exhibitions, workshops, films and other activities.

Total attendances: 162,000

The program delivered:

- 6 world premieres
- 2 Australian premieres
- 7 Adelaide premieres
- 28 events exclusive to South Australia.

The program of 69 unique events included:

- 8 dance and theatre performances
- 7 live music events
- 7 visual art exhibitions
- 1 film program
- 5 major community events
- 8 workshop / education events
- 32 writing and ideas events
- 1 professional and creative development event

The festival also provided significant employment and performance opportunities for artists in 2022, including:

- 317 professional artists engaged in the artistic program (50 international and 267 Australian)
- 372 local community artist opportunities

DreamBIG Children's Festival 17 - 27 May 2023

DreamBIG as a biennial festival, continued to celebrate its position as among the brightest and boldest children's festival in the world. It was the first curated children's festival in the world and therefore the longest-running. The theme for 2023 was 'Our World' and featured 60+ events for schools and families including another successful Big Family Weekend centred around the Festival Plaza and attracting more than 30,000 attendances.

DreamBIG Children's Festival delivered:

- Attendances: 100,000+
- Big Family Weekend: 30,000+
- Schools engaged: 180+
- Students engaged: 25,000+
- Artists engaged: 425

Adelaide Cabaret Festival 9 – 24 June 2023

The 2023 Adelaide Cabaret Festival celebrated the Festival Centre's 50th anniversary by engaging nine out of the ten former artistic directors: The Cabaret Collective - Julia Holt, David Campbell and Lisa Campbell, Kate Ceberano, Eddie Perfect, Ali McGregor, Julia Zemiro, Alan Cumming and Tina Arena. It was one of the most successful years yet, featuring more than 30 sold-out performances over 12 days and nights of glittering shows by a star-studded lineup of performers.

Featuring crowd-pleasing performances from festival favourites RockWiz, the annual Variety Gala and Kate Ceberano with the ASO, the Adelaide Cabaret Festival presented brand new works in development by South Australian artists through its "Showcasing the New" program with proceeds going to the Adelaide festival Centre Foundation.

- Attendances: 50,000
- Sold out shows: 34
- Artists and Musicians: 342
- World premieres: 13
- Adelaide premieres: 20
- The program features a large contingent of Australian artists and performers from the USA, United Kingdom, and France.

Learning & Engagement (includes Families and Multicultural programs)

Learning and Engagement programs include accessible and affordable programming for South Australian families and vital collaborations with our culturally diverse communities.

An annual charity performance at Her Majesty's Theatre and targeted projects engaged with multi-cultural communities.

This includes Families programming / Free workshops / Students Got Talent / Lunar New Year / Multicultural communities program support.

Families and Community engagement in 2022-23 included:

- 24,132 attendances
- 97 shows
- 854 artists,
- 528 local
- 322 interstate

OnStage

On Stage Performing Arts Learning program provides open access and accessible workshops for young people 8-17 years in the school holidays.

Engagement across the year included:

- 11 Workshops
- 201 Participants
- 10 Sponsored participants
- 48 Tutors

First Nations Programs

Adelaide Festival Centre continued to develop its extended First Nations programming stream to run alongside the well-established OUR MOB and OUR YOUNG MOB exhibition with the additions of OUR STORIES and OUR WORDS.

- OUR MOB artists: 125
- OUR YOUNG MOB artists: 30
- OUR WORDS & OUR STORIES attendances: 555
- First Nation Artists employed across OUR WORDS and OUR STORIES: 15
- First Nations participants across all AFC programs/festivals: 1030

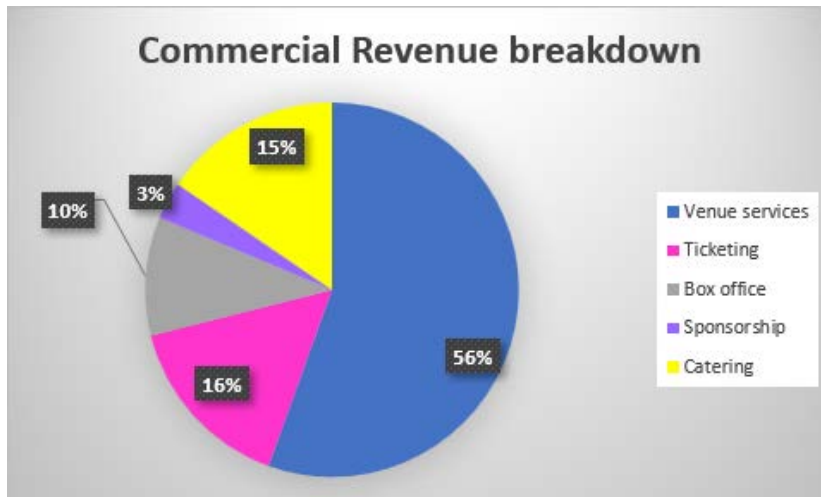
CentrED

Adelaide Festival Centre's centrED schools program provided curriculum relevant arts education experiences and resources for students and teachers of South Australia, with a primary focus on connecting students and educators with artist experiences and live performance. centrED programs are designed by an Education Officer who is supported by funding from the Department for Education. The program provides free and heavily subsidised programming, along with transport and ticket subsidies – all supported by the Education Minister's grant program and Adelaide Festival Centre Foundation.

- Student Attendances: 8,050
- Schools Engaging: 300+
- Artists employed: 58

Corporate performance summary

While the Adelaide Festival Centre relies on funding from the South Australian Government, it is a commercial operation and in the financial year 2022-23 it generated over \$22 million in revenue from its key commercial operations.



Venue Services – Theatre rent, merchandise commission & recoveries

Ticketing – Inside charge on tickets sold

Box Office – ticket sales on AFC events

Sponsorship – commercial sponsorship

Catering – includes bar food & wines sales & internal and external events

Employment opportunity programs

Work Experience and Work Placement programs	Adelaide Festival Centre's work experience program provides students with an understanding and overview of how Adelaide Festival Centre operates and knowledge of careers available within arts administration. In 2022-23 eight students (two groups of four) worked across programming, marketing, and customer experience. Students from lower IoED (Index of Educational Disadvantage) ranked schools were prioritised to participate.
International Internship programs	In 2022-23 Adelaide Festival Centre hosted three interns from Chinese University Hong Kong who are studying their Masters in Cultural Management. They worked directly on the programming and organisation of OzAsia Festival.
Bridging the Gap School Based Traineeship	Adelaide Festival Centre hosted two Aboriginal school students for two years, with their traineeship placement finishing in December 2022. In January 2023, a new student commenced her two-year traineeship with us, this time directly subsidised by Adelaide Festival Centre.

Agency performance management and development systems

Performance management and development system	Performance
Adelaide Festival Centre managers use a suite of performance management and development forms to review the organisational and personal effectiveness, teamwork and customer focus of permanent, temporary and casual staff.	<p>Overall, the organisation is meeting its performance measures.</p> <p>Compliance for 2022-23 performance and development review reporting was 20%. This is an improvement on the previous year, however Management will prioritise reporting.</p>

Agency performance management and development systems

Program name	Performance
COVID-19	<p>As of 14 October 2022, the COVID-19 mandate from the Office for the Commissioner for Public Sector Employment was lifted. Agencies were advised to take a work health and safety and an individual behaviour change approach to managing COVID-19.</p> <p>To meet health and safety obligations and ensure the safety and wellbeing of staff and clients, with consideration given to the setting and nature of the work whilst incorporating previously mandated measures, the Adelaide Festival Centre Trust (AFCT) introduced two COVID-19 policies:</p> <ul style="list-style-type: none"> • COVID-19 Policy for Staff • COVID-19 Policy for Hirers
Corporate and WHS Operational	<p>AFCT operates the following WHS activities:</p> <ul style="list-style-type: none"> • Groups and Committees <ul style="list-style-type: none"> – Riverbank Precinct Security Forum – Performing Arts WHS Divisional Committee – AFCT Safety and Wellbeing Consultative Committee – AFCT Operations Planning group – AFCT Emergency Planning Committee – AFCT Security Group • Risk, WHS and Wellbeing programs <ul style="list-style-type: none"> – Operational Resilience Program – WHS Officer training – Flu Vaccination program
Event Management	<p>WHS and risk management advice and input to events and productions in 2022-23 include:</p> <ul style="list-style-type: none"> • OzAsia 2022 • Adelaide Festival 2023 • Adelaide Cabaret Festival 2023 • DreamBIG Children's Festival 2023 • Adelaide Guitar Festival 2023 • FIFA Fan Festival 2023

Work health, safety and return to work programs

Workplace injury claims	Current year 2022-23	Past Year 2021-22	% Change (+/-)
Total new workplace injury claims	3	7	57-
Fatalities	0	0	0
Seriously injured workers*	0	0	0

Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	1	1	0
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**Number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (part 2 Division 5)*

Work health and safety regulations	Current year 2022-23	Past year 2021-22	% Change (+/-)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	2	0	200%+
Number of provisional, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	3	0	300%+

Return to work costs**	Current year 2022-23	Past year 2021-22	% Change (+/-)
Total gross workers compensation expenditure (\$)	\$90,682.85	\$448,749.20	79.79-
Income support payments – gross (\$)	\$6,694.75	\$4,036.56	65.89+

***before third party recovery*

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/afct-work-health-and-safety>

Executive employment in the agency

Executive classification	Number of executives
Employees defined as Executives as per the State Government of South Australia Human Resources Dataset: Data Definition	11

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/afct-executive-employment>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

In the 2022-23 financial year, the AFCT experienced a positive development, with no planned or expected interruptions to activities across all four theatres for the first time in five years. Sales of goods and services has increased by \$10 million to \$22 million in 2022-23.

Expenses have decreased to \$40.8 million in 2022-23, mainly due to a decrease in expenditure resulting from the cessation of the AFCT's lease arrangements for the Adelaide Festival Centre assets, partly offset by an increase in expenditure on employee expenses and accommodation expenses because of the increased activity this financial year.

The audited financial statements for 2022-23 are attached to this report and detail a positive net result of \$13.139 million for the year ended 30 June 2023. This result is due to several once off transactions in 2022-23:

- Lease arrangements for the Adelaide Festival Centre assets with the Department of the Premier and Cabinet ceased from 1 July 2022. Consequently, the AFCT has derecognised its related right-of-use assets and lease liabilities, resulting in a once-off gain on derecognition of \$7 million.
- The AFCT received an equity contribution from the South Australian Government of \$27.6 million, adding to the \$102 million it received in 2021-22, to fund the transfer of the Adelaide Festival Centre assets from the Department of the Premier and Cabinet to the AFCT. As a result, the AFCT has recognised a once off amount of \$3.5 million for interest earned on these funds, which are held solely for the purposes of undertaking the asset purchase transaction in 2023-24.
- An insurance recovery of \$0.5 million from SAICORP relating to a business interruption event in 2021-22.
- Expenditure of \$1.3 million on plant and equipment which will be reflected as a non-current asset in the Statement of Financial Position rather than through the Statement of Comprehensive Income.
- Funding of \$0.7 million provided in 2021-22 for the activation of the Festival Plaza was previously reported as Income in Advance (liability) has now been recognised as Other SA Government Revenue.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	39,303	53,966	14,663	47,631
Total Expenses	39,303	40,827	(1,524)	44,835
Net Result	-	13,139	13,139	2,796
Total Comprehensive Result ^(1.)	-	13,139	13,139	2,796

(1.) See financial performance at a glance for further detail of once-off transactions in 2022-23.

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Current assets	17,932	159,123	141,191	127,600
Non-current assets	171,098	82,058	(89,040)	158,434
Total assets	189,030	241,181	52,151	286,034
Current liabilities	16,101	8,778	7,323	13,735
Non-current liabilities	58,002	64,481	(6,479)	145,129
Total liabilities	74,103	73,259	844	158,864
Net assets	114,927	167,922	52,995	127,170
Equity	114,927	167,922	52,995	127,170

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	9,045

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Risky Business Emergency Management	Safety Management Services	15,680
Bookabee Services Aust	Cultural Training	26,427
Sandwalk Partners	Client Journey Mapping	10,700
	Total	52,807

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/afct-consultant-data>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	194,958

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
AAA Crewing Services	Production and Event Staffing	28,260
Alan Langley	Duty Operator	54,950
Alison Jones	Site Designer for festivals and events	41,000
Andrew Kneebone	Event planning and delivering	25,685
Artlab Australia	Relocation and installation of sculpture	27,190
Dirty Food Pty Ltd	Catering for festival	10,440
DiUbaldo & Co	Procurement services	26,850
Elastian Pty Ltd	ICT Services	20,025
Event Personnel Australia	Stage production crew	19,255
ForMile Events	Site management services	85,226
Goodwood Theatre	Bump out services for Guitar Festival	24,090
Marshall Day Acoustics	Festival Plaza noise management	13,274
Melon Creative	Graphic design services	16,000
Moda Networking	Award submission services	14,400
People Space (SA) Pty	Accounting and Payroll staffing	29,832
Pinnacle People	Food and Beverage staff	173,180
Randstad Pty Ltd	Festival Plaza administrative services	13,259
Solutions + Consulting	Accounting systems review	20,295
SRG Partners Pty Ltd	Financial analysis services	31,418
SRS Security Pty Ltd	Security services	30,688
WGASA Pty Ltd	Light projection engineering services	18,531
	Total	723,846

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/afct-contractor-data>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Risk management

Risk and audit at a glance

Fraud detected in the agency : NIL

Strategies implemented to control and prevent fraud

The Adelaide Festival Centre Trust has in place controls, appropriate to the nature of its business, to ensure that any risk of fraud is effectively managed. These controls include:

- Oversight by an independent Board of Trustees and an internal Risk and Audit Committee
- Operations being governed by a charter, Treasurer's Instructions, and the Trust's own policies
- Management's ongoing consideration of the risk within its normal business operations
- Internal controls and procedures throughout the business, including segregation of duties, ongoing monitoring and review and financial systems controls
- Annual audits by the Auditor-General's department.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/afct-fraud-detected>

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

Nil

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/afct-whistleblower-s-disclosure>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

N/A

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	4
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	2
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	3
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	6
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	6
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	1
Policy	Policy application	Incorrect policy interpretation; incorrect	0

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
		policy applied; conflicting policy advice given	
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	1
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	5
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
Product quality (performance, event, or ancillary)	Information	Incorrect, Incomplete, out of date or insufficient information	2
Product quality (performance, event, or ancillary)	Cost of goods	Third party or internally produced performances, events, ancillary goods	15
Product quality (performance, event, or ancillary)	Systems / technology / design	Performance or event did not meet customer expectations	16
No case to answer	No case to answer	Another patron affected the customer experience, not raised at the time, no	18

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
		allowance for staff to address	
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	32
		Total	111

Additional Metrics	Total
Number of positive feedback comments	40
Number of negative feedback comments	57
Total number of feedback comments	97
% complaints resolved within policy timeframes	95%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/afct-summary-of-complaints>

Compliance Statement

Adelaide Festival Centre Trust is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Yes
Adelaide Festival Centre Trust has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Yes

Appendix: Audited financial statements 2022-23



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To the Chairman and Presiding Officer Adelaide Festival Centre Trust

Opinion

I have audited the financial report of the Adelaide Festival Centre Trust for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Festival Centre Trust as at 30 June 2023, 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 – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chairman and Presiding Officer, the Chief Executive Officer and Artistic Director, and the Chief Financial Officer/Chief Operating 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 Festival Centre Trust. 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 Artistic Director and members of the Trust for the financial report

The Chief Executive Officer and Artistic Director 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 – Simplified Reporting Requirements, 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 and Artistic Director 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 and Artistic Director 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 Trust 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*, section 24(3) of the *Adelaide Festival Centre Trust Act 1971* and section 32(4) of the *Public Corporations Act 1993*, I have audited the financial report of the Adelaide Festival Centre Trust for the financial year ended 30 June 2023.

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 Adeliade Festival Centre Trust'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 and Artistic Director
- conclude on the appropriateness of the Chief Executive Officer and Artistic Director'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 Artistic Director and members of the Trust 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)

22 September 2023

Adelaide Festival Centre Trust

Certification of the Financial Statements

We certify that the:


- financial statements of the Adelaide Festival Centre Trust:
 - are in accordance with the accounts and records of the trust; 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 trust 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 Festival Centre Trust for the financial year over its financial reporting and its preparation of financial statements have been effective.



.....
Douglas Gautier AM
Chief Executive Officer and Artistic Director
18 September 2023



.....
Steven Woolhouse
Chief Financial Officer/Chief Operating Officer
18 September 2023



.....
The Honourable Hieu Van Le AC
Chairman and Presiding Officer
18 September 2023

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Adelaide Festival Centre Trust

Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
SA Government grants, subsidies and transfers	2.1	17,541	30,855
Sales of goods and services	2.2	22,194	11,853
Other income	2.3	7,346	4,923
Gain on lease derecognition	2.4	6,885	-
Total income		53,966	47,631
Expenses			
Employee benefits expenses	3.3	18,662	16,857
Supplies and services	4.1	17,432	16,747
Depreciation and amortisation	5.2, 5.5, 5.7	1,770	6,679
Borrowing costs	4.2	2,476	3,617
Other expenses	4.3	487	935
Total expenses		40,827	44,835
Net result		13,139	2,796
Total comprehensive result		13,139	2,796

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

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Adelaide Festival Centre Trust

Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.2	156,770	126,038
Receivables	6.3	2,194	1,376
Inventories	5.8	159	186
Total current assets		159,123	127,600
Non-current assets			
Other financial assets	6.4	1,585	-
Property, plant and equipment	5.1	70,679	148,781
Works of art	5.6	9,600	9,590
Intangible assets	5.7	194	63
Total non-current assets		82,058	158,434
Total assets		241,181	286,034
Current liabilities			
Payables	7.2	3,257	4,349
Financial liabilities	7.3	229	3,149
Employee benefits	3.4	1,887	1,643
Provisions	7.4	146	153
Other liabilities	7.5	3,259	4,441
Total current liabilities		8,778	13,735
Non-current liabilities			
Payables	7.2	177	165
Financial liabilities	7.3	62,185	142,773
Employee benefits	3.4	1,600	1,716
Provisions	7.4	519	475
Total non-current liabilities		64,481	145,129
Total liabilities		73,259	158,864
Net assets		167,922	127,170
Equity			
Asset revaluation surplus		13,337	13,337
Contributed capital	8.1	137,792	110,179
Retained earnings		16,793	3,654
Total Equity		167,922	127,170

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

Adelaide Festival Centre Trust

Statement of Changes in Equity
for the year ended 30 June 2023

	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Retained Earnings \$ '000	Total Equity \$ '000
Balance at 1 July 2021	8,222	13,337	858	22,417
Net result for 2021-2022	-	-	2,796	2,796
Total comprehensive result for 2021-2022	-	-	2,796	2,796
Equity contribution received	101,957	-	-	101,957
Balance at 30 June 2022	110,179	13,337	3,654	127,170
Net result for 2022-2023	-	-	13,139	13,139
Total comprehensive result for 2022-2023	-	-	13,139	13,139
Equity contribution received	27,613	-	-	27,613
Balance at 30 June 2023	137,792	13,337	16,793	167,922

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

Adelaide Festival Centre Trust

Statement of Cashflows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government grants, subsidies and transfers		17,541	30,855
Receipts from patrons and customers		26,921	21,195
Interest received		3,351	13
GST recovered from the ATO		317	2,931
Cash generated from operations		48,130	54,994
Cash outflows			
Employee benefit payments		(18,489)	(16,849)
Payments for supplies and services		(20,539)	(18,054)
Interest paid		(2,476)	(3,617)
Decrease in funds held on behalf of promoters and patrons		(437)	(3,820)
GST paid to ATO		(681)	-
Cash used in operations		(42,622)	(42,340)
Net cash provided by operating activities		5,508	12,654
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(804)	(2,172)
Purchase of investments		(1,585)	-
Net cash used in investing activities		(2,389)	(2,172)
Cash flows from financing activities			
Cash inflows			
Equity Contribution from SA Government as owner	9.3	27,613	101,957
Cash generated in financing activities		27,613	101,957
Cash outflows			
Repayment of lease liability		-	(5,606)
Cash used in financing activities		-	(5,606)
Net cash provided by financing activities		27,613	96,351
Net increase in cash and cash equivalents		30,732	106,833
Cash and cash equivalents at the beginning of the period		126,038	19,205
Cash and cash equivalents at the end of the period	6.2	156,770	126,038

The accompanying notes form part of these financial statements.

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Adelaide Festival Centre Trust

1. About the Adelaide Festival Centre Trust

The Adelaide Festival Centre Trust (the trust) is a not-for-profit South Australian Government Statutory Authority established under the Adelaide Festival Centre trust Act 1971.

On 21 October 1999 the Adelaide Festival Centre Foundation (the foundation) was incorporated under the Associations Incorporation Act 1985. The foundation is controlled by the trust by virtue of clauses in the foundation's constitution which requires its Board appointments to be approved by the trust and also require the foundation to act in accordance with directions from the trust.

The financial statements and accompanying notes comprise the activities of the trust and the foundation. The activities of the foundation are not material and therefore a full consolidated presentation has not been adopted. Consistent accounting policies have been applied and all inter-entity balances and transactions arising with the foundation have been eliminated in full. The financial results of the foundation are summarised in note 8.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance 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 applying simplified disclosures.

For the purposes of preparing the financial statements, trust 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, 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.

The trust provides services on behalf of event promoters under exclusive agency arrangements. The trust charges a fee for these services that is recognised as revenue. The Trust does not control the promoter revenue but does hold cash in the trust on behalf of those promoters (refer to note 6.2) and recognises amounts payable to those promoters (refer to note 7.2). The net change in cash held on behalf of the promoters is reflected in the Statement of Cash Flows as at 30 June.

1.2 Objectives and programs

The objectives of the trust are to:

- a) encourage and facilitate artistic, cultural and performing arts activities throughout the State;
- b) be responsible for the care, management, maintenance and improvement of the Adelaide Festival Centre and Her Majesty's Theatre and their facilities;
- c) provide expert advisory, consultative, managerial or support services to persons associated with artistic, cultural or performing arts activities; and
- d) promote the involvement of young people and their families and extend activities into the school sector.

1.3 Impact of COVID-19

There have been ongoing impacts to business due to Covid and a number of show and ticket cancellations. The impact of the COVID-19 restrictions was a loss of revenue offset by a reduction in expenses and resulting in an insurance claim for \$1.55m (\$2.77m) under the trust's business disruption insurance policy (refer to note 2.3).

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2. Income

The trust's income is derived principally from fees and charges for rental of its theatres, production recoveries for theatre staff, revenue from ticket sales and for ticketing services, sponsorship and income from bar sales and functions.

2.1 SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
Operating grant	10,789	25,881
HMT redevelopment funding	3,425	3,425
AFCT carpark revenue supplementation	1,455	1,420
Other SA Government revenue	1,872	129
Total SA Government grants, subsidies and transfers	17,541	30,855

Revenue from the SA Government is received in the form of grants. The operating base and redevelopment funding are granted through memorandum of administrative arrangements between the Department of the Premier and Cabinet (DPC) and the trust. Other SA Government revenue is received through individual grant agreements with various SA Government agencies. Where money is appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the trust and the appropriation is recorded as contributed equity.

In the current financial year, Other SA Government revenue includes income received with regards to the Festival Plaza activation.

2.2 Sales of goods and services

	2023	2022
	\$'000	\$'000
Theatre services	12,320	6,852
Ticketing	3,448	1,567
Box office	2,276	1,557
Sponsorship	719	332
Catering and functions	3,431	1,545
Total sales of goods and services	22,194	11,853

The trust recognises income from the sales of goods and services in the period the goods or service have been provided. The majority of sales for goods and services are derived under contract.

2.3 Other income

	2023	2022
	\$'000	\$'000
Insurance recoveries	1,554	2,773
Donations	708	1,249
Grants - Non SA Government	981	365
Sub lease rent	154	91
Interest	3,770	15
Gains on Foundation investment	66	-
Goods/services received free of charge	58	-
Sundry income	55	430
Total other income	7,346	4,923

Insurance recoveries is paid in arrears and relates to a prior year claim for business interruption due to the closure of the theatres in response to a State Government directive relating to the COVID-19 pandemic. Insurance recoveries are recognised when a claim has been approved by SAICORP.

Cash donations to support the children's and education programs, prizes and internships, are received from the

Sundry income includes irregular incomes which cannot reasonably be classified in the other classifications.

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2.4 Gain on lease derecognition	2023	2022
	\$'000	\$'000
Gain on lease derecognition	6,885	-
Total gain on lease derecognition	6,885	-

The trust's lease arrangements with the Department of the Premier and Cabinet (DPC) for the use of Adelaide Festival Centre (AFC) ceased on 1 July 2022, extinguishing the trust's lease liability for the AFC and resulting in a derecognition of the trust's right-to-use asset for the AFC. This has resulted in the above reported gain on lease derecognition. Refer also to Note 5.4 and 7.3.

The trust has received \$129m in equity funding from DPC to support the purchase of the AFC and supporting infrastructure in 2023-24 (refer note 9.3).

3. Boards, committees, and employees

3.1 Key management personnel

Key management personnel of the trust include the trustees, the Chief Executive Officer/Artistic Director and the Chief Financial Officer/Chief Operating Officer.

Total compensation for the trust's key management personnel was \$0.787m (\$1.15m).

Transactions with key management personnel and other related parties

Related parties of the trust include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government. The Trust leases storage warehouse space from a related party of a KMP member for \$212,000 per annum.

As a part of the duties of office, from time to time, trustees receive complimentary tickets, for official purposes, to shows and events conducted by or through the trust. These benefits serve to involve the trustees in the product and business that is being managed and/or involve the execution of office in liaison with external parties.

3.2 Boards and committees

Trustees during the 2023 financial year were:

The Honourable Hieu Van Le AC (Chair)

Ms Jacqui McGill AO (Deputy Chair)

Dr Katherine Tamiko Arguile (appointed 27 October 2022)

Mr Mitchell Butel* (retired 28 June 2023)

Ms Maggie Zhou

Councillor Phillip Martin (appointed 6 April 2023)

Mr Steven Woolhouse*

Mr Bruce Carter

Ms Julia Knight (retired 26 October 2022)

Ms Sandy Verschoor (retired 14 November 2022)

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

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

Board and committee remuneration

	2023	2022
\$0 - \$19,999	10	10
Total number of members	10	10

The total remuneration received or receivable by members was \$18,721 (\$20,000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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3.3 Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	14,759	12,402
Targeted voluntary separation packages	102	1,032
Long service leave	151	(269)
Annual leave	877	669
Employment on-costs - superannuation	1,528	1,272
Employment on-costs - other	869	1,309
Board fees	12	19
Other employee related expenses	364	423
Total employee benefits expenses	18,662	16,857

Employment on-costs - superannuation

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

(a) Employee remuneration

	2023	2022
	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:		
\$160,001 to \$180,000	2	2
\$200,001 to \$220,000	-	1
\$300,001 to \$320,000	1	1
\$440,001 to \$460,000	-	1
\$500,001 to \$550,000	1	-
Total	4	5

(b) Performance bonus remuneration of staff (included in table (a) above)

	2023	2022
	Number	Number
The number of staff who received performance bonus remuneration		
\$60,001 to 80,000	1	-
\$107,001 to \$127,000 *	-	1
Total	1	1

* includes payout of cumulative long term bonus due to end of contract.

Table (a) 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 trust. Total remuneration received for the year, included in table (a) was \$1.09m (\$1.29m).

Targeted voluntary separation packages (TVSPs) and Redundancy payments

The number of employees who received a TVSP and Redundancy payments during the reporting period was 1 (14).

	2023	2022
	\$'000	\$'000
Amount paid to separated employees:		
TVSPs and Redundancy payments	34	678
Leave paid to separated employees	68	354
Net cost to the trust	102	1,032

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Adelaide Festival Centre Trust

3.4 Employee benefits liability

	2023 \$'000	2022 \$'000
Current		
Annual leave	968	914
Long service leave	304	326
Accrued salaries and wages	524	325
Skills and experience retention leave	91	78
Total current employee benefits	1,887	1,643
Non-current		
Long service leave	1,600	1,716
Total non-current employee benefits	1,600	1,716
Total employee benefits	3,487	3,359

Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the trust's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the trust. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2022 (3.5%) to 2023 (4%).

This increase in the bond yield results in a \$59,000 decrease in the reported long service leave liability.

The trust classifies a portion of long service leave as current, based on the past 12-months history of settlements.

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4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1 Supplies and services

	2023 \$'000	2022 \$'000
Accommodation	5,718	4,412
Artistic production	4,740	5,933
Advertising and marketing	1,215	1,054
Supplies	1,643	1,520
Communications and IT	1,681	1,812
Professional expenses	1,387	1,392
Repairs and maintenance	681	418
Travel and entertainment	270	133
Sponsorship	58	40
Bank and credit charges	39	33
Total supplies and services	17,432	16,747

Accommodation costs are principally made up of the costs of utilities, cleaning, security, etc.

Advertising and marketing and Artistic production expenses relate to the costs involved in the direct provision of performances, festivals and other artistic offerings presented by the trust.

Supplies include cost of goods sold, including food and beverages sold at functions and through the bars.

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$75,700 (\$72,000). No other services were provided by the Auditor-General's Department.

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:

	2023 No.	\$'000	2022 No.	\$'000
Below \$10,000	2	9	2	4
\$10,000 or above	2	53	1	24
Total	4	62	3	28

4.2 Borrowing costs

	2023 \$'000	2022 \$'000
Interest paid/payable on financial liabilities measured at amortised cost	2,457	789
Interest expense on lease liabilities	19	2,828
Total borrowing costs	2,476	3,617

The trust does not capitalise borrowing costs.

4.3 Other expenses

	2023 \$'000	2022 \$'000
Net gain (loss) from disposal of property, plant and equipment	(23)	316
Other	510	619
Total other expenses	487	935

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5. Non-financial assets

5.1 Property, plant and equipment by asset class

Property, plant and equipment comprises of tangible assets owned and right of use (leased) assets. The assets presented below do not meet the definition of investment property.

	2023 \$'000	2022 \$'000
Land and buildings		
Land at cost	3,240	3,240
Buildings at cost	64,434	64,434
Accumulated depreciation at the end of the period	(2,386)	(1,580)
Total land and buildings	<u>65,288</u>	<u>66,094</u>
Capital works in progress		
Capital works in progress at cost	<u>20</u>	<u>-</u>
Leasehold improvements		
Leasehold improvements at cost	90	90
Accumulated depreciation at the end of the period	(27)	(18)
Total leasehold improvements	<u>63</u>	<u>72</u>
Plant and equipment		
Plant and equipment at fair value	2,562	3,149
Accumulated depreciation at the end of the period	(1,226)	(910)
Plant and equipment at cost	3,344	2,770
Accumulated depreciation at the end of the period	(542)	(247)
Total plant and equipment	<u>4,138</u>	<u>4,762</u>
Right-of-use assets		
Right-of-use assets at cost	1,126	91,892
Accumulated depreciation at the end of the period	(332)	(14,455)
Total right-of-use assets	<u>794</u>	<u>77,437</u>
Furniture and fittings		
Furniture and fittings at fair value	164	164
Accumulated depreciation at the end of the period	(97)	(57)
Furniture and fittings at cost	331	331
Accumulated depreciation at the end of the period	(22)	(22)
Total furniture and fittings	<u>376</u>	<u>416</u>
Total property, plant and equipment	<u>70,679</u>	<u>148,781</u>

5.2 Useful life and depreciation

Depreciation is calculated on a straight-line basis. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings	80
Leasehold improvements	5-15
Plant and equipment	5-25
Furniture and fittings	15

The useful lives of right-of-use assets is the lease term.

The trust holds works of art and land on which depreciation is not applied because these items are considered to have an indeterminable useful life.

5.3 Property, plant and equipment owned by the trust

Property, plant and equipment with a value equal to, or in excess of \$15,000 is capitalised, otherwise it is expensed. Owned property, plant and equipment is subsequently measured at fair value. At least every 6 years, AFCT re-values its non-current assets via a Certified Practising Valuer or internal estimates based on indices or recent transactions. However, if at any time, management considers 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. No revaluations were undertaken in the 2022-23 financial year.

Land and buildings

Land is measured at cost and is deemed to be fair value. The land and buildings relate to Her Majesty's theatre.

Plant and equipment

An independent valuation of plant and equipment was carried out at 30 June 2020 by using the market approach under AASB 13 and also considering the 'highest and best use' of each item. The market approach requires the valuer to observe the market for similar or identical assets to reach an opinion of value.

Impairment

Property, plant and equipment have been assessed for impairment as part of the stocktake process. There was no indication of impairment.

5.4 Property, plant and equipment leased by the trust

Right-of-use assets for property, plant and equipment leased by the trust as lessee are measured at cost.

The right-of-use asset for the Adelaide Festival Centre assets have been de-recognised as at 1 July 2022 - refer to note 2.4.

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 trust has the following leases:

- 4 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000 km) up to 5 years (100,000 km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

- 1 commercial lease with a private landlord for a storage facility at Kilburn with a term of 5 years (expiring 31 January 2027 with a right of renewal for two further 2 year terms on 1 February 2027 and 1 February 2029 respectively) and annual lease payment of \$229,700.

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

Impairment

Property, plant and equipment leased by the trust has been assessed for impairment. There was no indication of impairment.

5.5 Reconciliation of movements in carrying accounts of property, plant and equipment

Reconciliation 2022-23

	Land & Buildings	Capital works in progress	Plant and equipment	Furniture and fittings	Right-of-use buildings & vehicles	Leasehold improve-ments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	66,094	-	4,762	416	77,437	72	148,781
Acquisitions	-	20	-	-	20	-	40
Revaluation increment/(Decrement)	-	-	-	-	69	-	69
Depreciation	(805)	-	(611)	(40)	(225)	(9)	(1,690)
Disposals	-	-	(13)	-	-	-	(13)
Derecognition	-	-	-	-	(76,508)	-	(76,508)
Carrying amount at 30 June 2023	65,289	20	4,138	376	793	63	70,679

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5.6 Works of art

	2023	2022
	\$'000	\$'000
Works of art at fair value	9,600	9,590
Total works of art	9,600	9,590

A valuation of works of art was carried out by Theodore Bruce Auctions Pty Ltd as at 30 June 2020, estimating fair value of the pieces in the collection by using the market approach under AASB 13 and also considering the 'highest and best use' of each item. This approach required observation of the market for identical or similar assets to reach an opinion of value.

Reconciliation 2022-23

	\$'000
Carrying amount at 1 July 2022	9,590
Acquisitions	10
Disposals	-
Carrying amount at 30 June 2023	9,600

5.7 Intangible assets

	2023	2022
	\$'000	\$'000
Computer software		
Purchased computer software	2,376	2,173
Accumulated amortisation	(2,182)	(2,110)
Total computer software	194	63

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$15 000.

Reconciliation 2022-23

	Purchased computer software
	\$'000
Carrying amount at 1 July 2022	63
Acquisitions	203
Amortisation	(72)
Carrying amount at 30 June 2023	194

5.8 Inventories

	2023	2022
	\$'000	\$'000
Materials at cost	159	186
Total inventories	159	186

Cost of inventories

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

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6. Financial assets

6.1 Categorisation of financial assets

	2023 Carrying amount \$'000	2022 Carrying amount \$'000
Financial assets		
Cash and equivalents		
Cash and cash equivalents	156,770	126,038
Financial assets at amortised cost		
Receivables	713	489
Total financial assets	157,483	126,527

6.2 Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank and on hand	154,746	122,566
Cash held in trust for promoters & patrons	90	527
Cash held in donations from foundation	1,934	2,945
Total cash and cash equivalents	156,770	126,038

Cash at Bank includes a \$129.6 million equity contribution for the future acquisition of the Adelaide Festival Centre and surrounding infrastructure. The lease with DPC has been cancelled and the right of use asset and lease liability have been derecognised.

Interest rate risk

Cash on hand is non-interest bearing.

Cash at bank earns a floating interest rate, based on daily bank deposit rates.

The carrying amount of cash and cash equivalents represents fair value.

The trust operates a trust account where box office sales on behalf of promoters is held until the shows have been completed, refer to note 7.2 Payables. As an incorporated association and deductible gift recipient, the foundation operates its own bank accounts. Cash is measured at nominal amounts and all bank deposits are interest bearing.

6.3 Receivables

	2023 \$'000	2022 \$'000
Current		
Trade receivables		
From government entities	113	29
From non-government entities	641	580
Less impairment loss on receivables	(41)	(120)
Total trade receivables	713	489
Statutory receivables		
GST input tax recoverable	232	234
Total statutory receivables	232	234
Prepayments	494	474
Accrued revenues	755	179
Total current receivables	2,194	1,376

Trade receivables arise in the normal course of selling goods and services to other government agencies, and to the public. Trade receivables are generally settled within 20 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

Statutory receivables do not arise from contracts with customers. The net amount of GST receivable 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 are measured at amortised cost.

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

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6.4 Other financial assets	2023	2022
	\$'000	\$'000
Non current		
Financial investment	1,585	-
Total other financial assets	1,585	-

The financial investment represents an investment portfolio established on 1st August 2022, held by the Foundation and managed by Morgan Stanley.

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1 Categorisation of financial liabilities

	2023	2022
	Carrying	Carrying
	amount	amount
	\$'000	\$'000
Financial liabilities		
Financial liabilities at amortised cost		
Payables	2,691	3,824
Borrowings from SA Government	61,598	61,598
Lease liabilities	816	84,324
Total financial liabilities	65,105	149,746

Payables as disclosed in this note, does not include accrued expenses or statutory amounts as these are not financial instruments.

Lease commitments in 2021-22 included the Adelaide Festival Centre asset lease. This lease ceased on 1 July 2022.

7.2 Payables

	2023	2022
	\$'000	\$'000
Current		
Trade payables	750	157
Accrued expenses	2,151	3,395
Amounts payable to promoters and patrons	90	527
Statutory payables		
Employment on-costs	266	270
Total current payables	3,257	4,349
Non-current		
Statutory payables		
Employment on-costs	177	165
Total non-current payables	177	165
Total payables	3,434	4,514

Payables and accruals are raised for all amounts owing but unpaid. Trade 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.

Statutory payables do not arise from contracts.

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Employment on-costs

Employment on-costs include payroll tax, ReturnToWork SA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The trust 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 reporting date relates to any contributions due, but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2022 rate (42%) to 43% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2022 rate (10.6%) to 11.1%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$5,900 and employee benefits expense of \$65,000. The impact on future periods is impracticable to estimate

7.3 Financial liabilities

	2023 \$'000	2022 \$'000
Current		
Lease liabilities	229	3,149
Total current borrowings	229	3,149
Non-current		
Borrowings from SA Government	61,598	61,598
Lease liabilities	587	81,175
Total non-current borrowings	62,185	142,773
Total borrowings	62,414	145,922

The trust measures financial liabilities, including borrowings, at amortised cost.

Non current lease liabilities no longer include the lease for the Adelaide Festival Centre assets, as this has been de-recognised as at 1 July 2022 - refer to note 2.4.

Borrowings

In 2017-18 the trust entered into a funding agreement to finance the redevelopment of HMT. Funds are drawn down as required and the term of the agreement is 10 years. The interest rate is determined by the Treasurer and the rate was 4.4% in June 2023 (1.15% in 2022).

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7.4 Provisions

	2023 \$'000	2022 \$'000
Current		
Provision for workers compensation	146	153
Total current provisions	146	153
Non-current		
Provision for workers compensation	519	475
Total non-current current provisions	519	475
Total provisions	665	628

Movement in provisions

	2023 \$'000
Carrying amount at the beginning of the period	628
Additional provisions recognised	41
Reductions arising from payments	(4)
Carrying amount at the end of the period	665

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023, provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The trust is responsible for the payment of workers compensation claims.

7.5 Other liabilities

	2023 \$'000	2022 \$'000
Venue hire deposits	871	1,219
Income in advance	2,381	3,215
Unclaimed monies	7	7
Total other liabilities	3,259	4,441

Income in advance

Income received for the programming, marketing and sponsorship of performances and deposits on functions, where the performance, function or event is being held after balance date.

8. Other disclosures

8.1 Equity

Over the last two financial years, the trust received an equity contribution of \$129.6m to fund the purchase of the Adelaide Festival Centre and surrounding infrastructure which, until 1 July 2022, was being leased by the trust. As at the date of these statements, the transfer had not been completed. Refer to the Statement of Changes in Equity for the equity contribution and note 9.3 for details of the asset purchase.

8.2 Controlled Entity

The consolidated financial statements at 30 June 2023 include the transactions of the Adelaide Festival Centre Foundation Incorporated.

Significant items in the financial report of the foundation are:	2023 \$'000	2022 \$'000
Revenue	947	1,793
Expenses	405	3,979
Surplus (Loss)	542	(2,186)
Cash at bank	1,934	2,945

All gifts and money received by the Adelaide Festival Centre Foundation Incorporated (the foundation) are used to support artistic programs for children and youth, scholarships and regional programs.

9. Outlook

9.1 Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and inclusive of non-recoverable GST.

Expenditure commitments

	2023	2022
	\$'000	\$'000
Within one year	4,403	2,318
Later than one year but not longer than five years	536	335
Total expenditure commitments	4,939	2,653

The trust's expenditure commitments are for agreements for maintenance of computer systems, cleaning and waste management, provision of artistic services and provision of festival related services.

9.2 Expected rental income

Operating lease maturity analysis

	2023	2022
	\$'000	\$'000
Commitments in relation to operating leases contracted for at the		
Within one year	121	191
Later than one year but not longer than five years	511	833
Later than five years	781	226
Total operating lease commitments receivable	1,413	1,250

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.

The trust has a 10 year agreement that commenced 1 January 2018 to sub-lease retail space in the Adelaide Festival Centre. The rent receivable is determined by the annual rent charge including any set levies, and subject to an annual rent increase of 2%.

The trust has a 15 year agreement that commenced 1 March 2023 to sub-lease the kiosk retail space in the Adelaide Festival Centre. The rent receivable is determined by the annual rent charge including any set levies, and subject to an annual rent increase of 3% after the first 5 year period. The rent is rebated in full until 1 January 2024.

Refer to note 5.4 for information about equipment the trust leases out under operating lease.

9.3 Contingent assets and liabilities

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

Contingent Assets

The transfer of property for the Adelaide Festival Centre located at King William Road, Adelaide and comprising the Festival Theatre, Dunstan Playhouse and Space Theatre, is in progress and contingent on the finalisation of the sales contract. As at 30 June 2023, the State Government had provided \$129m as an equity contribution, to fund the transfer of the property to the trust but this process has not been finalised yet.

Contingent liabilities

The trust is not aware of any contingent liabilities.

9.4 Events after the reporting period

There were no events between 30 June 2023 and the date the financial statements are authorised for issue where the events may have a material impact on the results of subsequent years.