

Adelaide Festival Centre

Annual Report 2015/16



Adelaide Festival Centre

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Government of South Australia

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I congratulate the Board, management and staff of the Adelaide Festival Centre Trust on another successful year of delivering world class performances to South Australian audiences. The 2015-16 year saw the Centre reaching over 1 million attendees for the first time ever. High levels of audience satisfaction drove high tickets sales and venue utilisation rates which underpinned another positive financial result.

The Trust raised \$25.6 million, or 70%, of its revenue commercially and delivered a \$20,000 surplus which is the seventh year in the black. This is a modest result and demonstrates the delicacy in balancing financial sustainability whilst providing a robust and accessible program for a wide audience and maintaining a major cultural facility with all its technical and operational challenges.

The redevelopment of the Festival Centre and the Adelaide Riverbank will be a major focus in 2016-17 and will pose many risks and challenges for the organisation. I am pleased that we enter this period of great change and upheaval from a position of financial strength.

The Redevelopment of the Festival Centre and Riverbank Precinct alongside the recently announced redevelopment of the Her Majesty's Theatre will make a once in a generation transformation of Adelaide's performing arts venues. I am grateful to the Government for investing in these capital projects and their on-going support of the Centre's operations. In particular, I thank the Premier of South Australia the Honourable Jay Weatherill MP, and the Honourable Jack Snelling MP Minister for the Arts. I look forward to continuing to work closely with them and their agencies to ensure South Australia maintains one of the leading performing arts centres in Australia.

Financial factors and infrastructure projects are only the means through which our Centre's contribution to society is delivered. Our true success lies in the performances presented in our venues and how, through those programs, we have a positive influence upon the community of which we are a part.

The Adelaide Festival Centre is a place where people experience live performance but more than that, it is a centre that engages its community, a place that creates meaningful experiences for its audience and fosters the development of many wonderful artists. We are constantly challenged within an industry that requires sound judgement and the management of risk, however I am confident that as we go forward the Centre will continue to excel in delivering the best of our local and international companies and contribute to a culturally thriving precinct and city.

In the last 12 months, AFC has presented an artistically strong and diverse program with a year of many highlights including the substantial growth of the OzAsia Festival with the addition of an outdoors component, and the introduction of school holiday programs. These new initiatives have supplemented a successful theatrical, operatic and orchestral seasons as well as a range of commercial programs. Central to the organisation's success has been our partnership with the Resident Companies who, along with the many other presenters, have provided spectacular choices to audiences this year adding great value and diversity to the Adelaide Festival Centre experience.

I was particularly pleased that the Festival Centre was instrumental (along with the Music Development Office and Adelaide City Council) in the application that led to UNESCO (United Nations Educational, Scientific and Cultural Organisation) announcing that Adelaide won selection as a City of Music as part of its annual Creative Cities Network appointments. Adelaide joins cities from 32 countries in the Creative Cities Network, including Seville, Bogotá, Hamamatsu, Glasgow, and Hannover as designated UNESCO Cities of Music.

I commend and thank the Festival Centre's Chief Executive and Artistic Director, Douglas Gautier AM, his executive management team and staff for their outstanding commitment that is necessary to achieve these goals.

Adelaide Festival Centre's vast stakeholder network has been at the heart of the year's achievements. I would like to extend my sincere thanks to the Governor of South Australia the Honourable Hieu Van Le AC for his ongoing support as Patron of OzAsia.

I extend my gratitude to Legh Davis, Chairman of the Foundation Board, for their tireless philanthropic work which enables us to further our arts programs targeting young people and capturing the hearts and imagination of young fans. I particularly acknowledge the donors who raised \$600,000 to purchase 62 Grote St which has enabled the redevelopment of Her Majesty's Theatre to proceed.

Finally I thank my fellow board members and in particular Jim Hazel, my Deputy. I would wish to express my gratitude to those Trustees whose time with the Centre has come to an end during the 2015-16 financial year: Irena Zhang, the Honourable Senator Don Farrell, Zannie Flannigan AM and Bill Spurr AO

A handwritten signature in black ink, appearing to read 'Michael Abbott', with a stylized, flowing script.

Michael Abbott AO QC

Chairman, Adelaide Festival Centre Trust

Since opening in 1973, the Adelaide Festival Centre has been a pivotal part of the physical and cultural landscape of South Australia. In 2015-16, the Centre continues to remain an important part of South Australian life and indeed attracted over 1 million visitors for the first time. Whilst visitation numbers are not the only measure of success, they are a key indicator of our ability to remain relevant to our community and to be a driver of positive change by presenting performing and visual arts and programs that entertain and inspire local and visitors.

The increased visitation is based on a successful commercial product, including large scale and long running musicals such as *Dirty Dancing*, *Ghost* and *Cats* as well as theatrical, ballet, and operatic productions by our Resident Companies and the Festival Centre's own programs and Festivals. We also welcomed the Fringe Festival back into our venues in 2016 for the first time in many years which was a wonderful addition to the show-case Adelaide Festival of the Arts Performances.

Alongside the ticketed attendance in the theatres, the Festival Centre has increased the number and size of its free public purpose events. This includes a 25% increase in the number of visual arts exhibitions and a record attendance at the Moon Lantern Parade.

Key highlights from the OzAsia Festival 2015 included:

- Five world premiere performances and 12 Australian premiere performances - confirming OzAsia Festival truly is pioneering the introduction of new and diverse performing arts from Asia to Australian audiences;
- 2,455 participants in hands on activities such as the Moon Lantern Festival parade and Hong Student workshops;
- 50,000 attendance at Moon Lantern Festival, the biggest event ever held in Elder Park;
- 123,456 attendance at the inaugural Adelaide Night Noodle Markets; and
- And 57,413 attendances at performing arts, visual arts, film and other programmed initiatives.

Ali McGregor and Eddie Perfect's first Adelaide Cabaret Festival lived up to the record breaking feats of Barry Humphries 2015 Festival. The highlights of the 2016 Festival included:

- Total attendance of 57,680 people;
- Featured 42 international and 383 Australian artists including 182 artists from South Australia;
- Nearly 15% of tickets sold were purchased by visitors to Adelaide – 10% of our guests were from outside South Australia (including Germany, New Zealand, the United States, the United Kingdom, and Korea) and 5% were from country South Australia;
- Generation of over \$11 million in editorial coverage.

Other artistic highlights across the year included:

- Our first OnStage school holiday program in drama, dance and voice for 8-16 year olds which was so successful we are continuing it in other school holiday periods;
- Our first Guitar Festival Summer School of intensive, immersive classical guitar playing and skills development;

- An extensive music program including The Brodsky Quartet with Katie Noonan, Cocktail Concerts with Niki Vasilakis, Mirusia, Morgan's International Piano Series and the ever popular, Christmas Proms;
- An extensive dance program including the Australian Ballet's Giselle, The Dream and Swan Lake all in the 15/16 financial year and Sydney Dance Company's De Novo.
- An extensive theatre program including Brink Production's The Aspirations of Daise Morrow

The Festival Centre is able to provide this wide range of ticketed and free events because of its strong financial position. The Centre recorded its 7th consecutive year in the black in 2015-16. The Centre's commercial revenue remained steady at \$25.6 million, or 70% of all revenue.

Much of 2015-16 has been devoted to planning for the Adelaide Riverbank Redevelopment and the redevelopment of the Adelaide Festival Centre and works will commence in November 2016. Promoting the revitalisation of the Riverbank Precinct together with the re-development of Adelaide Festival Centre is one of the State Government's key moves to create a Vibrant City and strengthen Adelaide as the cultural economic and social hub of the state. Adding to this is the recent announcement by the Government to fund the upgrade Her Majesty's Theatre. This project is scheduled to commence in 2016 -17 with major construction works occurring in 2018-19.

Attracting and retaining visitors to the area will depend on the development of a central arts and entertainment hub that has strong consumer "pulling power" in a range of venues and improved public spaces. At the same time, through its provision of quality venues for a great range of arts and entertainment events, coupled with its public purpose programming, its commitment to education and its focus on accessibility, an upgraded Adelaide Festival Centre will provide a community service that attracts larger and more diverse audiences and continues to contribute to the State's reputation.

I join in the Chair in acknowledging and thanking the Premier, the Honourable Jay Weatherill and the Minister for the Arts, the Honourable Jack Snelling and their government for providing the support to enable the realisation of our vision of Adelaide as a vibrant and culturally rich city with world class performing arts venues. The redevelopment work being undertaken under this Government will secure facilities that will attract the best performers in the world and provide a platform for South Australian artists to develop into world class performers.

I thank the Chair Mr Michael Abbott AO QC for his tireless work in pursuing the interests of the Festival Centre. The achievements of the last two years would not have been possible without the efforts of Mr Abbott, Mr Jim Hazel Deputy Chair and the Trustees. I particularly acknowledge the time and efforts of the departing Trustees: Irena Zhang, the Honourable Senator Don Farrell, Zannie Flannigan AM and Bill Spurr AO.

I offer a sincere thank you to our many donors and supporters who make our wide range of programs possible, particularly those that enable families and young people from across South Australia to experience the joy of live performance.

I would like to thank the, dedicated volunteers, Adelaide Cabaret Festival Advocacy Committee and OzAsia Festival Ambassadors. I also thank the Foundation Board, and acknowledge the work of the chairman Legh Davies.

Finally, I would like to thank every single member of staff at the Adelaide Festival Centre. The staff are devoted to the arts, the well-being of the Centre, and serving our public and often go above and beyond the call of duty to make the magic happen. Without the staff there would be nothing.

A handwritten signature in black ink, appearing to read 'Doug Gautier', with a stylized, cursive script.

Douglas Gautier

Chief Executive Officer & Artistic Director

Adelaide Festival Centre Trust

The Adelaide Festival Centre is South Australia's key performing arts facility. It is the cultural centre-piece for a City and State that is acknowledged locally, nationally and internationally as a leader in the arts. The Adelaide Festival Centre Trust is responsible for the management of the Adelaide Festival Centre and Her Majesty's Theatre.

The Centre's operations are underpinned by a belief in the essential value of performing arts as well as the broader contribution art can make to cities and societies. The Adelaide Festival Centre encourages participation in the arts and engagement in creative process as a means of promoting learning, wellbeing, civic participation and social inclusion.

The Adelaide Festival Centre presents a mix of popular, high quality and innovative work. Each year it showcases the best in performance from Australia and around the world. Our venues host leading international and Australian actors, dancers, musicians, artists and companies. In addition, Adelaide Festival Centre produces or co-produces some of Australia's most innovative and successful shows and Festivals.

OUR PURPOSE

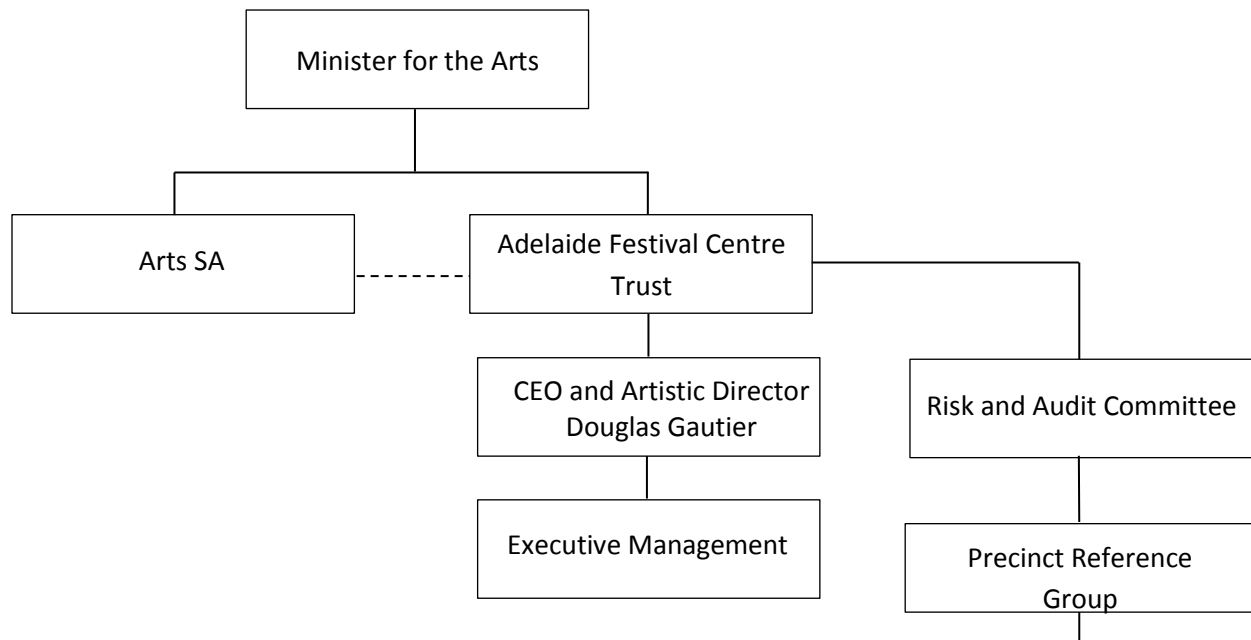
The Adelaide Festival Centre is operated by the Adelaide Festival Centre Trust (the Trust). The Trust is a South Australian Government statutory body, created and with responsibilities outlined in the Adelaide Festival Centre Trust Act 1971.

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

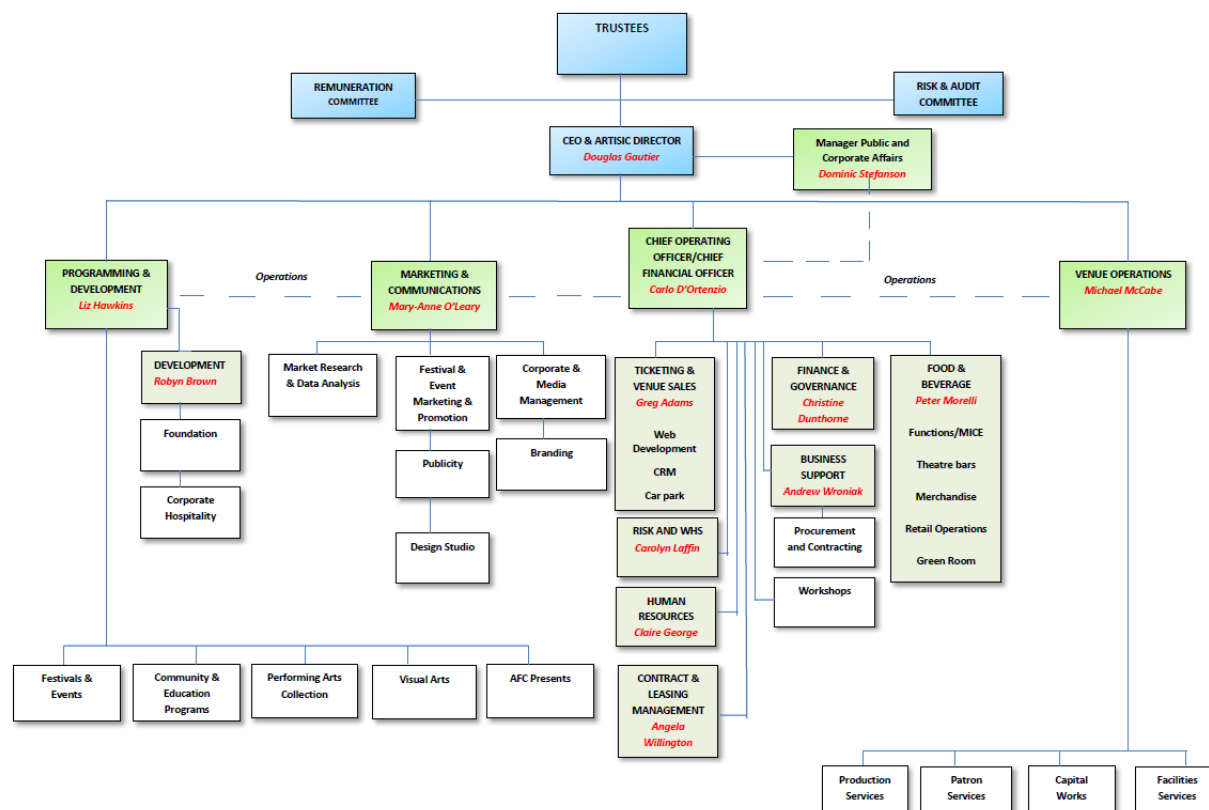
The Adelaide Festival Centre endeavours to maintain a strong governance framework, consistent with contemporary best practice and compliant with legislative requirements and modern financial standards, government policies and priorities.

ORGANISATION CONTEXT



ORGANISATION CHART

ADELAIDE FESTIVAL CENTRE - ORGANISATION CHART – 1 June 2016



ADELAIDE FESTIVAL CENTRE TRUST AND COMMITTEES

ADELAIDE FESTIVAL CENTRE TRUSTEES:

- Mr Michael Abbott AO QC – Chairman (commenced as Chair 15/12/14)
- Mr Jim Hazel (Deputy Chairman)
- Ms Carolyn Mitchell
- Ms Susan Clearihan
- Mr Phil Hoffmann AM term commenced 3/9/2015
- Ms Kate Thiele term commenced 21/4/2016
- Bill Spurr AO term ended 31/7/2015
- Ms Zannie Flanagan AM term ended 20/1/2016
- Mr Don Farrell – term ended 27/5/2016
- Ms Irena Zhang – term ended 10/6/2016

*A proportion of the sitting fees are donated to the Adelaide Festival Centre Foundation.

RISK AND AUDIT COMMITTEE

The Committee provides advice to the Trust on matters relating to financial management, physical assets, investments, risk management and all aspects of internal and external audit and compliance matters.

In addition to its normal areas of interest, the Risk Management and Audit Committee has played an important role this year in overseeing the many changes that are underway, ensuring the business is operating efficiently and effectively in delivering our core purpose within the context of sound risk management structures.

Committee Members:

- Ms Carolyn Mitchell (Chair)
- Mr Michael Abbott AO QC Ex Officio
- Mr Jim Hazel Ex Officio
- Ms Zannie Flanagan

PRECINCT REFERENCE GROUP

The Precinct Reference Group provides advice to the Trust on matters relating to the Redevelopment of the Centre.

- Mr Michael Abbott AO QC
- Mr Jim Hazel
- Ms Carolyn Mitchell

ADELAIDE FESTIVAL CENTRE STRATEGIC PLAN

The Adelaide Festival Centre Strategic Plan for the next three year period identifies goals and strategies that will shape the organisation to achieve the mission of being the arts and entertainment heart of the Festival State presenting programs of excellence and diversity for all.

The Centre's strategic focus and priorities are centred on the following goals:

Strategic Goal 1: Programming

Deliver an imaginative and stimulating annual program which is high quality, targets diverse audience segments, is accessible to all and reaches the largest possible audience.

Strategic Goal 2: Marketing, Communications & Public Affairs

Implement an integrated marketing strategy which grows audience reputation and stakeholder support.

Strategic Goal 3: Assets & Venues

Be the arts entertainment hub for the Riverbank Precinct. Redevelop Her Majesty's Theatre as a commercial theatre. Ensure we upgrade and equip venues accordingly.

Strategic Goal 4: Sponsorship & Commercial

Establish an alliance of support that enables sustainable philanthropic and business growth.

Strategic Goal 5: People & Culture

Build a positive and collaborative culture that attracts and retains the best possible people to bring our mission and objectives to life.

Strategic Goal 6: Governance

Strengthen our governance to ensure that we meet the highest standards of safety, environmental performance and business conduct across the organisation.

MEETING SOUTH AUSTRALIAN GOVERNMENT OBJECTIVES

The Adelaide Festival Centre is contributing to the Government's policies and objectives.

In relation to the Government's 10 economic priorities, the Festival Centre has a role to play in:

1. Adelaide Heart of the Vibrant City

The Arts are vital to vibrancy and as the biggest performing arts institution in the State we are contributing to the vibrant activity through our programming and our range of Festivals.

2. International Connections and Engagement

The Adelaide Festival Centre has a range of activities aimed at strengthening its position as a national Centre for Australian-Asian Cultural Engagement. These activities include international internships, pop up Festivals in Asia and the leadership of leading Asian arts organisations. The ambition of establishing the Festival Centre as a hub of Australian-Asian Cultural Engagement has been strongly supported by the South Australian Government because the Government sees cultural exchange as an essential component of the plans to internationalise the South Australian economy.

The Festival Centre has dedicated internal resources to ensuring the best outcomes are achieved from the redevelopment of the Adelaide Festival Centre announced in March 2015 and the redevelopment of Her Majesty's Theatre announced in July 2016.

PERFORMANCE

The Adelaide Festival Centre is committed to a program led approach. The Centre aims to be open as often as possible and showing a broad range of performing and visual arts of excellence. We do this because philosophically we believe in making our centre as open and accessible to as many people as possible. Our philosophical approach also underpins our commercial model. We invest in programming to bring audiences to the Centre who then spend money at the bars, in the car park, having a meal or buying merchandise which provides the funds we re-invest in the programs in our venues. Our business model is a virtuous cycle of sorts which we must maintain and leverage our assets otherwise the cycle will be broken to the detriment of Adelaide Festival Centre and the city.

A YEAR IN NUMBERS

- **1,066,935** total attendances – highest ever
- **505,072** ticketed attendances
- **777** performances across all venues
- **25** visual art exhibitions
- **4,347** media stories generated by publicity team
- **\$32** million in publicity generated
- **\$20,000** surplus
- **7** Years in the Black
- **\$25.6 million** in raised commercially revenue
- **\$ 10.9 million** government operating funds
- **70%** of income commercially generated
- **110,184** car spaces used
- **\$1.321 million** gross income revenue raised by car park (\$1.185 million net profit)

2015-2016 FY			
Venue	Number of Events	Number of Performances	Utilisation % of Year
Festival Theatre	70	217	85%
Dunstan Playhouse	41	181	72%
Space Theatre	50	235	81%
Her Majesty's Theatre	63	144	58%
TOTAL	224	777	74%

AWARDS

OzAsia Festival

- Helpmann Awards Finalists – Best Ballet or Dance Work – Dancenorth's *Spectra*
- Helpmann Awards Finalists – Best Choreography in a Dance or Physical Theatre Work – Kyle Page and Amber Haines for Dancenorth's *Spectra*

Adelaide Cabaret Festival

- South Australian Tourism Awards– Major Festival & Events – Silver Award Winner
- Helpmann Awards Winner – Best Cabaret Performer – Michael Griffiths
- Helpmann Awards Finalist – Best Cabaret Performer – Michaela Burger and Greg Wain
- Helpmann Awards Finalist – Best Original Score – Eddie Perfect and *Songs from the Middle*

Set Design

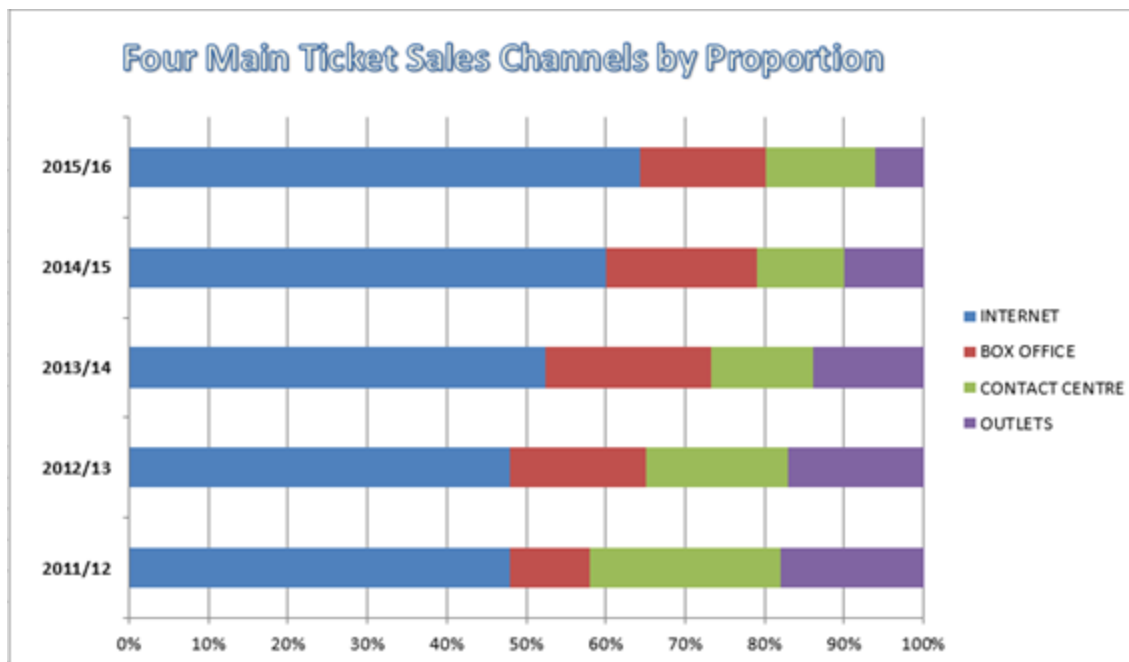
- Helpmann Award – Best sound, lighting and scenic design. Matilda Set – 2015 built by the Adelaide Festival Centre Scenic Workshops

Catering

- Finalist 2015 Restaurant & Catering Awards (SA) Awards – Best Wedding Venue
- Finalist 2015 Restaurant & Catering Awards (SA) Awards – Best Venue Caterer

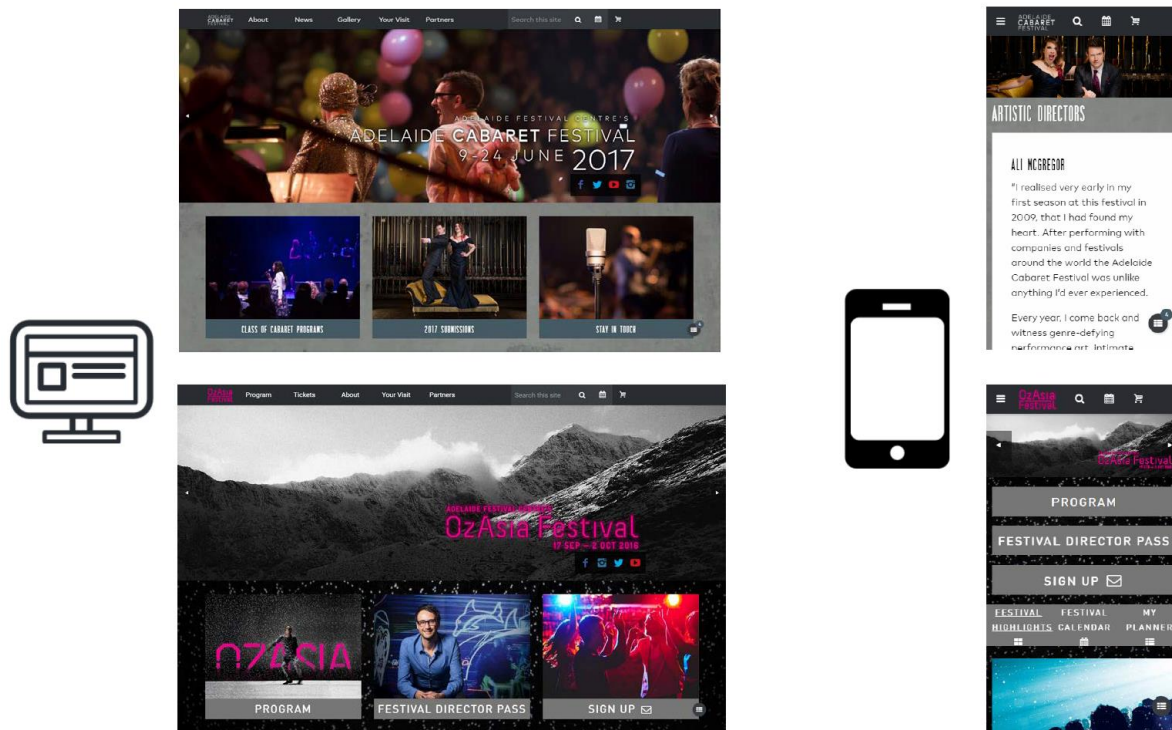
BASS TICKETING AND VENUE SALES

Over the past year BASS has processed over half a million tickets and the popularity of our online sales channel continues to grow. For several years this trend of upward utilisation of our digital channels has continued and commensurate to that trend, our database size and our ability to leverage the data to support marketing campaigns has increased. Year on year, we continue to evolve & refine our Customer Relationship Management practice which is key to audience development.



Our website development activity has been strong during the current financial year. We have redeveloped the Festival websites so that they are more user-friendly, are closely aligned with the Adelaide Festival Centre brand and are easily branded to support the unique festival branding that is developed each year. These new sites were the result of a collaboration between our web developers, programming and marketing. The sites are all responsive in design so that our mobile or tablet customers are able to enjoy the full functionality of the site as our desktop users would. Visitation is up on all sites and our google analytics have improved in structure, quality and quantity. We continue towards in depth tracking and analysis of sales so as to provide insights into customer behaviour to our marketing team and to contribute to quantifiable return on investment reporting.

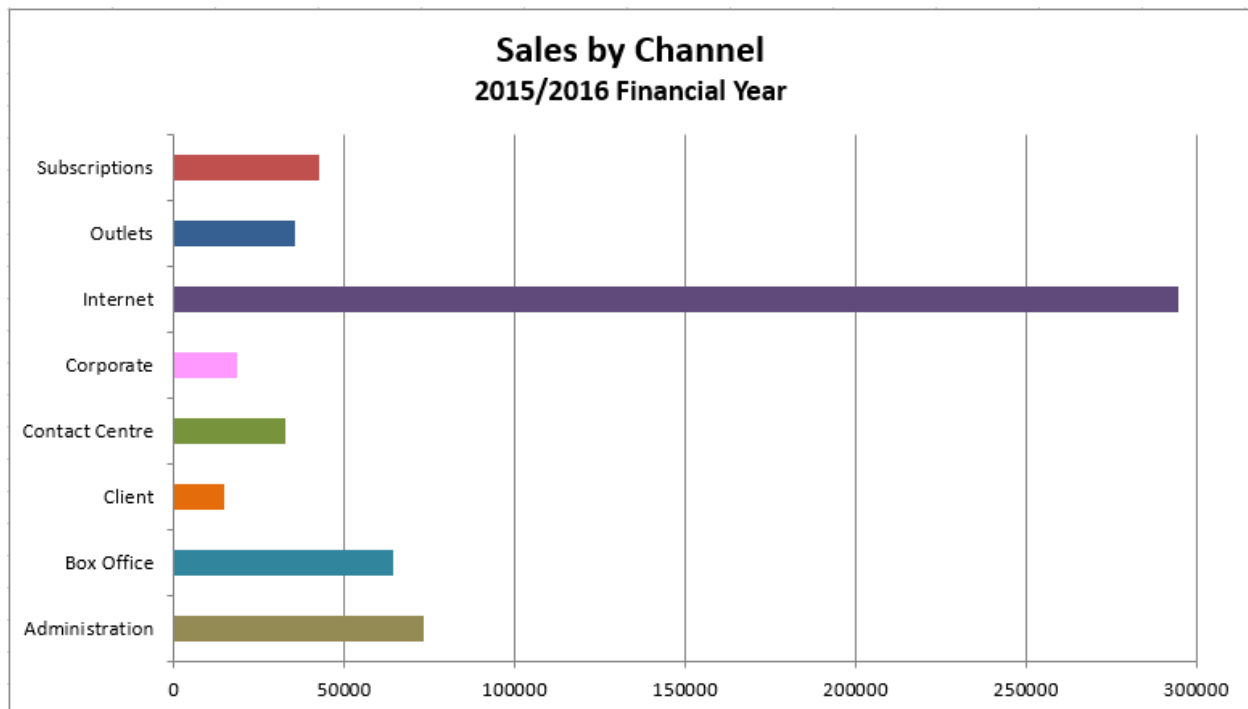
Website Development - New Festival Websites:



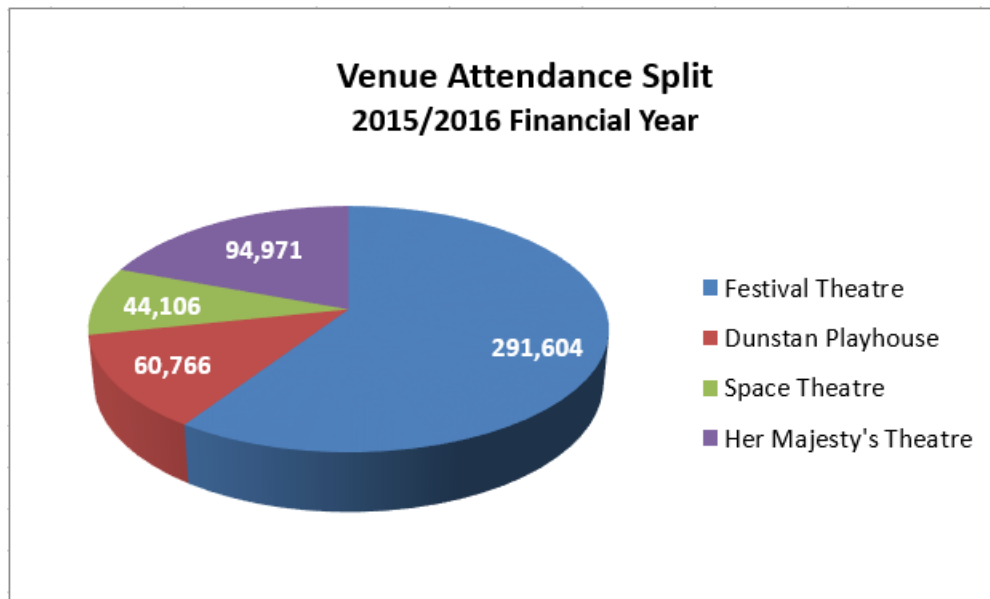
During the current financial year we have further developed our ability to integrate with 3rd party Customer Relationship Management tools. The Adelaide Symphony Orchestra now receives a nightly data feed from BASS systems which feeds directly into their Tessitura system to support their internal Customer Relationship Management practice. Discussions have been held with the Festival of Arts to commence integration with their Microsoft Dynamix tool.

We have launched Print@Home ticketing in the current financial year which is available on all reserved seating events. Customer demand for this feature has been strong and we are pleased to be able to provide it so that the ticket buying experience is completed immediately and conveniently with customers receiving their tickets via email upon completion of their online transaction. They can then print the tickets on their home printer. Next year we will roll this feature out across the retail channels also. So far, we have seen a significant number of our online users take up this delivery option.

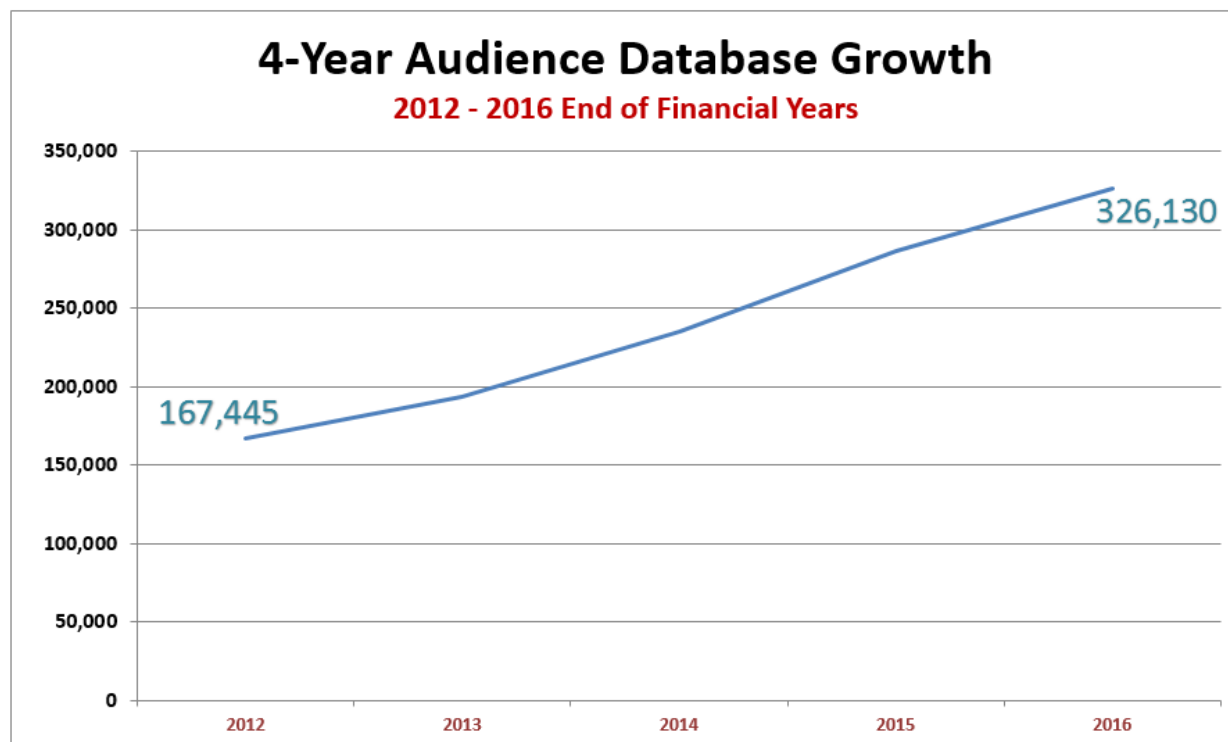
Revenue from BASS ticketing continues to grow and we have increased our targets to support the programming activities of the Adelaide Festival Centre.



The Festival Theatre remained a popular choice of venue with an increase in annual utilization to 85%. Throughout the year the Festival Theatre was host to 70 events culminating in 217 performances and 291,604 attendances. This represented a slight reduction in events and performances but an increase in attendances.



The collection, organisation and permitted use of our customer data has been strengthened during the period. Never before has BASS had data that is as organised and as comprehensive in terms of recording Customer interests and preferences.



Despite numerous changes, our patrons remain satisfied with the BASS ticketing experience. 85% of patrons survey were satisfied with their service from BASS Ticket purchase (online, in-person or phone).

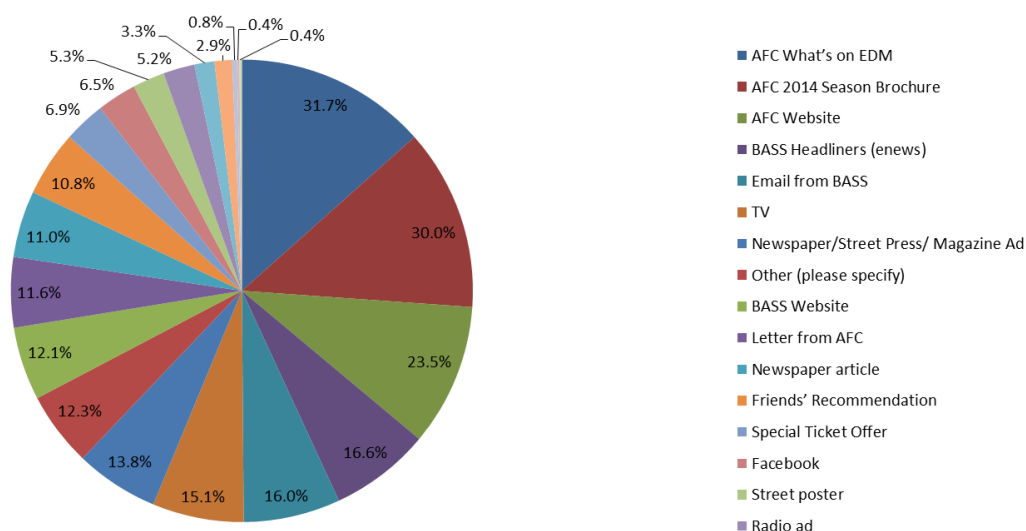
MARKETING AND PUBLICITY

The number of marketing tools available in the marketing mix (TV, radio, press, signage, posters, flyers, direct mail, facebook, twitter, Instagram, promotions, publicity, online advertising, websites and more) to reach our audiences continues to grow. So too does the diversity of our existing and potential audience base as our population changes.

The chart below shows how people learned about the performance they attended, displaying that they are made aware from a variety of sources.

The challenge for marketing specialists is determining how best to allocate limited budgets across unlimited opportunities in an environment of rapid change in the way people want to engage and communicate.

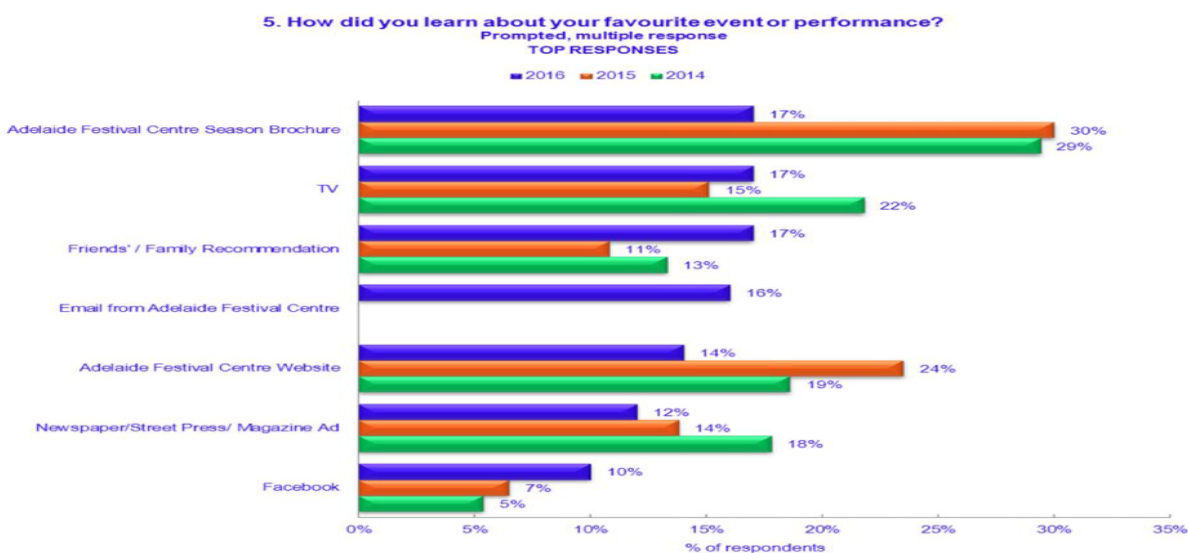
How did you learnt about the performance you attended?



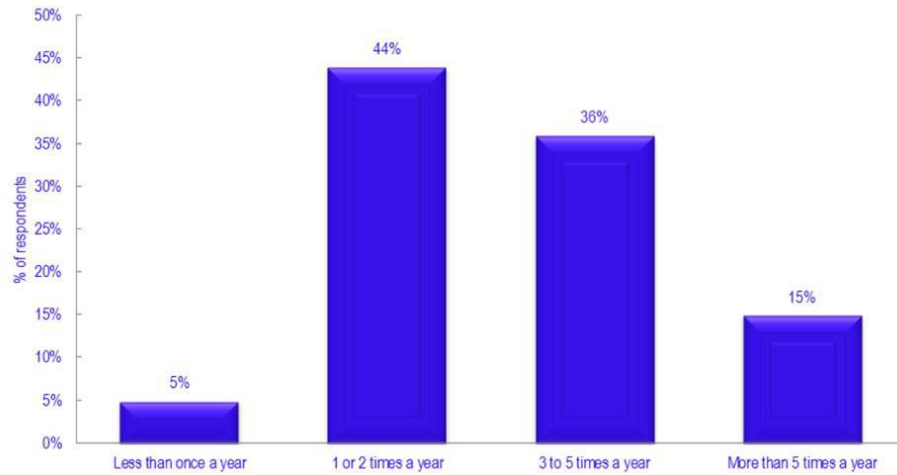
*Online AFC Survey of customers undertaken by McGregor Tan with 4,036 respondents

OUR PATRONS

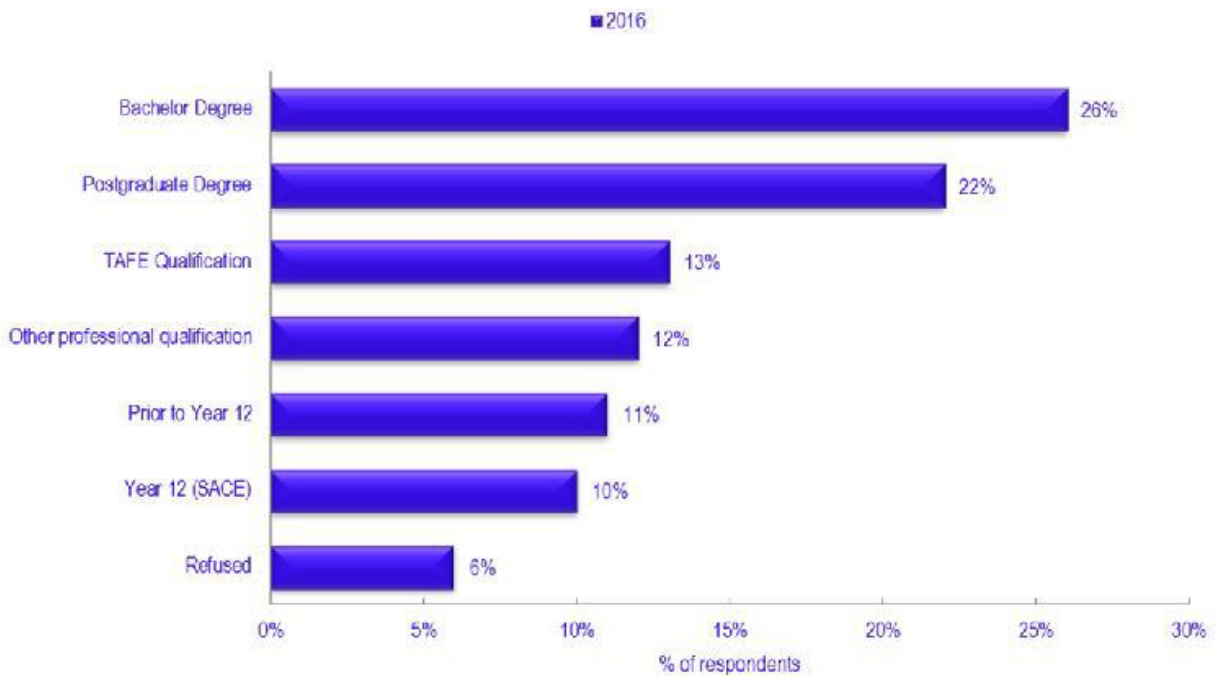
Every year the AFC issues an online survey to all people who purchased tickets to AFC produced or associated shows and for whom we have email addresses. In 2016, the survey was conducted between 23rd of February and 6th of March by McGregor Tan Research. There were 4,036 responses. Some of the results are presented below. As we are increasing diversifying the range of programming we presented in our theatre, we are finding there are a wide variety of patrons, however a sizable majority are well educated and are frequent visitors.



11. How often do you visit Adelaide Festival Centre?



45. What is your final level of education?



DEVELOPMENT

Adelaide Festival Centre gratefully acknowledges the support of the Government of South Australia and Arts SA and the contribution of the following partners during the year:

Year-Round Partnerships

Adelaide Casino, Coca-Cola Amatil, Coopers Brewery, enta Australasia, InterContinental Adelaide, Paulett Wines, RAA, Wilson Parking, 891 ABC Adelaide, Channel 7

Program Partners

Something on Saturday: BankSA

Morning Melodies: Apia

OzAsia Festival 2015

Major Festival Partner: Santos

Executive Festival Partner: University of South Australia

Festival Partners: Adelaide Casino, Adelaide City Council, ANZ, Flinders University, Hong Kong Economic & Trade Office in Sydney, Wonderful Indonesia

Program Partners: Australia-Indonesia Institute, Australia-Korea Foundation, Playking Foundation

Moon Lantern Festival Stage Partner: Ironfish

Supply Partners: InterContinental Adelaide, Hughes Limousines

Wine Partner: O'Leary Walker Wines

Media Partners: 891 ABC Adelaide, The Advertiser

Adelaide Cabaret Festival 2016

Festival Partners: Adelaide Casino, Adelaide City Council, Coopers Brewery, Wilson Parking

Associate Partners: Grant Burge Wines, Lexus of Adelaide

Media Partners: The Advertiser, Channel 7, FIVEaa, Avanti Card, 891 ABC Adelaide, Mix 102.3, Blaze

Supply Partners: InterContinental Adelaide, Pol Roger

OVERVIEW OF BUSINESS OPERATIONS 2015/2016

The Adelaide Festival Centre earns almost 70% of its revenue from commercial activity. The operations include a variety of key business activities which sustain revenues and growth. These business activities are part of a complex interdependent business model that helps develop and drive the Centre's complementary business operations and activities through the consumer life of venue hire, ticketing, functions, food and beverage, retailing and car parks. The mixed business model ensures that the Festival Centre can operate effectively and maintain a high level of earned revenue to underpin its overall operations in a sustainable manner.

The key business activities include:

Theatre hire, use of the venues to external companies including home companies and commercial producers, touring entertainment activities nationally and internationally

Theatre workshops, which build sets and provide engineering solutions for theatrical productions and major arts and cultural events

Ticketing through BASS, which provides ticketing services not only for Adelaide Festival Centre venues but also for external festivals and events

Car parking, through the Festival Centre car park, this is also a venue added service/ offering to the patrons

Catering services, including function business and retail operations of all venues

ADELAIDE FESTIVAL CENTRE CAR PARK

Operating twenty-four hours a day, seven days a week the car park provides the facility for patrons to pre-book car park spaces through BASS up to 24 hours prior to a performance.

Parking options include: Early Bird (in by 9.30am and out by 6.30pm); Casual by the hour (until 6.30pm); Performance / evening flat rate; or Weekend flat rate. Patrons can pay at the Festival Theatre's Concierge Desk, at the auto pay station outside the car park or on exit by credit card.

The Adelaide Festival Centre manages the car park operations and faces challenges related to its ageing physical infrastructure whilst continuing to provide a valuable revenue stream to the Festival Centre. The car park is scheduled to cease operating to make way for a new car park that services the Riverbank Precinct in late 2016.

8,256 patrons using the BASS Car park pre-book function and over 85,000 casual parkers that utilised the car park.

The Adelaide Festival Centre car park continues to provide important income for the Centre's annual revenue stream, this year contributing \$1.321 million gross income, an increase of \$137k from the previous Financial Year to the Festival Centre's bottom line.

BUSINESS SUPPORT

During 2015/16 the Business Support unit focussed on moving its current on-premises data centre to an external cloud environment. This significant change was necessary as the current data centre was being demolished during the redevelopment. The move of over 70 servers is almost complete with only a handful of applications left to be transitioned.

The Business Support unit commenced a new project to implement an electronic document records management system to improve the quality of filing, retrieval of records, reduce duplication of files and paper usage. A system was selected in June and will be implemented over 9 months.

Adelaide Festival Centre's procurement unit assisted in the purchase of \$6.4 million goods and services in 2015-16. The unit continued to review purchasing to ensure it obtains value for money, provides fair treatment of prospective tenderers, and promotes, probity, accountability and transparency in its procurement operations.

FOOD AND BEVERAGE

The Food and Beverage Department (Catering) manages the operation of theatre bars and function rooms at the Adelaide Festival Centre and Her Majesty's Theatre. Sales for the 2015/16 financial year increased by 5.1% or \$172,577 on the previous year. Bar Sales were up 14.0% and account for 52.2% of total sales. Function Sales were down 8.4% on 2014/15 and account for 45.1% of total Catering revenue.

The strong margins provided by our functions business aligned with solid theatre bar sales during Dirty Dancing, Ghost and Club Swizzle saw us exceed the sales budget by 2.8%, which translated to a net profit of \$326,082 - \$84,893 or 35% above budget.

The Catering operations were finalists in the Best Wedding Venue category and Venue Caterer category at the 2016 Restaurant & Catering Awards (SA) Awards for Excellence, finishing 2nd and 3rd respectively. Results from survey held for the year reflected a 84.4% approval rating on food & beverage customer service a 81.8% on bars and drink service. The Cabaret Festival again was a highlight with Catering revenue up on the previous festival with fewer patrons attending.

The delivery of consistent, quality food and service with a focus on repeat business from corporate clients has seen an increase of 7% on external function clients on the previous year. Support from our Home Companies (STC, ASO, SOSA, AFA) and the Australian Ballet has also increased.

MERCHANDISE

Total sales for the 2015/16 year were \$283,203 which was an increase of 1.2% on the previous year. With a strong focus on staffing efficiencies and the commitment of our Retail Buyer, Cathy Barrett, the net profit increase for the year was 22.3%. Merchandise/Retail provided \$79,497 to AFCT bottom line revenue in 2015/16.

WORKSHOPS

Adelaide Festival Centre's Scenery Workshops are internationally renowned as the leading theatre construction facility in the Southern Hemisphere. Our workshops play an integral part in most of the major musicals produced in Australia and Asia Pacific and have done so since 1979.

There are two Workshop facilities located in Adelaide. The Dry Creek Workshop looks after the scenery building and set electrics, props and special effects while the Gepps Cross Workshop handles the stage engineering and stage automation design and builds projects.

The unique skills and expertise of Workshops is also sought after for trade exhibitions and interactive displays and recognised for creating flexible and adaptable sets, props and displays. Workshops are highly regarded as touring and freight management specialists for national and international events.

Since 2012, the Workshops team created and supported the production of 15 shows including Mouse Trap, Moon Shadow, King Kong, Legally Blonde, War Horse, Jersey Boys, Matilda, Strictly Ballroom, Les Miserables, Phantom, Illusionist 1903, and WA Ballet. Not surprisingly at the 2015 Annual Helpmann Awards, Matilda took out 13 Awards including sound, lighting and scenic design/build. Matilda Set – 2015



With the growth of large scale musicals over the years our Workshops continued to expand their expertise as we built increasingly sophisticated stage productions for the Australasian market. Shows such as Les Miserables and Phantom of the Opera set new box office records in Australia. And each time the shows transferred from one city to the next the Festival Centre's workshops were engaged to dismantle the set and then move them on to the next venue.

These shows have relied on the expertise and creativity of Adelaide Festival Centre Workshops. Working with musical producers such as Cameron Mackintosh, Louise Withers, Gordon Frost and The Really Useful Group out of London, designs are presented to the workshops as essentially a concept developed by the stage designer. This concept takes the form of a scale model of design and a floor plan and section drawing of the whole show. The challenge for the workshop managers is to work with the designer to bring their vision to life on the stage and to do so in way which guarantees trouble free performances and a safe working environment for the artists and stage crews. The process is often challenging and involves a large team of engineering personnel, computer software specialists and engineers who certify the design to deliver on what is required.

Designs in Australia have that extra degree of difficulty which sees the sets being dismantled, loaded on to semi-trailers and travelling thousands of kilometres across Australia or into Asia. The real challenge and skill lies in being able to guarantee that the sets and all the supporting technologies and control systems will go back together again and deliver trouble-free performances as they are reassembled after such difficult circumstances.

The workshops are managed by Ron Wood and John Mignone – Ron manages the set scenery construction and set electrics while John engineers the set and contributes the technological know-how. Ron and John have built the stage sets and machinery for just about every blockbuster Australian musical in the past 35 years.

The success of the business is based on project opportunities through its strong partnership base and strategic alliances.

PRODUCTION SERVICES

The technical departments Sound, Lighting and Staging again supported our Home Companies not only for shows within the Festival Centre but also external venues.

Two staff returned to the Production Department over the 2015/2016 year after 12 months of maternity leave. The two Production Coordinators who started in 2014/2015 to cover maternity leave remained on board to assist with the delivery of AFC Festivals and client shows throughout 2015/2016.

The Sound Shell was utilised once again in 2016 as Stage 1 for Womadelaide in Botanic Park.

Show highlights include: Dirty Dancing, Ghost – The Musical, Club Swizzle, The James Plays, Nelken, Cats, Q&A Live, Little Shop Of Horrors, The Australian Ballets Swan Lake, Cloudstreet, The Oz Asia Festival 2015 including the Moon Lantern Festival and A Night Noodle Market, Adelaide Festival Of Arts 2016 & The Cabaret Festival 2016.

Work is proceeding well on the \$11.122m Equipment Upgrade Program in the Adelaide Festival Centre Venues.

The Adelaide Festival Centre with Richard Stuart engaged in Home Companies and some Stakeholder consultation to confirm the list of technical infrastructure and equipment upgrade projects to be undertaken across the three venues. At this briefing we discussed proposed upgrades and asked for feedback from the companies to ensure we took into consideration their technical requirements, where possible.

Our Production Department Heads and key technical crew did some industry benchmarking; this included visits to other venues and trade shows to help with equipment choice to ensure we are choosing best product to bring the Venues up to date and to provide fail-safe current technology to Hirers of the Adelaide Festival Centre.

A key strategic focus is on future proofing the installation of control and data networks that support stage lighting, audio, audio/visual, headset communications, back and front of house paging and video systems. Fibre optic and data network backbone systems will be wired throughout the Adelaide Festival Centre which will allow new and future systems to be connected and routed in the Centre. This approach to centralise digital control systems will allow more flexible software-based management of technology systems to support the changing operational requirements between multi-venue festivals and stand-alone venue usage for hirers performances.

Projects completed include:

- Replacement Follow spots in the Festival Theatre, in a refurbished technical room at the rear of the Balcony to overcome OH&S and ergonomic issues in the old follow spot room. These new follow spots were first used for *Ghost The Musical*

- Replacement Sound Mixing Desks and associated control equipment installed in the Dunstan Playhouse and The Space
- Replacement Stage Lighting Control Desks in the Festival Theatre, Dunstan Playhouse and The Space, with the lighting Desk from the Dunstan Playhouse to replace the worn out desk at Her Majesty's Theatre
- Curtains, Cycloramas, Gauzes and Scrims in the Festival Theatre to ensure all required drapery stock is current at 2016
- Replacement of a significant quantity of Microphones and Radio Microphones throughout the venues, ensuring the right Microphones for the right purpose will be available for the largest of events staged by the Centre, with Cabaret Festival being one such event, ultimately leading to a reduction in external hire costs this and other AFC Presents works
- Replacement of various fixed Lighting Equipment for all venues.

PATRON SERVICES

The Patron Services department has continued to provide a high level of customer service to all the patrons who attend the Adelaide Festival Centre and Her Majesty's Theatre throughout this year.

The Patron Services department achieved an average of 4.53 out of 5 each month from the Customer Satisfaction Surveys and received many comments on the level of their service and expertise.

The Patron Services Department employed 6 new staff members in December to boost the number of casual crew.

While the department lost a long serving member of the Supervising team this year, a new Supervisor was trained providing the team with another highly skilled member of the team.

In order to have a better understanding of how to handle conflict situations and have a better security awareness the entire Patron Services team undertook SAPOL and conflict training in May 2016.

FACILITIES SERVICES

The Adelaide Festival Centre decided to not renew the contract of the cleaning supplier and instead choose to put the services out to tender. Quayclean was appointed as the new cleaning service provider and they commenced on the 26th of April 2016.

The tender for the supply of Sanitary Services to the Adelaide Festival Centre and Her Majesty's Theatre was also advertised and Ladonna Hygiene appointed as the service supplier. Ladonna Hygiene commenced their contract for these services on the 26th of April 2016.

Concrete degradation is an ongoing issue throughout the Venues and the car park. This is managed on a continuing basis by staff and contractors. The car park structure continues to be monitored routinely for any signs of movement or further deterioration. All propping previously recommended in Structural Engineering review is in place and maintained by relevant service provider.

The main Festival Theatre electrical switchboard shutdown for investigative works has been cancelled. The replacement of the switchboard will now be included as part of the technical upgrade, a figure of

\$500,000 has been allocated to this work. The scope is being prepared currently by DPTI for this to be designed and documented for tendering. Installation time line still to be determined but would expect sometime in 2017.

The upgrade of the emergency lighting throughout the Dunstan Playhouse & Space Theatre was undertaken in 2015/2016. This project was managed by Rawsons Electrical in conjunction with the Adelaide Festival Centre's Facilities Services team.

The Adelaide Festival Theatre Projection Room was upgraded in November 2015 and will now be the new Follow Spot room for the Festival Theatre and will house the four new Follow Spots being purchased as part of the Technical Upgrade project.

The Artspace Plaza and Waterproofing works were undertaken from October 2015. Due to the project falling behind schedule for various reasons, this project was still to be completed as at June 30 2016.

A YEAR LONG SEASON

The Programming Department is mandated to present, co-present and partner the finest in performing arts to our community – bringing a balance of quality international, national and regional performances of music, dance, theatre, exhibitions and multi-disciplinary programs through both curated and non-curated programming. The team is also charged with the delivery of major commercial projects.

Adelaide Festival Centre's own programming of theatre, dance and music presented 70 events with 252 performances throughout the financial year encompassing music, theatre, dance, exhibitions, forums and workshops.

In the 2015 OzAsia Festival presented 41 Events (including 8 exhibitions /15 performance works /7 talk events /5 film programs /6 community.) Within the 34 events there were 27 professional performances, 15 community performances, 24 film screenings, 9 exhibitions, 73 workshops and 19 demonstrations/talks.

There were a total of 252 professional artists or arts workers contracted as part of the artistic program to participate in the festival as well as 275 community performers from cultural groups in South Australia. A further 2,455 people from South Australia participated in hands on activities such as the Moon Lantern Festival parade and Hong Student workshops.

The 2016 Adelaide Cabaret program featured over 425 Artists in 150 performances over 16 days and nights.

The program featured artists and companies from across Australia and the globe including the UK, Brazil, Spain, Netherlands, Ukraine, Russia, France, Indonesia, Belgium, India, Korea, Taiwan, Hong Kong, USA, China, Ireland, Germany, and Japan.

The 2016 season opened with the Australian premiere of *Ghost* the musical presented by Adelaide Festival Centre and Ambassador Theatre Group in the Festival Theatre and *Club Swizzle* in the Space Theatre. We launched our first January school holiday program entitle *Onstage* with both financial and

artistic success surpassing all targets and setting the stage for a year-round school holiday program. We also held the first Guitar Orchestra Summer School. Families were delighted as we presented both *Deadly 60 Live* and *The Tiger who Came to Tea* in HMT.

Other music highlights in 2015-16 included Treasures of the Nation Chinese New Year Concert, Mirusia and Chamber Orchestra, Brodsky Quartet with Katie Noonan, Cocktail Concerts with Niki Vasilakis and Exile – Songs of Irish Australia.

Theatre highlights during the financial year included Andrew Bovell's latest production of *Things I Know to be True* in association with State Theatre Company and the national tour of *Little Shop of Horrors*.

Audiences also have the opportunity to be the first to experience pioneering performance fresh from the rehearsal room through inSPACE Development, which this year featured 10 developmental works.

Dance aficionados were offered Pina Bausch's *Nelken*, Larissa McGowan's *Mortal Condition* and ADT's *Habitus*.

Family and Children's work continues to thrive at the Festival Centre with another successful season of Something on Saturday featuring the *Little Prince*, *The Moon's a Balloon* by Patch Theatre Company and CDP's *52 Story Treehouse*.

The 2015-16 financial year also included an extensive exhibitions program, with major highlights being exhibitions for both SOSA and ASO anniversaries, Art by Prisoners, the Whyalla Art Prize and the Nikon-Walkley Photography exhibition.

Multicultural community program highlights included Music Hellenika, Migrant Resource Centre and Adelaide Festival Centre's Celebrating the Journey, Nowruz New Year Middle Eastern Festival, Festival of India and Adelaide Kalamela Festival of Performing Arts.

OZASIA FESTIVAL: 23 SEPTEMBER – 4 OCTOBER 2015

2015 OzAsia Festival was a great success with record breaking attendance of 230,486 people across the 11 day event held between Thursday 24 September – Sunday 4 October 2015. There were 5 world premiere performances and a further 12 Australian premiere performances confirming OzAsia Festival truly is leading the way by introducing new and diverse performing arts and culture from Asia to Australian audiences for the first time.

A total of 50,000 people attended Moon Lantern Festival and 123,465 people attended the popular Night Noodle Markets. The remaining 57,021 attendances engaged with performing arts, visuals arts, film and other programmed initiatives.

CABARET FESTIVAL: 10-25 JUNE 2016

Adelaide Cabaret Festival was a resounding success both artistically and financially. There were 42 international artists from across the world as well as the best from Australia with over 383 Australian artists including 182 South Australian artists. The 2016 Festival showcased 6 world premieres, 8

Australian premieres, 35 Adelaide premieres as well as 13 Adelaide Exclusives. The vibrant program also featured 11 international shows.

Last year with Barry Humphries at the helm the Festival achieved a record box office with a 12% increase over that achieved in 2014. In 2016 – the first Festival program devised by co-Artistic Directors Ali McGregor and Eddie Perfect we matched last year’s record box office.

GREENROOM

Adelaide Festival Centre’s GreenRoom program aims to build sustainable new audiences for Adelaide Festival Centre through a membership program for young people aged 18-30 years old. Current members totalled 357 as at the end of June 2016. GreenRoom tickets are affordable for members with the majority of tickets sold at 50% off the adult price with a minimum of \$20. A total of approximately 600 Greenroom discounted tickets were sold from 1 July 2015 – 30 June 2016 with a total net box office of approximately \$18,000 (12% increase). As at 30 June 2016 GreenRoom had sent 32 ecommunications with an average unique open rate of 43.5% with direct ticket revenue of \$7678.45 with a rate of return of \$132 for every dollar spent on ecomms.

Now in its eighth year, the GreenRoom Advocacy Program continues to be a successful program that gives young people aged 18-30 years the opportunity to develop hands-on arts industry experience. In 2016 we recruited 12 new GreenRoom Advocates and saw two 2015 Advocates gain employment with the Centre.

EDUCATION PROGRAM (centrED)

The Education program of the Adelaide Festival Centre (centrED) provides curriculum-based arts education programs and resources for all South Australian teachers and their students.

Initiating, designing and implementing relevant and engaging learning opportunities is the role of an Education Manager, a seconded teacher from the Department of Education and Child Development (DECD)

Working in collaboration with the programming and marketing departments at Adelaide Festival Centre the centrED events are developed across a range of curriculum areas with an emphasis on the performing and visual arts.

centrED is committed to equity and access for all South Australian students by providing ticket and transport subsidies to disadvantaged schools with funding support from the Education Minister’s Grant and the Adelaide Festival Centre Foundation.

During the year under review **7 863** students from reception to Year 12 students and teachers from **324** schools participated in CentrED programs.

Summary of statistical data for all centrED activities for financial year 2015-16

Total number of events	202
Total number of interactions	13,190
Total number of teachers involved	1,102
Total number of schools	324

In addition to the centrED program, an estimated additional **25,000** students and teachers attended performances of the Adelaide Festival Centre's home companies, State Opera, State Theatre Company, Adelaide Symphony Orchestra, Come Out and Windmill Performing Arts, along with visiting the extensive collection of visual and performing arts exhibitions in the various exhibiting spaces at Adelaide Festival Centre.

OUR PEOPLE

The goal for 2015/16 for the Human Resource Management function was to continue to create and maintain a safe, accessible and productive workplace staffed by adaptable, skilled people who are committed to the organisation and its values and who are prepared make it successful.

The Adelaide Festival Centre Trust continued to ensure recruitment processes for roles in excess of 12 months duration remained transparent and merit based, which resulted in the attraction and retention of high calibre staff able to support the organisation's vision.

2015/16 also saw an increase in focus on workforce sustainability and succession planning, with organisational structure reviews commencing in a number of departments to ensure the workforce is established in the most efficient and agile way to meet the human resource needs of the business into the future. These decisions have been and will continue to be influenced by the evolution of technology, trends and other contemporaneous changes in how we do business, automation of a number of manual tasks, and the cessation of some business functions.

EMPLOYEE NUMBERS, GENDER AND STATUS 2015-16

Total Number of Employees	June 15	June 16
Persons	326	334
FTE's	239.92	249

Gender	2014/2015		2015/2016	
	Number	%	Number	%
Male	160	49.1	160	47.9
Female	166	50.9	174	52.1
Total	326	100	334	100

EMPLOYMENT CONTRACTS AND RELATIONSHIPS

The ongoing development, maintenance and review of employment contracts which ensure fair, equitable and transparent employment relationships for all staff whilst recognising the particular needs of a dynamic arts environment continues to be an ongoing priority for the Adelaide Festival Centre. Formal legal advice has been sought to ensure our employment contracts are industrially sound and continue to allow the necessary flexibility with our human resources.

A review on long term temporary staff and staff on a series of multiple temporary contracts has been undertaken with a view to making a determination as to which of those staff AFCT should contemplate converting to permanent status to increase job security for them and workforce stability for AFCT.

Because of the seasonal and casual nature of some employment contracts, some individuals may be hired and separated on casual contracts, often associated with a specific Festival, more than once in a year. This process is also under review to ensure we are managing our casual contracts in the most appropriate way.

Number of Persons Recruited and Separated During the 15-16 Financial Year		
	2014-15	2015-16
Separated from the Adelaide Festival Centre	109	68
Recruited to the Adelaide Festival Centre	91	80

WORKFORCE DIVERSITY

Number of Employees by Age Bracket by Gender

Age Bracket	Male	Female	Total	% of Total	2014 Workforce Benchmark
15-19	2	0	2	0.6%	5.5%
20-24	11	14	25	7.5%	9.7%
25-29	16	28	44	13.2%	11.2%
30-34	16	29	45	13.5%	10.7%
35-39	19	16	35	10.5%	9.6%
40-44	21	16	37	11.0%	11.4%
45-49	16	17	33	9.9%	11.1%
50-54	15	26	41	12.2%	11.4%
55-59	18	11	29	8.7%	9.1%
60-64	15	8	23	6.9%	6.7%
65+	11	9	20	6.0%	3.6%
TOTAL	160	174	334	100.0%	100.00%

TOTAL NUMBER OF EMPLOYEES WITH DISABILITIES (ACCORDING TO COMMONWEALTH DDA DEFINITIONS)

Male	Female	Total	% of Agency
5	2	7	2.1%

TYPES OF DISABILITY (WHERE SPECIFIED)

Disability	Male	Female	Total	% of Agency
Disability Requiring Workplace Adaptation	1	0	1	0.3%

Physical	2	2	4	1.2%
Intellectual	1	0	1	0.3%
Sensory	1	0	1	0.3%
Psychological/ Psychiatric	1	0	1	0.3%

EXECUTIVES NUMBER OF EXECUTIVES BY STATUS IN CURRENT POSITION, GENDER AND CLASSIFICATION

Classification	Ongoing		Term Tenured		Term Untenured		Other (casual)		Total				
	Male	Female	Male	Female	Male	Female	Male	Female	M	% of Total Execs	F	% of Total Execs	Total
Executives	2	0	1	0	7	2	0	0	10	83	2	17	12
Total	2	0	1	0	7	2	0	0	10	83	2	17	12

LEAVE MANAGEMENT

Average Leave Days taken Per Full Time Equivalent Employee

Leave type	2012-13	2013-14	2014-15	2015-16
Sick leave	7.12	7.3	7.2	7.94
Family Carers' Leave	0.85	0.01	0.9	0.93
Miscellaneous Special Leave with Pay	0.44	0.43	0.3	0.06

DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Employees with:	% Total Workforce
A review within the past 12 months	0
A review older than 12 months	0
No review	100

The performance development procedure is currently under review with the specific objective of increasing compliance. It is intended to standardise and simplify the process to improve uptake by managers.

LEARNING AND DEVELOPMENT

Learning and development within the Adelaide Festival Centre aims to reflect the objectives of the Strategic Plan with the focus being on relevant and practical training to empower employees to more effectively undertake their responsibilities. This includes Work Health and Safety compliance training.

TRAINING EXPENDITURE 2015-16

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$67,041.75	0.38
Total leadership and management development expenditure	\$3,780.97	0.03

ACCREDITED TRAINING PROGRAMS BY EXPENDITURE

Classification	Number of Accredited Training Packages
AFC Job Grade 11	International Credential Practitioner Coaching
P&A2	Health & Safety Representative Training
P&A3	Health & Safety Representative Training
PAC Facilities 4	Traffic Management
P&A3 X 3	Comprehensive First Aid
AFC Job Grade 9	Comprehensive First Aid
AFC Job Grade 9	Dealing with Difficult Behaviours
P&A4-2	Digital Marketing
AFC Job Grade 8	New Supervisor

During the 2015-16 financial year, approximately 3.3% of our employees completed either a certification, recognized course or accredited training package.

EMPLOYMENT OPPORTUNITY PROGRAMS BY CLASSIFICATION

The Adelaide Festival Centre is firmly committed to equal opportunity principles in all aspects of employment. The Equal Employment Opportunity Policy has recently been updated to incorporate the *2014 South Australian Strategy for the inclusion of Lesbian, Gay, Transgender, Intersex and Queer People*.

ABORIGINAL RECRUITMENT PROGRAMS

The Adelaide Festival Centre was introduced to the Aboriginal Employment Program in late 2013 within the Hospitality Cluster network and will continue to utilise the benefits of the program to assist in its recruitment activities involving indigenous networks in the coming year.

This year AFTC determined our annual Steel Ryan Fellowship would be filled by an indigenous person, which successfully occurred, with this year's Fellow commencing on 27 January 2016.

WORK EXPERIENCE/WORK PLACEMENT PROGRAM

The Work Experience program provides students with an understanding and overview of how the Adelaide Festival Centre operates, providing students with the knowledge of the various career paths available within an Arts Centre.

At the beginning of 2016, the program was revised to focus on hosting 16 students from Years 10 and 11, from independent, private and public schools, to participate in an intensive 3 day program in the first week of the mid-year school holidays. All departments were involved in the delivery of this program, which involved both practical and classroom based instruction.

INTERNATIONAL INTERNSHIP PROGRAMS

The Adelaide Festival Centre's partnership with Shandong resulted in Ms Ning Chen and Ms Yao Xianmiao each undertaking a 4 month internship – the Special Program in Arts Administration Fellowships - which commenced in June 2015 and concluded end of October 2015.

WORK HEALTH SAFETY AND INJURY MANAGEMENT

Commitment towards a safe and healthy work place for staff, patrons and visitors was confirmed in an updated CEO Statement of Commitment. This statement was supported by a new Safety and Wellbeing Plan outlining key result areas and the deliverables needed for system review, compliance and improvement. WHS strategies and initiatives during 2015/2016 across the key result areas include:

Managing Safety and Wellbeing in the Workplace:

- Increased focus on early reporting and responding to incidents and injuries.
- New WHS consultation arrangements put in place
- Introduction of new online WHS training
- Innovative facilitator led manual handling training for production staff

Managing Hazards and Facilities:

- Detailed risk assessments undertaken of high risk tasks
- Risk register developed for the pending redevelopment project
- Improved risk management systems for event risk management

Emergency, Security and Business Continuity Management

- Complete review of emergency management systems has been undertaken
- Security review has been undertaken and staff awareness increased

Staff Health, Wellbeing, Fitness and Readiness for work

- Improved pre-employment medical process
- Flu vaccination program
- Participation in the Life Be In It Corporate Cup event

Managing Work Related Injuries

- Earlier assessment of needs of staff following injury at work
- Improved management of work related injury
- First Aid system improved

WHS and Injury Management data

Table 1 – WHS Notices and Corrective Action taken

Number of notifiable incidents pursuant to WHS Regulations 2012 Part 3 - Miscellaneous, Section 699,703	4
Number of notices served pursuant to WHS Act 2012 Section 90, Section 191 and Section 195 (provisional improvement, improvement and prohibition notices)	0

Table 2: - Agency gross workers compensation expenditure for 2015-16 compared with 2014/15

Expenditure	2015-16	2014-15	% change + (-)
Number New claims	13	5	+ 160 %
Income Maintenance	60,426	42,672	+ 41.6%
Lump Sum Settlements, Redemptions - Sec 42	56, 500	0	0
Lump Sum Settlements, Permanent Disability - Sec 43	27,360	0	0
Medical / Hospital combined	52,891	11,771	+ 349%

Legal Expenses	12,228	393	
Other (eg medical reports)	10,433	4170	+150%
Total Claims Expenditure	219,900	59,007	+ 272%

Table 3 – Meeting Safety Performance Targets

1.Work Related Deaths and Severe Permanent Impairment	Number of Work Related Deaths		Severe Permanent Impairment			Target	
	0		0			0	
	Base Period No. or %	Performance Past 12 Months				Target Year	Final Target
		As At	Actual	Notional Target	Variance		
2. New Workplace Injury Claims	12.33	30-Jun-2016	13.00	10.85	2.15	24% Reduction to Jun 2020	9.37
3. Number of Significant Injuries	0.00	30-Mar-2016	0.00	Not avail	0.00	24% Reduction to Jun 2021	0.00
4.Number of Significant Musculoskeletal Injuries	0.00	30-Mar-2016	0.00	Not avail	0.00	24% Reduction to Jun 2022	0.00
5.Number of Significant Psychological Injuries	0.00	30-Mar-2016	0.00	Not avail	0.00	24% Reduction to Jun 2023	0.00
6.Early Assessment	100.00%	30-Jun-2016	100%	100.00%	0.00	10% Improvement to 2020	100.00%
7. Claims Determined within 10 days	40%	30-Jun-2016	84.6%	40.40%	44.22%	5% Improvement to 2020	42.00%
8. Determination for Mental Stress Claims	0.00	30-Mar-2016	0.00	0.00	0.00	50% Reduction Jun 2020	0.00

* Targets and data are supplied by DPC Injury Management Services

ADELAIDE FESTIVAL CENTRE FOUNDATION BOARD

The purpose of the Foundation is to raise funds from individuals and philanthropic organisations, to manage the investment of donated funds and recommend the application of those funds in support of the statutory purpose and strategic priorities of the Trust.

The Festival Centre Foundation Board has maintained its focus this year on cementing relationships with our current donors and supporters as well as raising funds for the purchase of 62 Grote Street to enable the future redevelopment of Her Majesty's Theatre. The work of the Foundation is vitally important to ensuring the Festival Centre's continued ability to deliver a wide range of programs, including those for disadvantaged children, young people and families.

The Foundation met six times in 2015-16.

CHAIRMAN'S REPORT

The Adelaide Festival Centre Foundation has continued to grow its role as the fundraising body for many of the activities and programs of Adelaide Festival Centre.

Particular emphasis is placed on supporting programs for financially disadvantaged children and their schools and families. Something on Saturday, which runs over four months, offers children from ages 2 to 10 years a stimulating introduction to the performing arts and also free arts and crafts workshops.

The GreenRoom program provides school students with heavily reduced ticket prices and 18 to 30 year old members of Green Room also receive a range of benefits including backstage opportunities and free workshops with artists.

The Steel Ryan Fellowship provides an opportunity for an Indigenous arts worker to develop their career and the Bob Hawke Fellowship enables a young Chinese arts administrator to spend several months at the Festival Centre.

The Adelaide Festival Centre Foundation had a most productive 2015/16.

The Annual Gala Dinner was held in May on the Festival Theatre stage and was booked out a month prior to the event. Ali McGregor, the 2016 Adelaide Cabaret Festival Co-Artistic Director performed for the guests. This event raised an excellent net profit of over \$96,000.

The Her Majesty's Theatre Building Fund Appeal has continued throughout 2015/16.

The Foundation appreciates the strong financial support for its programs from its existing donor base and many new donors. A total of \$327,787 was raised for its regular programs in 2015/16 and over \$690,500 has been donated or pledged to Her Majesty's Theatre Building Fund Appeal so far.

It is pleasing to record this is the highest level of annual donations received by the Foundation since it was established in 1999. Thank you to the Foundation Board and the many donors who have supported the Foundation over the past financial year. Your gifts have been greatly appreciated.



Legh Davis

Chairman

Adelaide Festival Centre Foundation would like to give special thanks to the individuals and businesses that have supported the Foundation this year, and we look forward to your continued support.

Members of the Foundation Board

Chairman

Legh Davis

Elected Members

Albert Bensimon

Heather Caddick (until 17 March 2016)

Joanna Collins

Angela Condous AM (from 31 December 2015)

Helen Fidock (from 28 February 2015)

Marjorie Fitz-Gerald OAM

Phil Harris (from 28 April 2016)

Oren Klemich (until December 2015)

Paul Kitching (from 30 June 2015)

Joanne Staugas (until December 2015)

The Hon Justice John Sulan QC (from 25 February 2016)

Niki Vasilakis (until December 2015)

Dr Joe Verco

Francis Wong OAM

Foundation Patron

Lady Hardy OAM

Ex Officio

Robyn Brown

Trusts & Foundation

Coopers Foundation

High Noon Trust

James & Diana Ramsay Foundation

The Advertiser Foundation

Thyne Reid Foundation

Virtue Australia Foundation

\$50,000+ ANNUAL DONATION

Lekh and Helen Davis

\$20,000+ ANNUAL DONATION

Robert Gerard AO

Peter & Pamela McKee

\$5,000+ ANNUAL DONATION

Barry Fitzpatrick AM

Gillian McBride

Pauline Menz

Eman Serhan

Leroy Sims

Dr Joe Verco

Pamela Wall OAM and Ian Wall OAM

Pamela Yule

\$2,000+ ANNUAL DONATION

Michael Abbott AO QC

Leigh Emmett

Marjorie Fitz-Gerald OAM

Peter Griffiths

Lady Hardy OAM

Jim Hazel

Margaret Hilliard

Bin Irwin

Peter Kay

Julia Mackintosh

Paul Nash

Andrew Sutherland AM and Sibby
Sutherland

Anthony and Sylvia Toop

Sally Zou

\$1,000+ ANNUAL DONATION

Albert Bensimon

Angelique and Michael Boileau

The Hon Catherine Branson QC

Robyn Brown

Joanna and Richard Collins

John Crosby OAM

Kathy Crosby

Charles Figallo

Rosemary Hill-Ling

Elizabeth Ho OAM

Oren Klemich

Selwyn Lipscombe

Anna Muller

Pam O'Donnell

James Porter

Don Sarah

Norman Schueler OAM

Antony and MaryLou Simpson

Joanne Staugas

Peter Stobie

Andrew Van Essen and Julie Moralee

Barbara Wall

Robert Warner

Irena Zhang

OTHER REPORTING ITEMS

WHISTLE-BLOWERS' PROTECTION ACT 1993

Adelaide Festival Centre has had no instances of disclosure of public interest information to a responsible officer of the Adelaide Festival Centre Trust under the *Whistleblowers Protection Act 1993*.

THE SOUTH AUSTRALIAN CARERS' RECOGNITION ACT 2005

The AFC recognises the role carers play in our society and we acknowledge that the responsibility to provide care is a joint one between the carer, service providers, public institutions and all levels of government. We respect carer's right to access a wide range of responsive, affordable services to support them in their caring situation. To that end, the Adelaide Festival Centre promotes the use of the companion card which entitles carers to attend an event with the person they are caring for free of charge. The companion card scheme is run by a third party and we offer companion card tickets to all AFC produced shows and we encourage our commercial hirers to do the same.

DISABILITY ACCESS AND INCLUSION PLAN

Developed in 1998 to meet the requirements of the Disability Discrimination Act 1992, the Disability Action Plan addresses the issues of equitable access and services to patrons with disabilities. This plan was lodged with the Human Rights and Equal Opportunity Commission (HREOC) in January 1999.

Key elements of the Action Plan have been incorporated into the Adelaide Festival Centre's Capital Works program to ensure all people have physical access to the Festival Centre.

Access Services such as:

Booking Tickets: When booking tickets patrons can inform the BASS operator of their Access requirements.

Car Park: Adelaide Festival Centre has nine disability spaces and they can be pre-booked through BASS.

Hearing Loop: The Festival Theatre, Dunstan Playhouse and Her Majesty's Theatre have a hearing loop facility, this is limited to particular seats in the venues. This works through "induction loop" systems- which magnetically transmit sound to hearing aids and cochlear implants.

Hearing Assistance: Audience members who require hearing assistance are able to enjoy the show with everyone else via the Beyerdynamic Hearing System. In the Festival Theatre, Dunstan Playhouse, Space Theatre and Her Majesty's Theatre, patrons are able to borrow a small transmitter pack with a choice of either an inductive neck loop (for use with a hearing aid with a T-setting) or a set of headphones (for patrons without a hearing aid or a hearing aid without a T-setting) to amplify the performance.

ACCESSIBLE SEATING

Disability Access seating is available in all the venues.

Festival Theatre: Stalls Row W has removable seats to accommodate patrons who wish to remain seated in their wheelchair.

Dunstan Playhouse: Boxes 1 and 4 plus selected seats in Stalls row L have removable seats to accommodate patrons who wish to remain seated in their wheelchair. This addition was part of the major refit in the Dunstan Playhouse auditorium.

Space Theatre: Patrons with a wheelchair and those unable to manage stairs can be seated on balcony or floor level dependent on venue configuration.

Her Majesty's Theatre: Stalls Row R and the end of Row A have removable seats to accommodate patrons who wish to remain seated in their wheelchair. Access to the auditorium for these seats is via Stage Door off Pitt Street.

Others services provided by the Festival Centre are:

- Audio Description and Touch Tours
- Assistance Dog Friendly
- Accessible Toilets
- Discounts and Concessions-Companion Card
- Physical Access
- Wheelchair Loan

The Overture Program: The Overture program offers heavily subsidised tickets to not-for-profit organisations which work with people with physical or intellectual disabilities as well as other socially marginalised groups.

FREEDOM OF INFORMATION (FOI)

Freedom of Information legislation guides access to data held by Adelaide Festival Centre. This legislation establishes a "right-to-know" legal process by which requests may be made for information held, to be received at minimal cost.

An FOI application for access to documents must be accompanied by the prescribed fee as stated in the current application form. However, additional charges may be levied to process your request.

Requests under the *FOI Act* for access to documents in the possession of Adelaide Festival Centre should be directed in writing to:

The Freedom of Information Officer

Adelaide Festival Centre

GPO Box 1269

Adelaide SA 5001

SUSTAINABILITY REPORTING

The Adelaide Festival Centre continues to implement an environmental action plan that identifies a number of initiatives to reduce energy and resource consumption and to limit the level of waste generated.

Activities include:

- The changeover to high-efficiency lighting is continuing.
- The Festival Theatre Foyer par 38's lamps are being replaced with LED lamps.
- The monitoring of energy consumption and the identifying of any fluctuations is continually used to highlight areas of high usage. Improvement options are then investigated for these high usage areas.
- The Drama Centre Chiller and the Building Management System were upgraded in 2014/2015. These upgrades mean that energy consumption is expected to be lower.
- All departments are being encouraged to implement environmental and energy efficiency measures with information and initiatives shared across the organisation.

Adelaide Festival Centre continues to revise and implement initiatives aimed at greening the organisation throughout the year.

Activities included:

- Collecting light globes, lamps and tubes to keep mercury out of the soil and water table.
- Food and organic materials collected in Organics Waste bins are converted into compost which is used on local market gardens (as well as domestic gardens).
- Increasing levels of paper, cardboard that are being recycled.
- The separation of large quantities of plastics from the everyday dry waste.
- Continuing to recycle batteries.
- Recycling of empty Ink Cartridges.

'Follow me' printing on all major printers in the centre – eliminates excessive printed paper wastage

FINANCIAL PERFORMANCE

FINANCIAL REVIEW

Financially, our operating surplus for the 2015-16 was \$20,000. The surplus includes an upward revaluation of \$578,000 in work of arts.

CONTRACTUAL ARRANGEMENTS

During 2015-16 the Trust did not enter into any private sector contractual arrangements where the total value of the contract exceeds \$4 million (GST inclusive) and extends beyond a single year.

FRAUD

AFC detected no instances of fraud during the course of the year.

AFC has always maintained sound governance practices which it continues to review and update on a regular basis.

CONSULTANTS

The Trust engaged 2 consultants in 2015-16 to provide expert advice on a range of business matters at a total cost of \$36,000.

Consultant	Purpose of consultancy	Number	Total \$
Below \$10,000	N/A.	0	0
\$10,000 and above	Review of the structure of the marketing team and consulting with regards to the technical upgrade.	2	36,000
Total paid / payable		2	36,000

OVERSEAS TRAVEL 2015-16

Number of Employees	Dates	Destination	Brief Reason for Travel	Approx Total Cost (travel, per diems, accom, conference fees etc)
1	27/7/15 – 17/08-15	New York, Edinburgh, London	Cabaret and Commercial Research	\$4,983.21
1	14/07- 27/07/15	Edinburgh	Cabaret and Commercial Research	\$1,265.25
1	15/07- 23/07/15	Indonesia	OzAsia	\$1,695.94

1	8/8 – 24/08/15	Melbourne, Edinburgh, Penang, Singapore	2015 and 2016 OzAsia planning	\$2,714.30
1	16-20/8/15	Singapore & Malaysia	SE Asia Business & Cultural Mission	\$5,938.27
4	28/08- 2/09/15	Indonesia	OzAsia	\$3,146.82
1	5/10- 25/10/15	Korea & China	Perf Arts Market, AAPPAC Conference, AAPAF Mtgs, Shanghai Arts Festival, Wuzhen Thtr Festival	\$4,024.34
1	15-18/10/15	Beijing, China	Signing of MOU	\$4,217.73
3	9-16/10/15 9-17/10/15	Korea Korea & Beijing	Korea for AAPPAC Conf & Beijing for signing MOU	\$21,287.93
1	5-9/11/15	Singapore	Ghost	\$3,412.81
1	7-21/11/15	China, HK, Indonesia, Japan	Attend Guandong Dance Festival. HKADC, Indonesia MoU, Tokyo Festival	\$4,360.43
1	30/11- 5/12/15	France	Attend various key performances to assess as highlight events for OzAsia 2016/17	\$818.23
1	1-3/12/15	Singapore	CASE Board of Directors strategic Meeting	\$3,750.90
1	2-9/12/15	Japan	UNESCO	\$2,998.87
1	10-19/12/15	Indonesia, Thailand, China, Cambodia, Vietnam	OzAsia Research	\$3,113.42
1	22/1/16 to 4/2/16	Montreal	IPAY (International Performing Arts for Youth	\$4,287.60
1	14- 22/2/2016	Tokyo, Indonesia, Shanghai	OzAsia Research	\$6,450.40
1	20/3/16 - 27/07/2016	Indonesia	OzAsia Research	\$1,114.04
1	22/03/2016	Indonesia	OzAsia Research	\$82.34
1	8/5/2016-	West Java/Jakarata	OzAsia Research	\$1,213.18

	12/5/2016			
4	2/4/2016- 10/04/2016	Beijing/Qingdao	Shandong Delegation	\$12,966.91
1	28/5/2016- 5/6/2016	Edinburgh	Imaginate Festival Research	\$2,464.61
1	11/4/2016- 14/4/2016	Hong Kong	MOU Signing HK Arts	\$2,446.98
1	11/4/2016- 14/4/2016	Hong Kong	MOU Signing HK Arts	\$11,392.58
1	28/5/2016- 2/6/2016	Singapore/Jakarta	OzAsia Research	\$2,106.30
1	22/5/2016 - 28/05/2016	New York	Conference	\$3,339.55



Our ref: A16/006

14 September 2016

Mr D Gautier
Chief Executive Officer and Artistic Director
Adelaide Festival Centre Trust
GPO Box 1269
ADELAIDE SA 5001

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

Dear Mr Gautier

Audit of Adelaide Festival Centre Trust for the year to 30 June 2016

We have completed the audit of your accounts for the year ended 30 June 2016. Three key outcomes from the audit are the:

- 1** Independent Auditor's Report on your agency's financial report
- 2** opinion on your financial controls
- 3** an audit management letter recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial statements for Adelaide Festival Centre Trust, with the Independent Auditor's Report. This report is unmodified.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial statements.

2 Opinion on financial controls

In my opinion, the controls exercised by Adelaide Festival Centre Trust in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of Adelaide Festival Centre Trust have been conducted properly and in accordance with law.

3 Audit management letter

During the year, we sent the agency an audit management letter detailing the weaknesses we noted and improvements we considered you need to make.

We have received responses to these matters and we will follow these up in the 2016-17 audit.

For official use only

What the audit covered

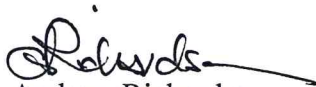
Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- revenues from events, restaurant, bars and car park
- salaries and wages
- procurement and expenditure on supplies and services
- inventory

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson

Auditor-General

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State Administration Centre
200 Victoria Square
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www.audit.sa.gov.au

**To the Chairman and Presiding Officer
Adelaide Festival Centre Trust**

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 accompanying financial report of the Adelaide Festival Centre Trust for the financial year ended 30 June 2016. The financial report comprises:

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

The Trust's responsibility for the financial report

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

Auditor's responsibility

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

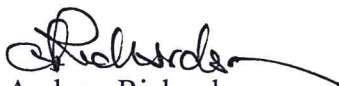
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.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

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

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

Opinion

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

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

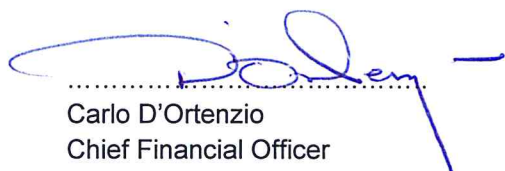
14 September 2016

ADELAIDE FESTIVAL CENTRE TRUST
CERTIFICATION OF FINANCIAL STATEMENTS

We certify that the attached general purpose financial statements for the Adelaide Festival Centre Trust:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Adelaide Festival Centre Trust; and
- present a true and fair view of the financial position of the Adelaide Festival Centre Trust as at 30 June 2016 and the results of its operation and cash flows for the financial year.

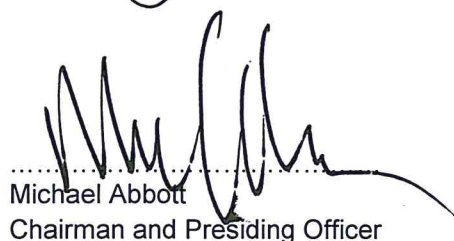
We certify that the internal controls employed by the Adelaide Festival Centre Trust for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



.....
Carlo D'Ortenzio
Chief Financial Officer



.....
Douglas Gautier
Chief Executive Officer and Artistic Director



.....
Michael Abbott
Chairman and Presiding Officer

Date: 13 September 2016

**ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

		2016	2015
	Note	\$'000	\$'000
Expenses			
Staff benefits expenses	4	19,062	18,246
Supplies and services	5	23,958	23,665
Depreciation and amortisation expense	6	648	579
Net loss from the disposal of non-current assets	7	126	44
Borrowing costs		50	5
Total expenses		<u>43,844</u>	<u>42,539</u>
Income			
Revenues from fees and charges	8	25,599	25,743
Interest revenues	9	259	270
Total income		<u>25,858</u>	<u>26,013</u>
Net cost of providing services		<u>17,986</u>	<u>16,526</u>
Revenues from SA Government			
Revenues from SA Government	10	17,428	17,682
Net result		<u>(558)</u>	<u>1,156</u>
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Gain on revaluation of assets	14	578	358
Total other comprehensive income		<u>578</u>	<u>358</u>
Total comprehensive result		<u>20</u>	<u>1,514</u>

The net result and total comprehensive result are attributable to the SA Government as owner

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

**ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

		2016	2015
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	11	15,080	13,633
Receivables	12	1,722	1,996
Inventories	13	175	147
Total current assets		<u>16,977</u>	<u>15,776</u>
Non-current assets			
Property, plant and equipment	14	5,406	4,736
Works of art	14	6,101	5,521
Intangible assets	14	777	1,003
Total non-current assets		<u>12,284</u>	<u>11,260</u>
Total assets		<u>29,261</u>	<u>27,036</u>
Current liabilities			
Payables	15	9,772	8,734
Staff benefits	16	2,811	2,174
Provisions	17	92	68
Other current liabilities	18	1,520	881
Total current liabilities		<u>14,195</u>	<u>11,857</u>
Non-current liabilities			
Payables	15	303	279
Borrowings	19	1,333	1,671
Staff benefits	16	3,065	2,960
Provisions	17	168	92
Total non-current liabilities		<u>4,869</u>	<u>5,002</u>
Total liabilities		<u>19,064</u>	<u>16,859</u>
Net assets		<u>10,197</u>	<u>10,177</u>
Equity			
Asset revaluation surplus	20	10,060	9,482
Accumulated surplus (deficit)	20	137	695
Total Equity		<u>10,197</u>	<u>10,177</u>
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	21		
Contingent assets and liabilities	22		

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

**ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Asset revaluation surplus \$ '000	Accumulated surplus/ deficits \$ '000	Total Equity \$ '000
Balance at 30 June 2014		9,124	(461)	8,663
Net result for 2014-15		-	1,156	1,156
Gain on revaluation of assets		358	-	358
Total comprehensive result for 2014-15		358	1,156	1,514
Balance at 30 June 2015	20	9,482	695	10,177
Net result for 2015-16		-	(558)	(558)
Gain on revaluation of assets		578	-	578
Total comprehensive result for 2015-16		578	(558)	20
Balance at 30 June 2016	20	10,060	137	10,197

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

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

**ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

		2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities	Note		
Cash outflows			
Staff benefit payments		(18,103)	(17,514)
Payments for supplies and services		(26,778)	(27,249)
Decrease in funds held on behalf of promoters		-	(639)
Interest Paid		(43)	-
Cash used in operations		<u>(44,924)</u>	<u>(45,402)</u>
Cash inflows			
Receipts from patrons and customers		28,989	27,707
Increase in funds held on behalf of promoters		950	-
Interest received		265	270
GST recovered from the ATO		301	145
Cash generated from operations		<u>30,505</u>	<u>28,122</u>
Cash flows from SA Government			
Receipts from SA Government		16,672	17,258
Cash generated from SA Government		<u>16,672</u>	<u>17,258</u>
Net cash (used in) provided by operating activities		<u>2,253</u>	<u>(22)</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment and works of art		(468)	(2,062)
Net cash used in investing activities		<u>(468)</u>	<u>(2,062)</u>
Cash flows from financing activities			
Cash inflows			
Proceeds from borrowings		-	1,671
Cash outflows			
Repayment of borrowings		(338)	-
Net cash provided by financing activities		<u>(338)</u>	<u>1,671</u>
Net (decrease) increase in cash and cash equivalents		<u>1,447</u>	<u>(413)</u>
Cash and cash equivalents at the beginning of the period		13,633	14,046
Cash and cash equivalents at the end of the period	11	<u>15,080</u>	<u>13,633</u>

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

Adelaide Festival Centre Trust

Notes to and forming part of the financial statements

Note 1 Objectives of the Adelaide Festival Centre Trust

The objectives of the Adelaide Festival Centre Trust (the Trust) are to:

- a) encourage and facilitate artistic, cultural and performing arts activities throughout the State;
- b) be responsible for the care, control, management, maintenance and improvement of the Adelaide Festival Centre and its 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.

Note 2 Summary of Significant Accounting Policies

(a) Statement of compliance

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

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

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

(b) Basis of preparation

The preparation of the financial statements requires:

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

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

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

Adelaide Festival Centre Trust

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

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

(c) Reporting entity

The Trust is established pursuant to the *Adelaide Festival Centre Trust Act 1971*.

On 21 October 1999 the Adelaide Festival Centre Foundation (Foundation) was incorporated under the Associations Incorporation Act 1985, and 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 include 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. The effect of transactions between the Trust and the Foundation are eliminated in full. A summary of the Foundation's activities is given in Note 23.

(d) Transactions performed on behalf of promoters

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 revenue (net of fees charged) generated from promoter events and as such only recognises the changes in cash held in trust on behalf of promoters (shown at Note 11) and the requisite amount payable to those promoters (shown at Note 15) together with the net change in cash held in the Statement of Cash Flows as at 30 June.

(e) Comparative information

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

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where the Trust has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided three Statements of Financial Positions and related notes.

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

(f) Rounding

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

(g) Taxation

The Trust is not subject to income tax. The Trust is liable for payroll tax, fringe benefits tax, and goods and services tax (GST).

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

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

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

Adelaide Festival Centre Trust

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

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

(h) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June.

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

(i) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Trust will occur and can be reliably measured.

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

The following are specific recognition criteria:

Fees and charges

Income from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public.

Income from box office sales, marketing services and theatre hire is recognised when the performances occur. Amounts deferred are recognised in the financial statements as income received in advance.

Income from sponsorships is recognised in the periods or against the performances to which the sponsorships relate.

Income from theatre set construction is recognised as revenue progressively based on the stage of completion.

Revenues from SA Government

Grants are recognised as revenues when the Trust obtains control over the funding. Control over grants is normally obtained upon receipt.

Net gain/loss on non-current assets

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

Gains on disposal of non-current assets are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at the time.

(j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Trust will occur and can be reliably measured.

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

The following are specific recognition criteria:

Adelaide Festival Centre Trust

Staff benefits expenses

Staff benefit expenses includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Trust to the superannuation plan in respect of current services of current Trust staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements. Other superannuation plans receiving contributions carry their liability in respect of Trust staff in their financial statements.

Prepaid production expenses

Marketing and production expenses are recognised as an expense when the performances occur. Expenses incurred in advance of performances are deferred and shown in the financial statements as prepaid production expenses.

Borrowing costs

All borrowing costs are recognised as expenses.

Depreciation and amortisation

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

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

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

The Trust holds a collection of heritage assets in the form of an artwork collection which has an extremely long useful life. Depreciation is not applied because these items have an indeterminable useful life.

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

Land is not depreciated.

Depreciation/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings	15
Plant and equipment	5 - 25
Furniture and fittings	15
Leasehold equipment	5-15
Intangibles	5-10

(k) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle, even when they are not

Adelaide Festival Centre Trust

expected to be realised within twelve months after the reporting date, have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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

(I) **Assets**

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

Where an asset line item combine amounts expected to be settled within twelve months and more than twelve months, the Trust has separately disclosed the amounts expected to be recovered after more than twelve months.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand. Cash is measured at nominal value.

Receivables

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

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 14 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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

Heritage assets

The Trust holds a collection of heritage assets, referred to as the Performing Arts Collection, which are unique and not capable of being reliably measured. This is due to the type and life of the collection and lack of a market for items within it.

Inventories

Inventories are maintained for catering, theatre set construction, production and merchandising activities and are valued at the lower of cost or net realisable value.

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

Non-current assets

Acquisition and recognition

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

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$10,000 are capitalised.

Revaluation of non-current assets

All non-current tangible assets are valued at fair value; and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

At least every five years, the Adelaide Festival Centre Trust revalues 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 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.

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Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluations reserve for that asset class.

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

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

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

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

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The Trust only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets are reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

Fair value measurement - Non-financial assets

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

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

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

Fair value measurement - Financial assets/liabilities

Adelaide Festival Centre Trust does not recognise any financial assets or financial liabilities at fair value.

(m) Liabilities

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

Where a liability line item combine amounts expected to be settled within twelve months and more than twelve months, the Trust has separately disclosed the amounts expected to be settled after more than twelve months.

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Payables

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

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

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

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

Staff benefits on-costs include payroll tax and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

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

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Staff benefits

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

Salaries and wages, annual leave, skills and experience retention leave 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 and the skills and experience retention leave liability is expected to be payable within twelve 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 staff is estimated to be less than the annual entitlement for 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 staff up to the end of the reporting period using the projected unit credit method.

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

The Trust classifies a portion of long service leave as current, based on its history of settlements.

Borrowings/Financial liabilities

The Trust measures financial liabilities including borrowings/debt at historical cost, except for interest free loans (measured at the present value of expected repayments).

Provisions

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Trust expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

(n) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

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

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

(o) State government funding

The financial statements are presented under the assumption of ongoing financial support to the Board by the state government.

Note 3 New and revised accounting standards and policies

The Trust did not voluntarily change any of its accounting policies during 2015-16.

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	2016 \$'000	2015 \$'000
4 Staff benefits expenses		
Salaries and wages	14,694	14,338
Long service leave	544	415
Annual leave	920	889
Skills and experience retention leave	18	16
Employment on-costs - superannuation	1,473	1,409
Employment on-costs - other	1,013	940
Board fees	31	44
Other staff related expenses	369	195
Total staff benefits expenses	19,062	18,246

(a) Remuneration of staff excluding performance bonus

The number of staff who received remuneration within the following bands are:

	2016 Number	2015 Number
\$141 500 to \$145 000	-	1
\$145 001 to \$155 000	2	2
\$155 001 to \$165 000	1	-
\$165 001 to \$175 000	-	1
\$175 001 to \$185 000	3	1
\$185 001 to \$195 000	-	1
\$195 001 to \$205 000	1	-
\$205 001 to \$215 000	-	-
\$245 001 to \$255 000	-	1
\$255 001 to \$265 000	1	-
\$325 001 to \$335 000	-	1
\$355 001 to \$365 000	1	-
Total	9	8

(b) Performance bonus remuneration of staff

The number of staff who received performance bonus remuneration within the following bands are:

	2016 Number	2015 Number
\$ 21,500 to \$ 31,499	1	1
\$ 31,500 to \$ 41,499	1	-
Total	2	1

Table (a) includes all staff who received total remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. Total remuneration received for the year, included in Tables (a) and (b) was \$1.87 m (\$1.59m).

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	2016	2015
	\$'000	\$'000
5 Supplies and services		
Accommodation	10,256	9,720
Advertising and marketing	1,906	2,415
Artistic production	5,262	5,066
Communications and IT	1,610	920
Professional expenses	1,204	1,029
Repairs and maintenance	271	638
Sponsorship	149	218
Supplies	1,899	2,516
Travel and entertainment	367	295
Other	1,034	848
Total supplies and services	23,958	23,665

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

Consultants

The number and dollar amount of consultancies paid/payable (included in the supplies and services expense) that fell within the following bands:

	2016		2015	
	No.	\$'000	No.	\$'000
Below \$10,000	0	0	15	62
Above \$10,000	2	36	4	252
Total paid / payable to consultants engaged	2	36	19	314

6 Depreciation and amortisation expense

	\$'000	\$'000
Depreciation		
Buildings	29	4
Plant and equipment	368	344
Leasehold equipment	7	5
Furniture and Fittings	18	18
Amortisation		
Intangible assets	226	208
Total depreciation and amortisation	648	579

7 Net loss from the disposal of non-current assets

Plant and equipment		
Proceeds from disposal	2	3
Less net book value of assets disposed	128	47
Net loss from disposal of plant and equipment	(126)	(44)

	2016	2015
	\$'000	\$'000
8 Revenues from fees and charges		
Theatre services	7,252	8,512
Ticketing	4,605	4,016
Car park	1,379	1,298
Box office	5,977	5,739
Sponsorship	762	1,027
Catering and functions	3,302	3,159
Other	2,322	1,992
Total fees and charges	25,599	25,743

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9 Interest revenues

Interest received	259	270
Total interest revenues	259	270

10 Revenues from SA Government

Grants received:

Operating base	16,675	17,348
Capital replacement	753	334

Total revenues from SA Government	17,428	17,682
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The revenue derived from the Government is significant, and without it the Adelaide Festival Centre Trust would not be able to continue its operations.

Capital assets received free of charge were nil (\$334,000).

11 Cash and cash equivalents

Cash at bank and on hand	7,967	7,470
Cash held in trust for promoters	7,113	6,163
Total cash and cash equivalents	15,080	13,633

12 Receivables

Current

Receivables	644	1,269
Less allowance for doubtful debts	(4)	(2)
Prepayments	1,061	491
Accrued interest	21	26
GST input tax recoverable	-	212
Total current receivables	1,722	1,996

Movement in the allowance for doubtful debts

The following table shows the movements of doubtful debts (impairment loss):

Carrying amount at the beginning of the period	2	23
Increase in the allowance	4	-
Amounts recovered during the year	-	(1)
Amounts written off	(2)	(20)
Carrying amount at the end of the period	4	2

The allowance for doubtful debts (impairment loss) is recognised if there is objective evidence that a receivable is impaired (i.e. calculated on past experience and current and expected changes in client credit rating).

An allowance for impairment loss of \$Nil (\$nil) has been recognised in 'other expenses' in 'supplies and services' (refer note 5) for specific debtors for which such evidence exists.

	2016 \$'000	2015 \$'000
13 Inventories		
Theatre set construction work in progress at cost	18	6
Materials at cost	157	141
Total inventories	175	147

Cost of inventories

The costs recognised as an expense for raw materials and consumables is \$1.525m (\$2.103m).

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14 Non-current assets

Land and buildings

Land at cost (deemed fair value)	1,440	1,440
Buildings at cost (deemed fair value)	440	440
Accumulated depreciation at the end of the period	(33)	(4)
Total land and buildings	1,847	1,876

Plant and equipment

Plant and equipment at fair value	2,122	2,261
Accumulated depreciation at the end of the period	(740)	(521)
Plant and equipment at cost (deemed fair value)	1,773	796
Accumulated depreciation at the end of the period	(135)	(66)
Total plant and equipment	3,020	2,470

Capital works in progress

Capital works in progress at cost (deemed fair value)	148	65
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Furniture and fittings

Furniture and fittings at cost (deemed fair value)	274	274
Accumulated depreciation at the end of the period	(36)	(18)
Total furniture and fittings	238	256

Leasehold equipment

Leasehold equipment at cost (deemed fair value)	165	74
Accumulated depreciation at the end of the period	(12)	(5)
Total leasehold equipment	153	69

Total property, plant and equipment	5,406	4,736
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Works of art

Works of art at fair value	6,098	5,517
Works of art at cost (deemed fair value)	3	4
Total works of art	6,101	5,521

Intangible assets

Intangibles at cost	1,908	1,908
Accumulated amortisation	(1,131)	(905)
Total intangible assets	777	1,003
Total non-current assets	12,284	11,260

Valuation of non-current assets

Plant and equipment

Valuation of theatre-related plant and equipment was carried out at 30 June 2015 by Maloney Field Services (Australia) Pty Ltd resulting in a revaluation increment of \$358,000. The valuer arrived at the fair value of the assets 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. Level 2 of the 'fair value hierarchy' under AASB 13 has been used and observable inputs such as publications, websites and sale prices relied on to determine fair values of each item. A valuation of plant and equipment, comprising computers, catering, and theatre set construction equipment, was carried out by Maloney Field Services (Australia) Pty Ltd as at 30 June 2014.

Works of art

A valuation of works of art was carried out by Theodore Bruce Auctions Pty Ltd as at 30 June 2014, 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. A review of the valuation of this class of assets by the same valuer as at 30 June 2016 resulted in a revaluation increment of \$578,000 for the Barbara Hepworth Ultimate form.

Carrying amount of non-current assets

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The carrying amount of all non-current assets that have not been revalued are deemed to approximate fair value.

Non-current assets classified as held for sale

No assets have been classified as held for sale.

Impairment

There were no indications of impairment of non-current assets at 30 June 2016.

Reconciliation of non-current assets

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

	Plant and Equipm't	Works of Art	Intan-gibles	Furniture and fittings	Land and building	Lease hold	Capital WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	2,470	5,521	1,003	256	1,876	69	65	11,260
Acquisitions	90	2	-	-	-	-	1,130	1,222
Transfers between asset classes	888	-	-	-	-	91	(979)	-
Disposals	(60)	-	-	-	-	-	(68)	(128)
Depreciation and amortisation	(368)	-	(226)	(18)	(29)	(7)	-	(648)
Revaluation increment/(decrement)	-	578	-	-	-	-	-	578
Carrying amount at the end of the period	3,020	6,101	777	238	1,847	153	148	12,284

Plant and equipment additions of nil (\$334,000) were received free of charge as a capital grant from Arts SA.

15 Payables

Current

	\$'000	\$'000
Creditors	911	556
Accrued expenses	1,283	1,647
Amounts payable to promoters	7,113	6,163
Staff on-costs	461	368
GST input tax payable	4	-
Total current payables	9,772	8,734

Non-current

Staff on-costs	303	279
Total payables	10,075	9,013

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 2015 rate (37%) to 40% and the average factor for the calculation of employer superannuation cost on-cost has also changed from the 2015 rate (10.3%) to 10.2%. These rates are used in the employment on-cost calculation.

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	2016	2015
	\$'000	\$'000
16 Staff benefits		
Current		
Annual leave	1,247	1,193
Long service leave	420	320
Accrued salaries and wages	1,022	558
Skills and experience retention leave	122	103
Total current staff benefits	2,811	2,174
Non-current		
Long service leave	2,715	2,683
Accrued salaries and wages	350	277
Total non-current staff benefits	3,065	2,960
Total staff benefits	5,876	5,134

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

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 3% in 2015 to 2% in 2016.

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

The net financial effect in the current financial year of the decrease in the discount rate and the salary inflation rate is an increase in the long service leave liability of \$210,000 and employee benefit expense of \$210,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

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

	2016	2015
	\$'000	\$'000
17 Provisions		
Current		
Provision for workers compensation	92	68
Total current provisions	92	68
Non-current		
Provision for workers compensation	168	92
Total provisions	260	160
Provision for workers compensation		
Carrying amount at the beginning of the period	160	94
Additional provisions recognised	170	107
Reductions arising from payments	(70)	(41)
Carrying amount at the end of the period	260	160

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector (a division of the Department of the Premier and Cabinet). These claims are expected to be settled within the next financial year.

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18 Other liabilities	2016	2015
	\$'000	\$'000
Current		
Venue hire deposits	602	444
Other deposits	9	9
Income in advance	902	410
Unclaimed monies	7	18
Total other liabilities	1,520	881

Income in advance

Income received for the programming, marketing and sponsorship of performances taking place after the balance date is deferred until the performances occur.

19 Borrowings

Non-current

Loan from SA Financing Authority	1,333	1,671
Total non-current borrowings	1,333	1,671

This is an unsecured, interest only loan on terms agreed to by the Minister for the Arts.

20 Equity

Asset revaluation surplus

Plant and equipment	4,348	4,348
Works of art	5,712	5,134
	10,060	9,482

Accumulated surplus/(deficit)	137	695
Total equity	10,197	10,177

The asset revaluation surplus is used to record increments and decrements in the fair value of plant and equipment and works of art to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

During 2016, a valuation of Barbara Hepworth Ultimate form bronze statue was done resulting in revaluation increment of \$578,000

Adelaide Festival Centre Trust

21 Unrecognised contractual commitments	2016	2015
	\$'000	\$'000

Expenditure commitments - other

The Trust's other commitments are payable as follows:

Within one year	1,239	745
Later than one year but not longer than five years	1,657	119
Total other commitments	2,896	864

Amounts disclosed include contracts for rental of office equipment, maintenance of computer systems, provision of artistic services and provision of facilities related services.

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but

Within one year	6,219	6,018
Later than one year and not longer than five years	26,031	24,995
Later than five years	50,644	57,191
Total operating lease commitments	82,894	88,204

The Trust's operating leases include accommodation and motor vehicle leases for fixed terms up to five years.

The Trust has a 20 year lease agreement to rent Her Majesty's Theatre and the Festival Centre. The rent payable is determined by a combination of annual rent increases and triennial market reviews commencing 30 October 2011. The lease expires on 30 June 2028 and the Trust has a right of renewal for 10 years.

22 Contingent assets and liabilities

The Trust is not aware of any contingent assets or contingent liability.

23 Controlled entity

The consolidated financial statements at 30 June 2016 include the following controlled entity:
The Adelaide Festival Centre Foundation Incorporated

Significant items in the financial report of the Foundation are:

Revenue	471	672
Expenses	391	598
Surplus	80	74
Cash at bank	419	338

24 Remuneration of Trustees

Trustees of the Trust during the 2016 financial year were:

Mr Michael Abbott (Chairperson)

Ms Susan Clearihan

Ms Carolyn Mitchell

Mr James Hazel

Mr Philip Hoffmann AM (Appointed 3/9/2015)

Ms Kate Thiele (Appointed 21/04/2016)

Mr William Spurr (Resigned 31/07/2015)

Ms Zannie Flanagan (Resigned 20/1/2016)

Ms Irena Zhang (Resigned 10/6/2016)

Mr Donald Farrell (Resigned 27/05/2016)

	2016	2015
	Number	Number
The number of Trustees whose remuneration received or receivable falls within the following bands:		
\$0 - \$9,999	8	10
Total	8	10

Remuneration of members reflects all costs of Trustee duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by Trustees was \$34,000 (\$48,000).

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The Trustees of the Trust, or their director related entities, have transactions with the Trust that occur within a normal staff, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonably expected the entity would have adopted if the transactions were undertaken with any other entity at arm's length in similar circumstances.

As a part of the duties of office, from time to time, Trustees receive complimentary tickets 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.

25 Financial risk management/Financial instruments

Financial risk management

Risk management is managed by the Trust's corporate services section and risk management policies are in accordance with the Risk Management Policy Statement issued by the Premier and Treasurer and the principles established in the Australian Standard Risk Management Principles and Guidelines. The Trust is exposed to financial risk – liquidity risk, credit risk and market risk.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted include the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

The carrying amounts of each of the following categories of financial assets and liabilities: held-to-maturity investments; loan and receivables; and financial liabilities measured at cost are detailed below:

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2015 Carrying amount/fair value \$'000
Financial assets			
<i>Cash and cash equivalent</i>			
- Cash and cash equivalent	11	15,080	13,633
<i>Loans and receivables</i>			
- Receivables ⁽¹⁾⁽²⁾	12	665	1,295
Total financial assets		15,745	14,928
Financial liabilities			
<i>Financial liabilities at cost</i>			
- Payables ⁽¹⁾	15	9,201	8,228
- Borrowings	19	1,333	1,671
Total financial liabilities		10,534	9,899

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 12 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. Prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.