



south bank
corporation

Annual Report 2016 – 2017



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Letter of Compliance

8 September 2017

The Honourable Jackie Trad MP
Deputy Premier
Minister for Transport and Minister for Infrastructure and Planning
1 William Street
Brisbane QLD 4000

Dear Deputy Premier,

I am pleased to submit for presentation to the Parliament the Annual Report 2016–2017 and financial statements for South Bank Corporation.

I certify that this Annual Report complies with:

The prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*; and

The detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found on page 58 of this annual report.

Yours sincerely,



Dr Catherin Bull AM
Chair of Board
South Bank Corporation

Availability of interpreter services



The Queensland Government is committed to providing accessible services to Queenslanders of all cultural and linguistic backgrounds. If you have difficulty understanding this publication and need a translator, please call the Translating and Interpreting Service (TIS National) on telephone 131 450 and ask them to telephone South Bank Corporation on (07) 3867 2007.

For further information go to the Queensland Government Multicultural Policy 2011 incorporating the Queensland Government Language Services Policy <http://www.multicultural.qld.gov.au/services-resources/translating-interpreting-services>

More information

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Copies of this report can be obtained by contacting the Corporation. Online copies can be accessed at www.southbankcorporation.com.au/resources/annual-reports.

To provide feedback about this annual report please visit www.qld.gov.au/annualreportfeedback.

A number of annual reporting requirements are now addressed through publication of information through the Queensland Government Open Data website www.qld.gov.au/data in lieu of inclusion in this annual report.

ISSN: 2204-0269

Glossary

The Act	South Bank Corporation Act 1989 (Qld)
ARRs	Annual report requirements for Queensland government agencies
BCC	Brisbane City Council
BCEC	Brisbane Convention & Exhibition Centre
FAA	<i>Financial Accountability Act 2009</i>
FPMS	<i>Financial and Performance Management Standard 2009</i>
FTE	Full-time equivalent
SBC	South Bank Corporation
SBEO	South Bank Employing Office

South Bank Corporation Overview

A message from the Chair and CEO

As we celebrate South Bank's 25th anniversary this year, South Bank Corporation remains steadfast in its commitment to innovate, manage and maintain the precinct's reputation as one of the world's most vibrant urban and cultural destinations.

We believe the significant redevelopment of the north bank of the Brisbane River, with the Queen's Wharf development, and the diverse urbanisation of the areas surrounding the precinct, are both a challenge and a great opportunity to review, refresh and reinvigorate South Bank to ensure it remains a dynamic global precinct for the next 25 years.

In addressing these opportunities, work has already started on the redevelopment of the Arbour View Café Precinct; upgrades to Little Stanley Street and work to guide future planning processes and decisions.

Brisbane's premier urban and cultural precinct

As the precinct manager for South Bank, South Bank Corporation has achieved great success in its place-making over the past 25 years. We've established South Bank as Brisbane's premier urban and cultural precinct, with a design and offering that perfectly balances the vibrancy of city life, with the peace and tranquillity of sub-tropical parkland.

South Bank Corporation is now looking to build upon this solid foundation to ensure the legacy of South Bank is preserved and enhanced for the next 25 years. As always, our focus is ensuring South Bank is a place for the people – one that is loved by both residents and visitors alike.

With this in mind, the Board has commenced work to guide the planning process, growth and development of South Bank for decades to come for the people of Brisbane and Queensland.

We are committed to building on the quality and diversity of the world-class dining, retail, accommodation, education and cultural experiences currently on offer at South Bank.

We also remain committed to ensuring this vibrant green space in the city is complemented by any new developments and initiatives. We will work with stakeholders in the Greater South Bank Precinct, and with stakeholders of nearby projects, to ensure this is achieved.

Our vision is underpinned by the precinct's core values of delivering a welcoming and inclusive place that everyone can enjoy – one that is supported by excellent design and infrastructure; uniquely Queensland; innovative, creative and bold; ecologically and financially stable; collaborative; and balances community and commercial needs.

Operational highlights

In our quest to lead the evolution and revitalisation of South Bank, South Bank Corporation has celebrated a number of operational milestones this financial year.

Active upgrades are currently underway on Little Stanley Street, with improvements including awnings, street trees and tenant relocations to improve resident amenity.

The Arbour View Café Precinct is also in the process of being redeveloped. Existing structures have been demolished to make way for a curated community arts and performance venue to celebrate South Bank's 25th anniversary and the Commonwealth Games. The permanent use of this space will be reviewed in line with the next 20-year Master Plan for South Bank.

South Bank Corporation Overview...

Concept designs are currently being prepared for the redevelopment of the Central Cafes and the demolition of the Riverside Restaurants is scheduled for completion in the near future to make way for increased river edge greenspace.

Construction is continuing on the Southpoint development, with Flight Centre having moved into the first stage in late 2016 and new retailers moving into the building in the first half of 2017. The final two stages, comprising apartments and a hotel, will open in late 2017.

The Brisbane Convention and Exhibition Centres' (BCEC) performance continues to go from strength to strength, with a total of 1059 events in the 2016-2017 year, including 126 conventions (23 of them international). The BCEC is also the current holder of the prestigious International Association of Congress Centres (AIPC) APEX Award for *World's Best Convention Centre*.

In December 2016, South Bank Corporation reappointed AEG Ogden as managers of the BCEC for a five-year period, with a further five-year option.

Retail marketing across South Bank Corporation's retail precincts has been very successful in the 2017 financial year. The *eatSouthBank* retail marketing strategy, which was rolled out in 2014, continues to drive sales and awareness of the precinct. We have seen a strong uplift in customer engagement on our website, social media platforms and our subscriber database. A major marketing highlight for the team was South Bank's hosting of *Regional Favours* food and lifestyle event, which attracted more than 80,000 visitors to South Bank.

We will continue to review our marketing activities to ensure we remain competitive and innovative in today's marketplace.

Outlook

South Bank Corporation is confident and excited that the continuing evolution of South Bank will create a world-class offering of which Brisbane can be proud.

Sites within the precinct are being refreshed or redeveloped, and work is underway to determine a plan to guide the future development of the South Bank precinct to ensure it remains an outstanding, relevant and delightful place to visit.

In this transitional year, the groundwork has been laid for our future and we would like to thank everyone in the South Bank Corporation team for their hard work and commitment to our vision and the precinct's values over the past year.

We would particularly like to acknowledge Jeff Weigh, CEO from July 2012 to September 2016, for his commercial acumen and drive, and to David Lynch for his contribution as our acting CEO for 10 months. David's work in strengthening our relationships with our partners and stakeholders will provide us with a solid foundation for our future.

Finally, and importantly, we would like to express our gratitude to our valued partners, tenants, customers and visitors for their continuing support.



Dr Catherin Bull AM
Chair South Bank Corporation



Jemina Dunn
Chief Executive Officer

Agency role and main functions

OUR ROLE

South Bank Corporation was established pursuant to the *South Bank Corporation Act 1989*. The Corporation's objects as set out in the Act are to:

- Promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation area;
- Achieve an appropriate balance between the Corporation's commercial and non-commercial functions;
- Ensure the Corporation area complements, rather than duplicates, other public use sites in the inner-city Brisbane area;
- Provide for a diverse range of recreational, cultural and educational pursuits for local, regional and international visitors;
- Accommodate public events and entertainment that benefit the general community; and
- Achieve excellence and innovation in the management of open space and park areas.

In all of the above aims, there is an express objective to be 'world-class' and an exemplar for Queensland.

OUR VISION

Almost three decades since Expo 88, and now celebrating 25 years since the South Bank Parklands officially opened, our business focus is shifting away from building 'the places', which is only part of our role.

Increasingly, our focus is on renewing, adapting and creating 'a place of many places' that people want to visit and experience.

Our vision is to continue to innovate, manage and maintain South Bank's reputation as the most vibrant urban and cultural precinct in the world: to maintain that vision requires a future vision. Evolve. Adapt. Be Brave.

As South Bank evolves, we strive to ensure that the Parklands, River Quay, Little Stanley and Grey Streets, together with our new pop-up community creative and leisure venue under construction, and with the transformation of the Riverside Restaurants building into public open space, continues this evolution of renewal to surprise and delight visitors and ensure South Bank remains the primary leisure precinct at the heart of Brisbane's urban community life.

Agency role and main functions...

OUR VALUES

Value 1

A Place for Everyone

Value 2

Design Excellence

Value 3

Uniquely Queensland

Value 4

Innovative, Creative and Bold

Value 5

Balance Community Needs and Commerciality

Value 6

Ecologically and Financially Sustainable

Value 7 – Collaborative

South Bank will remain relevant by collaborating both within and outside the defined boundaries of the precinct.

Also, the Corporation's staff incorporates the following five values, as supported by the State Government, in their behaviour and the way they do business.

Customers first

- Know your customers
- Deliver what matters
- Make decisions with empathy

Ideas into action

- Challenge the norm and suggest solutions
- Encourage and embrace new ideas
- Work across boundaries

Unleash potential

- Expect greatness
- Lead and set clear expectations
- Seek, provide and act on feedback

Be courageous

- Own your actions, successes and mistakes
- Take calculated risks
- Act with transparency

Empower people

- Lead, empower and trust
- Play to everyone's strengths
- Develop yourself and those around you

Agency role and main functions...

OUR PURPOSE

The inner city renewal has seen a dramatic shift in the distribution and intensity of Brisbane's population. This trend will result in a significant increase in the residential and work population of South Brisbane, Woolloongabba, West End, the CBD and other inner city locations.

A key objective of the Corporation is to boost the capacity of South Bank to meet demand for green space and recreation facilities across the inner city.

In conjunction with precinct partners, the Corporation is redeveloping key renewal sites while strengthening physical integration and relationships within the immediate neighbourhood.

Furthermore, the Corporation is building on its position as a strong and viable organisation that employs best contemporary business practices to achieve its goals for the State of Queensland.

The Corporation continues to innovate, manage and maintain South Bank's enviable reputation as Brisbane's premier leisure, cultural, educational and entertainment precinct and importantly, it is adapting and evolving the precinct to ensure this precinct remains relevant over the long term.

Under the guidance of the new board, the Corporation is reviewing the future direction of South Bank so that it continues to remain a world-class recreational, cultural, educational and commercial precinct and meets the needs of its visitors over the next 20 years.

This work will lead South Bank into the future and form the basis for the board's thinking and work on South Bank's next phase of development – work that will involve many stakeholders and partners.

The work will revisit the principles South Bank has applied to its own development over the decades, using an analysis of contemporary global trends in leisure recreation and commercial development to inform planning for the future and how to deliver the very best for the South Bank precinct and its neighbourhood in the years ahead.



Agency role and main functions...

OUR CORPORATE GOALS

The Corporation's goals are to:

1	Place commercial success and visitor experience at the core of our business
2	Create distinctive Queensland visitor and resident experiences
3	In collaboration with our partners, improve and exceed visitor satisfaction
4	Attract, develop and retain the best people in their field
5	Deliver positive returns on investment
6	Achieve excellence in sustainability and urban design
7	Ensure sound governance and financial management



Agency role and main functions...

OPERATING ENVIRONMENT

South Bank sits at the heart of Brisbane overlooking the stunning CBD skyline. Over 2.3 million people call Brisbane home, making it the third most populated city in Australia. In addition to our reputation as the Sunshine State's metropolitan jewel, Brisbane has a thriving food, music and arts scene – all of which can be enjoyed at South Bank.

Several major developments will transform Brisbane in the coming years including Queen's Wharf, Cross River Rail, North Shore Hamilton, Brisbane Airport redevelopment, Howard Smith Wharves and Brisbane Metro. South Bank features its own infrastructure achievements most notably the Southpoint development including the Emporium Hotel and Flight Centre head office. The expansion, densification and increasing sophistication of Brisbane puts South Bank at the centre of the public realm and retail mix offering for local, interstate and international visitors.

As a statutory authority, South Bank Corporation is subject to State Government policies. Accordingly, we integrate whole-of-government targets into our strategic direction and day-to-day activities. A forward-thinking authority, South Bank Corporation dedicates a significant proportion of its decision making to Brisbane's increasing population growth. We actively plan for our development projects and community initiatives to accommodate Brisbane's burgeoning population, with accessible entertainment and leisure opportunities. We analyse and interpret urban trends and accommodate salient predictions into our place making to ensure that visitors of all ages and diverse backgrounds can socialise and relax in our modern, inspiring places and come away feeling that they have taken respite from their busy urban lives.

South Bank, incorporating the Parklands, Little Stanley Street, Grey Street and River Quay is Brisbane's place of celebration opposite the CBD and linked by the Brisbane River – one of the city's best assets. It comprises the composite 42-hectare site, which sits at the heart of a rich enclave of cultural and educational establishments at the forefront of architecture, music and the visual and performing arts.

The precinct is unique both in its physical and social makeup. It amplifies South East Queensland's quintessential qualities: climate, landscape, character, diversity and lifestyle. South Bank has evolved to become one of Queensland's major local and tourist destinations with annual visitation rates around 11 million. Except for inner-city apartment towers, South Bank is one of the closest residential areas to the CBD but with greater diversity. Our visitors, patrons, partners and stakeholders are attracted to the ambience, surrounds, cultural and leisure appeal of our rich and varied subtropical public place.

Our places are like nowhere else in Queensland. With high levels of infrastructure and services located within the immediate vicinity, our precinct is not only attractive but also seamlessly accessed both locally, and via bus, ferry, bikeway and train connections right across South East Queensland. The precinct is home to over 10,000 employees and residents who can access a broad range of services including hotels, retail outlets, educational institutions, public transport, car parking and entertainment.

The South Bank precinct has become a model for planning authorities around the world that strikes an enviable balance between commercial, educational, cultural, recreational and civic activities.

Like all urban planning successes, South Bank must constantly evolve and renew alongside the changing needs of our neighbourhoods together with public needs.

With major commercial and tertiary businesses located within South Bank's footprint, including South Bank Institute of TAFE, Griffith University, Southpoint and Brisbane Convention & Exhibition Centre, it is the Corporation's intention to prepare a more detailed analysis of the broader benefits of these significant and sustained investments over the past 25 years to inform our planning for the next 25 years and future government decisions.

As a statutory authority, the Corporation is intrinsically aware of the constant need for renewal and maintaining and improving assets to meet increasing user demand. We are actively reviewing and re-planning the precinct to ensure that its core values are upheld as we face increasing demand.

Agency role and main functions...

OUR PLACES – LEISURE AND COMMERCIAL

South Bank is a rare lifestyle precinct located on the edge of Brisbane's CBD. With a diverse mix of restaurants, leisure and cultural attractions, it is no wonder why it draws around 11 million visitors each year.

Visitors are attracted to South Bank for many reasons: stunning views, a changing program of events, a diverse range of restaurants and proximity to the cultural precinct. More-so, locals bring their families and friends to South Bank and those families can be local or international.

Brisbane is a dynamically changing city and South Bank sits within one of the most rapidly evolving parts of the city on the South Brisbane/West End peninsula. A new direction is required to drive South Bank's continued success and relevancy over the next 20 years, and the Corporation is looking forward to surprising and welcoming future generations of visitors to this vibrant, authentic and inclusive inner-city oasis.

Two significant new renewal projects were unveiled in May and June 2017 being: the transformation of the ageing Arbour View Cafés into an interim curated pop-up creative community venue, together with the demolition of the flood-damaged Riverside Restaurants building that will be returned to public open space, announced by the State Government at South Bank Parklands' 25th birthday celebration in June 2017.

The precincts – leisure

South Bank comprises four main precincts – the Parklands, Little Stanley Street, Grey Street and River Quay – and each precinct has been carefully created to attract a diverse range of visitors to the area.

The Parklands

The Parklands' open spaces and public areas are managed under lease by the Brisbane City Council, while South Bank Corporation is responsible for the cafes, restaurants, retail outlets and public car park.

Take a dip at Streets Beach, explore the shops and cafes along Stanley Street Plaza, or take in the sweeping views of the Brisbane River and the city skyline as you stroll through this sub-tropical urban oasis.

The Parklands is a haven of natural beauty offering more than 17 hectares of riverfront parkland featuring 20 landscaped spaces as well as our iconic, man-made Streets Beach. The Parklands is a place to learn about healthy, active and modern living through our many experiences and initiatives. The South Bank Parklands is a place which provides an escape from the frenetic pace of city living. It is a retreat where locals and visitors can take time out, relax and enjoy a delightful, natural setting just moments from the CBD.



Agency role and main functions...

Our places – leisure and commercial (cont)

Little Stanley Street

Little Stanley Street is a place of delicious discoveries. From casual, quick lunch-time eats to sumptuous sit-down and celebratory offerings, including Turkish, Indian, Spanish, French and Mexican (and more), Little Stanley Street embodies the subtropical energy and vibrancy of our city in a contemporary setting overlooking the Parklands.

Grey Street

Centred in the heart of Brisbane's cultural precinct, the Grey Street boulevard stretches from the Cultural Centre – that is home to the Gallery of Modern Art (GOMA), Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Centre and the State Library of Queensland. Further on is the Queensland Conservatorium, ABC Studio and Cineplex. Grey Street is Brisbane's cultural boulevard where commerce meets with creativity delivering a diverse street designed for ambling before heading into the Parklands' to rest, contemplate and recharge.

River Quay

River Quay is an outstanding dining destination in the Parklands, delivering an enviable dining model for Brisbane – elegant yet casual with access from the Promenade, Goodwill Bridge the Brisbane River and through the leafy South Bank Arbour.

Each of the restaurants: Stokehouse, Aquitaine, Popolo, Jetty and River Quay Fish integrate seamlessly with the natural surrounds and the breathtaking riverscape. Featuring elaborate fit-outs and offering fine dining service alongside beautiful cuisine, these restaurants create memorable dining experiences within an unmatched riverside setting.



The precincts – commercial

The Parklands tenancies – predominantly a food-based property portfolio currently comprising 27 trading tenants that include the high-end dining offer at River Quay, traditional and popular fast service dining offerings at Central Cafes and the casual plaza-style food, retail and office portfolio of Stanley Street Plaza.

Little Stanley/Grey Street tenancies – mainly a restaurant and cafe-based portfolio currently comprising 26 trading tenants delivering a range of cuisines.

South Bank car park – 860 bay two-level public parking facility.

Brisbane Convention and Exhibition Centre – a multi-purpose convention, exhibition and event facility, including 147,650 square metres fronting Merivale Street and 24,580 square metres opening onto Grey Street. The BCEC is currently ranked *World's Best Convention Centre* by the prestigious International Association of Congress Centres (AIPC).

Managers of BCEC, AEG Ogden, have managed the Centre since 1995 and in 2016 were contracted by South Bank Corporation to manage the Centre for a further ten years.



Operational highlights

BRISBANE CONVENTION & EXHIBITION CENTRE (BCEC)

A snapshot for the 2016–2017 year

- Total number of events 1,059
- 126 conventions including 23 international conferences, 103 national
- Total delegate numbers 55,279
- 48 exhibitions including four new exhibitions
- Economic Benefit to Queensland for conventions booked in the 2016–2017 year is estimated to be \$200 million
- At the end of June 2017, the BCEC is holding 1,327 forward bookings.

Highlights and major achievements

In December 2016, the Corporation reappointed AEG Ogden as managers of the Brisbane Convention & Exhibition Centre for a five-year period with a further five-year option. AEG Ogden, a leading venue management company with venues throughout Australia, Asia and the Middle East, has managed the BCEC since its opening in 1995.

Innovation/initiatives

During the past 12 months BCEC has embarked on the most significant agenda of initiatives and enhancements relating to its Food & Beverage offering since the Centre opened in 1995.

These included:

- The appointment of former Queensland Ambassador Chef and award-winning restaurateur, David Pugh as Executive Sous Chef, Development
- The establishment of a dedicated Dietary Kitchen, an Australian first for convention centres, raising the quality and overall experience for clients and guests with specific dietary needs
- The introduction of a healthy option menu, The Nourish Mentality
- The appointment of consultant nutritionist, Kerry Leech to assist with menu development and the Dietary Kitchen.

Awards & accreditations

Brisbane Convention & Exhibition Centre retains its title of *World's Best Convention Centre* until July

2018. The prestigious International Association of Congress Centres (AIPC) APEX Award, based solely on client evaluation also rated BCEC's Food & Beverage as Best in the World, with the Centre receiving double the ratings of other international convention centres.

Other awards and recognition for BCEC during the past 12 months included:

- Best Convention Centre in Australasia – Editor's Choice Awards, CEI Asia
- Lord Mayor's Business: Awards, Sustainability in Business, for the second year in succession
- Best Waste Reduction, AEG Worldwide 1Earth Award
- Meetings & Events Queensland Awards x 3 awards
- Meetings & Events Australia Awards, Technical & Creative Production In-House AV Services
- Finalist in the inaugural Qantas Business Traveller Awards.

BCEC also retained its EarthCheck Gold Certification for the third consecutive year following a rigorous audit process.

Highlight events

BCEC secured more than 146 new conventions for Brisbane during the year including 28 international meetings including:

- 26th World Mining Congress
- World Down Syndrome Congress

The medical, scientific and research sectors were strongly represented on the Centre's conference calendar.

The world's largest meeting for water practitioners and researchers, the IWA World Water Congress and Exhibition saw more than 4,500 global experts converge on Brisbane and BCEC.

BCEC partnered with the International Water Association at this event to launch its new Career Development Hub initiative, which provides Brisbane tertiary students access to visiting international thought leaders who are world experts in their fields.

Operational highlights...

Brisbane Convention & Exhibition Centre (BCEC)

Other highlight events included:



- AHRI National Convention and Exhibition 2016 for 1,677 delegates, the flagship event for the Australian HR sector
- Xerocon South, a first time event for BCEC with 2,100 delegates
- The Brisbane Boat Show returned to BCEC with 12,300 attendees
- The Australian Institute of Management International Women's Day Great Debate with 1,150 attendees. International Women's Day events attracted more than 3,000 delegates and guests
- Immunotherapy@Brisbane, the second in a series is a BCEC Advocate assisted conference, one of eight inaugural conferences developed by BCEC.

BCEC also hosted a successful Guinness World Record event for the largest practical science lesson, with 2,895 science students from 53 primary and secondary schools throughout Queensland on behalf of the Office of the Queensland Chief Scientist.

The Advocates Partnership continued during the year, with a total of 75 Advocates. This Partnership has secured 86 conferences with BCEC to date, delivering \$114m in economic impact.

BCEC strengthened its partnerships with Queensland Ballet, Queensland Theatre and Queensland Symphony with increased collaborative activity showcasing Queensland Arts excellence and the appeal of the South Bank Cultural precinct.

Operational highlights...

Brisbane Convention & Exhibition Centre (BCEC)

Corporate responsibility

BCEC joined AEG 1EARTH global sustainability program focussing awareness on environmental issues during International Earth Month in April, partnering with the not-for-profit Tangalooma EcoMarines cleaning up our waterways. Activity centred on the South Bank reach of the Brisbane River including tours of the South Bank Precinct sustainability initiatives such as the Epicurious Garden and Rain Bank and hosted tours of BCEC's sustainability initiatives.

As part of its community engagement activities, the Centre was proud to host three major events:

- The eighth annual Christmas Lunch for 500 adults and children under the care of the Salvation Army's many programs
- The second RSPCA Pop Up Adoption Day which resulted in 485 animals being adopted setting a new record.
- Supported the launch of the 2017 Salvation Army Red Shield Appeal

During the past 12 months 52 Centre staff have volunteered 174 hours for community service. During that time BCEC also donated 4,236 pre-prepared meals to hunger relief agency, Foodbank.

Operational highlights...

ARBOUR VIEW CAFÉS REDEVELOPMENT

The ageing Arbour View Cafés precinct commenced a new repurposing in May 2017 that involves the facility being partly demolished in line with the Corporation's objectives of developing a long-term, re-use for the area for the next 20-years.

For the interim, the Arbour View Cafés precinct is being transformed into a pop-up creative community space that will host a regular program of curated events showcasing South Bank Corporation's precinct partners as well as the work of independent Queensland artists.

Due for completion in late 2017, it is intended the interim space will be in place for approximately 18 months while the Corporation evaluates the best usage for the area over the long-term in consultation with its stakeholders.

Three existing retailers (Subway, Cold Rock and Lagoonas) have relocated to the Central Cafe precinct. The move is considered beneficial by these retailers as they now have certainty in fixed-term leases rather than their former agreements that operated on a month-by-month basis.

RETAIL MARKETING – EATSOUTHBANK

The 2016–2017 financial years again proved to be a very busy and rewarding period for retail marketing activity across the Corporation's retail precincts.

A stand out success continues to be the eatSouthBank retail marketing strategy that was launched in February 2014 to support its objective of positioning South Bank's retail precincts as a 'Food Lovers Destination' to drive retail sales to all of the Corporation's tenants, create brand identity for the precinct and set it apart from other food destinations.

Since the eatSouthBank strategy's launch, the following results have been achieved and continue to grow:

- **Website**
 - 2.645M page views (2016: 1,625M)
 - 1.092M sessions (2016: 615K)
- **Social Media**
 - Facebook = 43.7K followers (2016: 36.7K)
 - Instagram = 25.2K followers (2016: 12,800)
- **Database**
 - Subscribers = 54,000 followers (2016: 53,300)

Other major marketing initiatives rolled out in the 2016–2017 financial year include:

- South Bank's seasonal mini-magazine – *NOSH*
- eatSouthBank digital marketing channels
- Breast Cancer Network Australia's Dine Pink campaign and media launch with Minister Trad
- Regional Flavours Retail Activations (eatSouthBank Food Trucks and River Quay Gourmet Food Vending)
- eatSouthBank Christmas Markets
- Various mini-campaigns, retailer competitions and park and dine promotions.

In addition, South Bank Corporation continues to achieve strong attendance rates and success with the following marketing initiatives;

- The South Bank Concierge program
- River Quay's Sunday Sessions on the Green live music series
- River Quay's Winter Weekday Waterfront Lunch campaign
- The Great Australian Bites Australia Day event and many other incoming events that involve our retailers.

Operational highlights...

REGIONAL FLAVOURS



Celebrating its tenth year in 2017, Regional Flavours is Brisbane Marketing's signature food and lifestyle event.

Sponsored by The Courier-Mail it showcases the best of Queensland's regional produce to support local providers and farmers while educating the community about sustainable food practices.

Showcasing more than 100 of Queensland's best food and wine producers from 12 regions around the State, the July 2016 event was held over two days drawing over 80,000 visitors. Patrons could taste and purchase locally produced food and wine from regions such as the Lockyer Valley, South Burnett, Gold and Sunshine Coast hinterlands, watch cooking demonstrations and participate in information sessions about sustainability with leading gardening and horticultural experts.

As part of South Bank Corporation's major sponsorship, South Bank's retailers were again heavily involved in the 2016 event through the Regional Flavours 'Food Truck' initiative where retailers were encouraged to produce and sell regionally inspired street food options to event patrons while showcasing local produce. These mock 'food trucks' were situated along Little Stanley Street and were again very well attended.

All five restaurants at River Quay participated by offering regionally inspired foods and beverages over the weekend and also participated in on-site cooking demonstrations.

Strategic risks, opportunities and challenges

June 2017 marks South Bank Parklands' 25th Anniversary and as the city's leisure, cultural, educational and entertainment heart, South Bank has much to celebrate.

The excellence that South Bank demonstrates is the product of the commitment and energy applied by many parties over the decades. The current board of South Bank Corporation is continuing that tradition by implementing strategies that will – in consultation with many stakeholders – form the next 20-year Master Plan to ensure the precinct continues to evolve, excite and maintain relevancy for the next generations of visitors.

There are a number of strategic risks, opportunities and challenges in relation to South Bank Corporation's operating environment:

The inner city renewal has seen a dramatic shift in the distribution and intensity of Brisbane's population. This trend will result in a significant increase in the residential and work population of South Brisbane, Woollongabba, West End, the CBD and other inner city locations. A key objective of new works is to boost the capacity of South Bank to meet demand for green space and recreation facilities across the inner city

There will be pressure on the precinct as the region's population increases, requiring us to plan and ensure that the needs of residents and visitors are delivered and are sustainable. Renewing, maintaining and improving our assets and public open spaces is a high priority

The last 25 years have seen South Bank cement its place as one of Brisbane's signature iconic destinations. With the rate of change accelerating across inner city Brisbane, South Bank must evolve to meet new pressures and unlock opportunities

New destinations are emerging and people are 'time poor'. We must maintain our attractiveness by evolving our places, adjusting the mix and quality of our public offer, and creating world-class experiences while also strengthening the precinct as an inclusive, community destination

To ensure financial sustainability, we must focus on the relevance and longevity of our commercial and leisure offerings.

OPERATIONAL PLANS AND PRIORITIES

Implementing the South Bank Parklands Master Plan

As outlined earlier, South Bank Corporation's new Board, appointed in March 2016 has identified the following key projects as major priorities of focus for the 2016–2017 year:

Review of masterplan, strategic plan and approved development plan

Approved Development Plan (ADP)

Amendments: The Corporation will continue to manage any changes required to the ADP.

Arbour View Cafés: Redevelopment of the Arbour View Cafés into a new creative and public community space (interim use plan) is underway with completion due in late 2017.

Riverside Restaurants demolition: Announced by the State Government on 20 June 2017, the severely flood-damaged Riverside Restaurants will be demolished with this work commencing in October 2017. Demolition will involve collaboration with the Brisbane City Council as the demolition is likely to have impacts on the operations of the Parklands. Following demolition the site is to be transformed into new public open space. The construction for this project is anticipated to commence soon after the completion of demolition.

Southpoint: South Bank Corporation continues to oversee the construction of Stages A and C of Anthony John Group's landmark Southpoint development. Stage B comprising the Flight Centre tower and ground level retail precinct opened in late 2016, with new retailers opening progressively in the first half of 2017.

Stage C comprising of residential apartments is due for completion in August 2017. Stage A comprising residential apartments and new Emporium hotel is scheduled for completion in early 2018.

Strategic risks, opportunities and challenges...

BCEC Refurbishment: South Bank Corporation and BCEC's management company are currently investigating options to refurbish the original entry section of BCEC on Merivale Street to ensure it remains competitive and attractive. Along with this, an accessibility review is being prepared by the Corporation as consideration for ways to improve the centre's operations and functionality.

A financial and technical feasibility was undertaken on options to install solar panels on the BCEC roof and is being considered.

Central Cafes: Given the age and physical state of this asset, concept designs and financial feasibilities will be prepared for the redevelopment of these facilities in the future.

RETAIL MANAGEMENT

The following leasing initiatives are intended to be delivered in the 2017–2018 year, to further enhance South Bank's diverse and flourishing retail offer while underscoring the precinct's reputation as Brisbane's premier dining destination.

- Securing operators for three vacancies along Little Stanley Street (at June 2017)
- Activating vacant spaces with 'Pop Up' opportunities while evaluating the overall retail mix
- Securing a food/dining/bar operator for the vacant retail space below the ABC headquarters on Grey Street.

BRISBANE CONVENTION AND EXHIBITION CENTRE

The Brisbane Convention and Exhibition Centre in 2016–2017 will:

- Leverage and maximise the Centre's 22 years' experience and wealth of industry knowledge
- Expand and further develop the role of the BCEC Convention Advocates Partnership (now in its seventh year), particularly in the area of creating new conferences for Brisbane
- Increase the share of major international, national and interstate and local conventions
- Access new markets, attract new events and promote the BCEC outside the mainstream convention and exhibition markets to maximise usage and financial returns to South Bank Corporation
- Continue to build the Centre's partnership portfolio
- Maintain BCEC's leadership in the social responsibility space
- Maintain BCEC to world class standards and apply the highest standards of professionalism in customer service
- Increase and maximise existing flow-on economic benefits to the State of Queensland
- Contribute to the visitation of the South Bank precinct
- Continue to capitalise on its new creative branding and online social media and marketing
- Maintain the facility to five star standards while continuing to investigate an upgrade to the external façade of the building.

Non-financial performance

GOVERNMENT'S OBJECTIVES FOR THE COMMUNITY

The Corporation is committed to achieving the Government's objectives for the community by delivering upon the Corporation's vision to create and manage a world-class precinct for the people of Queensland, and in turn, adding value to the State's economy, enhancing the local community and positioning Brisbane as a desirable tourist destination.

South Bank Corporation's short-term targets to achieve these objectives are listed below:

Creating jobs and a diverse economy

Goal: Secure further private investment in projects within the precinct and support our retailers to improve revenues.

Goal: Assist Business South Bank to support existing businesses and attract new businesses to the precinct.

Goal: Actively grow local investment and business attraction to South Bank as an important economic hub.

Goal: Achieve Moving Annual Turnover (MAT) growth above Queensland's average MAT growth rate across the various retail categories in South Bank.

Goal: Redevelop the Corporation's retail facilities.

Delivering quality frontline services

Goal: Building better precinct partnerships to facilitate more community benefits.

Goal: Work with local educational institutes to identify opportunities for precinct collaboration, providing more opportunities for students and teachers.

Goal: Be transparent and honest in all of our processes and communications.

Protecting the environment

Goal: Review the operations of the Corporation's retailers and establish waste reduction targets.

Goal: Encourage visitors to use the many available active and public transport opportunities when travelling to South Bank.

Building safe, caring and connected communities

Goal: Ensure the retail options in the precinct continue to include affordable offerings for families.

Goal: Provide support to the Mater Hospital to create unique South Bank experiences for patients and their families.

Goal: Ensure the public has the opportunity to comment on future changes to the Approved Development Plan.

OTHER WHOLE-OF-GOVERNMENT PLANS/SPECIFIC INITIATIVES

No other whole-of-government plans or specific initiatives are applicable to the Corporation.

AGENCY SERVICE AREAS, SERVICE STANDARDS AND OTHER MEASURES

The services of South Bank Corporation have significantly altered from previous years with the management of the Parklands, its marketing and activation activities largely transferred to the Brisbane City Council. As the Corporation no longer provides direct community services, its services and other measures have been discontinued from the Government's Service Delivery Statements.

AGENCY OBJECTIVES AND PERFORMANCE INDICATORS

- The Corporation continued to focus on its seven corporate goals throughout the year. Our performance management systems continue to ensure that employees are working effectively and efficiently across the Corporation. The following show the Corporation-wide achievements, consistent with our overarching direction.

Non-financial performance...

Outcomes achieved:

- Construction on the first stage of the \$600m Southpoint project was completed in October 2016 with ASX-listed Flight Centre moving into its new global headquarters by late 2016. A ground level dining and retail precinct in the first stage was also completed with a range of retailers moving in during the first half of 2017. The retail precinct links to the existing South Brisbane railway station.
- The final stages of Southpoint will comprise a mix of luxurious residential apartments and Brisbane's second Emporium Hotel. Construction is well advanced with completion earmarked for August 2017 (Stage C residential apartments) and early 2018 for Stage A residential apartments and hotel development.
- Demolition of the Arbour View Cafés in preparation for an independent pop-up creative community space, supported by a unique brand with the venue open late 2017 and the program starting in 2018.
- A second program of works to enhance the appeal of the retail spaces on Little Stanley and Grey Street was completed in June 2017. This included new structural awnings over outdoor dining areas as well as newly designed awnings over footpath dining.
- National hospitality group, Rockpool Dining Group will open its third Munich Brauhaus in the heritage-listed Allgas House in the first quarter of 2018. Munich Brauhaus also has venues in Sydney and Melbourne.
- The opening of vibrant new tenancies in the Parklands, Grey Street and Little Stanley Street including:
 - Junk Boat
 - Suki and Ramen
 - Baba Ganouj
 - Malt Traders
 - Denim Co.
- Riverside Restaurants demolition – announced June 2017, with demolition likely to commence in October 2017.



Summary of financial performance

The Corporation's performance measures are established from our strategic direction, which is set at Board level. We are committed to the Queensland Government's priorities and the Board's vision to create a precinct of international standing, which adds value to the State's economy and positions Brisbane as a desirable tourist destination. This commitment is evidenced through initiatives produced in accordance with our corporate goals and the Queensland Government's statement of objectives for the community.

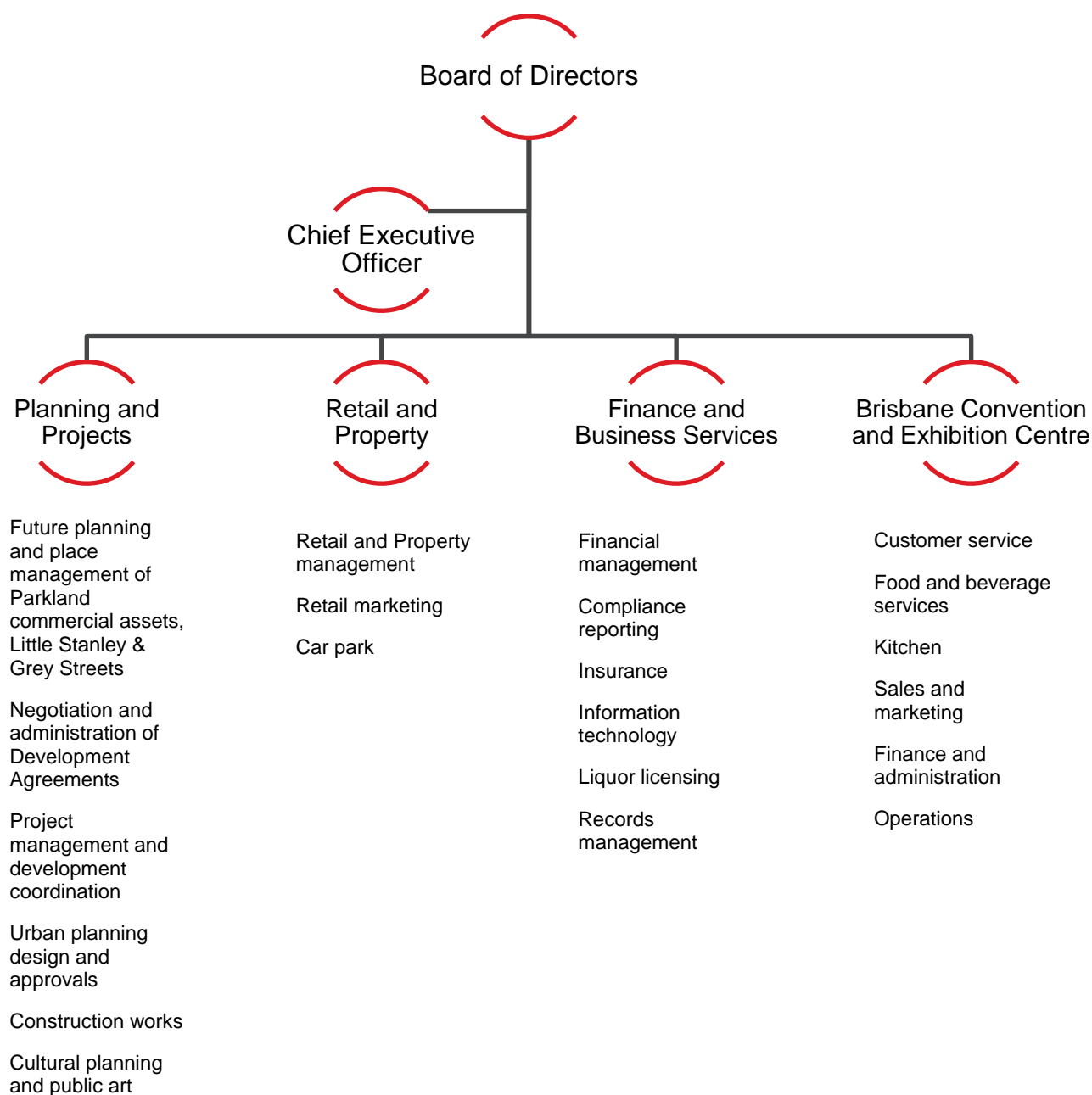
South Bank Corporation had a net operating profit of \$3 million for the 2016–2017 year, after depreciation of \$21 million.

	2012–13 (\$'m)	2013–14 (\$'m)	2014–15 (\$'m)	2015–16 (\$'m)	2016–17 (\$'m)
Revenue and gains	93	82	100	90	92
Sale of development land	-	-	-	-	10
Total income	93	82	100	90	102
Expenditure and losses *	84	62	67	63	64
Cost of development land	-	-	-	-	4
Depreciation	24	25	24	23	21
Contribution to BCC's management of the South Bank Parklands	-	7	7	9	10
Total expenditure	108	94	98	95	99
Net profit/ (loss)	(15)	(12)	2	(5)	3
Total assets	709	703	754	770	781
Net assets	667	656	724	732	751

* Losses in the 2012–13 year include a \$5.8m write down on the transfer of plant and equipment to the Brisbane City Council.

Governance – management and structure

ORGANISATIONAL STRUCTURE



RELATED ENTITIES

The South Bank Employing Office

Since 1 July 2008 all employees of South Bank Corporation, with the exception of its Board Members and Chief Executive Officer, have been employed by the South Bank Employing Office (SBEO) under the same terms, conditions and entitlements as per their employment contracts or Certified Agreement with the Corporation. The SBEO and the Corporation have an arrangement for the employees to perform the work of the Corporation.

The SBEO is indemnified for all liabilities by the Corporation and operates on a break-even basis, being reimbursed for all costs by the Corporation. It has no physical assets.

Governance – management and structure...

BOARDS AND COMMITTEES

The Corporation's Board members are appointed by the Governor in Council based on the nominations of the Minister and Brisbane City Council as described under the *South Bank Corporation Act 1989* (Qld).

The Board, chaired by Emeritus Professor Dr Catherin Bull AM, has been appointment for a three year term to March 2019.

The Board met on thirteen occasions during the 2016–2017 year, including one meeting by teleconference

The Members must adhere to South Bank Corporation's Policies on Disclosure and Conflicts of Interest and the Code of Conduct, and are therefore required to disclose direct and indirect conflicts of interest as soon as they arise. The Board must also comply with the obligations regarding disclosure and conflicts of interest imposed upon them in the Act. This is the first agenda item at each meeting. If a conflict of interest arises, the Member in question will not participate in any discussion or decision regarding the matter in question, and in some circumstances will not be present during any discussion and/or decision of the Board in relation to the issue where a conflict of interest has arisen.

Our Board of Directors



Dr Catherin Bull AM – Chair

Emeritus Professor Dr Catherin Bull AM, FAILA, HonLF AIA, MAICD, MLArch (Melbourne), DrDes (Harvard). Dr Bull has over 40 years of experience in urban design, firstly as an award-winning landscape architect and

urban designer practicing in Australia and Hong Kong, then as an internationally recognised academic, scholar and advisor to all levels of government and industry on quality urban development nationally. She has chaired and served on design juries, review and advisory panels and boards and is currently, amongst other roles, a board member of Building Queensland and a member of the Design Directorate of Urban Growth NSW.

Susan Forrester



Susan Forrester is professional Chairperson and Company Director across ASX-listed, public and private companies. She is a nationally recognised corporate governance specialist. Susan is a qualified lawyer and holds a number of current board positions including Chair of

National Veterinary Care Ltd, Director of Uniting Care Queensland, G8 Education Ltd, Xenith IP group and Over the Wire Ltd. She is a former Board Member of Ergon Energy, Department of Primary Industries and Brisbane Festival.



Nigel Chamier AM

Nigel Chamier AM has over 45 years' experience in property and infrastructure and is Chair of Oxley Creek Transformation Pty Ltd and The Menzies Health Institute of Queensland. He is also a director of Queensland Airports Ltd and The ACT

Renewal Authority. For 4 years Nigel chaired the Gold Coast 2018 Commonwealth Games Corporation and the Infrastructure Authority, he also chaired the restoration of Brisbane City Hall and Anzac Square. Nigel provides high level advice to a number of government and private sector organisations.



Andrea Kenafake

Andrea Kenafake is currently a member of Brisbane City Council's Executive Management Team and the Divisional Manager of City Planning and Sustainability. She is the Chair of

the City Parklands Services Pty Ltd Board, overseeing the management of the South Bank and Roma Street Parklands. She has a background in Human Resources, Workplace Rehabilitation, change management and since 2008 has been working in city planning and sustainability at Council. Andrea is a BCC nominee to the Corporation Board.

Governance – management and structure...



Richard Kirk

Richard Kirk is the founding Director of architectural practice KIRK which was established in 1995 and has studios in Brisbane and Kuala Lumpur. Richard is the National President of the Australian Institute of

Architects (AIA), Fellow of the AIA, Adjunct Professor at The University of Queensland, South Bank Corporation Board Member, and Queensland Urban Design and Places Panel Member. He has been involved with the Institute for over 20 years and was previously the Australian Institute of Architects Queensland Chapter President and a Chapter Councilor since 2008. Richard has also served on the Board of Architects of Queensland, and was a member of the Brisbane City Council Independent Design Advisory Panel.



Matthew Miller

Matthew Miller is currently the Senior Development Manager – Commercial for Lendlease and has held a number of executive and management positions in the Queensland property sector.

Matthew is a current Board Member of the Inclusive Brisbane Board and the Convenor of the BCC Professional Advice Alliance. He is a former board member of the Urban Land Development Authority (now Economic Development Queensland) and was President of the Brisbane Development Association from 2010 to 2012.



Stuart Moseley

Stuart Moseley was, until his resignation in June 2017, Deputy Director-General of Planning at the Department of Infrastructure, Local

Government and Planning. He holds qualifications in Town Planning and has over 25 years' experience in planning and development, with a particular emphasis on transport and infrastructure. His appointment to the South Bank Corporation Board ceased with his resignation from the Department.



Mick Power AM

Mick Power AM has had over 40 years of experience in the construction and development industries and over 33 years' experience as the Group Board Chairman and Managing Director of the BMD Group.

BMD is an industry leader in the construction and urban development sector and is one of Australia's largest privately owned construction and urban development organisations. He has been a Brisbane City Council nominated member of the Corporation Board since 1997.



Tim Quinn

Tim Quinn is a former Lord Mayor of Brisbane (2003–2004) and was a previous member of the South Bank Corporation Board from 2007 to 2012. During his time as Councillor for the Dutton Park Ward, Tim was the Chair of the Council's Planning

and Development Committee from 1991 to 2003. He has had extensive experience with community projects both in Council and through his own voluntary community commitments. He has had a close involvement for 30 years with the former West End Community House, now Community Plus +.



Stephanie Wyeth

Stephanie Wyeth has more than 20 years' experience in social planning across government, NGO, academic and private sectors, with particular expertise in social infrastructure and master planning projects.

Stephanie is a current Director at Urbis, a national consulting firm specialising in property, planning and design. She is the Chair for the Queensland Women and Diversity Committee for Property Council of Australia.

Member Benefits

During the reporting period, no Board member received or became entitled to receive any benefit other than as noted in the Financial Statements section of this report.

Governance – management and structure...

Executive management



Chief Executive Officer – Jemina Dunn

Jemina Dunn was appointed CEO of South Bank Corporation on 10 July 2017. Prior to this she was Queensland State Director at the Australian Industry Group (Ai Group). She has 20 years of

experience in growth management and planning for cities with a strong focus on urban design, regional planning, public transport infrastructure, and transit oriented development gained working at senior levels in State and local government in NSW and QLD.

Jemina holds directorships on the boards of QLD Rail and Business South Bank, and sits on Australian Super's QLD Advisory Board. She has been a Non-Executive Director on the Board of Construction Skills Queensland, and sat on the QLD Premier's Business Advisory Forum, the QLD Government's Small Business Advisory Council and Board for Urban Places, along with QUT's Centre for Subtropical Design Board.

Jemina has completed the AICD Board Directors Course and holds a Bachelor of Urban and Regional Planning from UNE, a Graduate Certificate in Management from RMIT and is nearing completion of an MBA at UQ.

Interim CEO – David Lynch

17th September 2016 to 9 July 2017

David Lynch has over 25 years' experience in the planning, pre procurement, procurement financing and delivery of major projects under all contract types including design and construct, construct and maintain and Public Private Partnerships. David was CEO of City North Infrastructure 2006 – 2012 and procured and delivered the Airport Link, Northern Busway (Windsor to Kedron) and Airport Roundabout projects in Brisbane.

Former CEO – Jeffrey Weigh

To 16th September 2016

Jeffrey Weigh has worked across a diverse range of industries including education, health, hotels, property and hospitality. He has widespread experience in tourism and marketing, having worked for the Queensland Tourist and Travel Corporation, Queensland Events and the Northern Territory Tourism Commission.

Governance – management and structure...

PUBLIC SECTOR ETHICS ACT 1994

As a public sector entity, South Bank Corporation has a Code of Conduct in accordance with section 15 of the Public Sector Ethics Act as amended in 2010.

The Corporation's management practices are carried out with proper regard to the Code of Conduct that incorporates the ethical principles:

- Integrity and impartiality
- Promoting the public good
- Commitment to the system of government and
- Accountability and transparency.

Employees are provided with a copy of the Code of Conduct on commencement of their employment. The Code is available to employees at all times through the Corporation's electronic records management system and all employees are reminded of their duties under the code annually, together with the Corporation's fraud prevention and whistleblower policies.

EDUCATION AND TRAINING

Professional development is available to all staff under the Corporation's Human Resources policies. During the year, education support was provided to staff attending various professional development courses and seminars including those held by the Australian Institute of Management, Property Council of Australia, Real Estate Institute of Queensland, Chartered Accountants Australia and New Zealand, and CPA Australia.

The Corporation during the 2017 financial year introduced online training using *MyCareer*, with all staff required to complete – on an annual basis – training on:

- Code of Conduct
- Cultural Capability Awareness
- Domestic and Family Violence
- Fraud and Corruption
- Information Privacy and
- Information Security

Governance – risk management, accountability and human resources

RISK MANAGEMENT

South Bank Corporation maintains a strategic risk register as part of its risk management process. The register is used to ensure all internal controls, including fraud and corruption prevention and other risk mitigation strategies are considered in the preparation of internal audit strategies.

The Corporation insures with the Queensland Government Insurance Fund against insurable liabilities and losses that would materially affect its operations and assets.

EXTERNAL SCRUTINY

During the 2016–2017 financial year, no external audits or reviews were conducted of South Bank Corporation other than the annual audit of the financial statements.

AUDIT AND RISK COMMITTEE

The South Bank Corporation Audit and Risk Committee provides advice to Board members to assist in the effective discharge of the responsibilities prescribed in the *South Bank Corporation Act 1989*, *Financial Accountability Act 2009*, *the Financial Performance Management Standard 2009*, *Work Health and Safety Act 2011* and other relevant legislation and prescribed requirements. The Committee also oversees the Corporation's Risk Register and Fraud Management Plan. The Committee has due regard to its Charter – which is reviewed annually – and to Treasury's Audit Committee Guidelines.

The Audit and Risk Committee members are Gary Humphries (Chair), Sue Forrester, Michael Power and Karen Smith-Pomeroy. The Committee met on four occasions during the 2016–2017 year.

DEVELOPMENT COMMITTEE

The Development Committee provides recommendations to the Board in support of key decisions around place development (planning, design, project definition, procurement and delivery, performance against goals) and assists Management with technical expertise on strategic projects.

The Development Committee members are Catherin Bull (Chair), Richard Kirk, Matthew Miller and Stephanie Wyeth. The Committee met on thirteen occasions during the 2016–2017 year.

GOVERNANCE PEOPLE AND CULTURE COMMITTEE

The Governance, People and Culture Committee assists the Board in overseeing the Corporation's Human Resources strategy, sustainability, ethics and governance.

The Governance Committee members are Sue Forrester (Chair) and Andrea Kenafake. The Committee met on three occasions during the 2016–2017 year.

INTERNAL AUDIT

The Corporation outsourced its internal audit functions to KPMG and Vincents Assurance and Risk Advisory during the 2017 financial year. These firms were responsible for the preparation of the annual internal audit plan in consultation with the Audit and Risk Committee. Three internal audits were finalised during the year and presented to the Committee:

South Bank

- Confidential Information and Data
- Tenancy Management

Brisbane Convention and Exhibition Centre

- Payroll Processes

INFORMATION SYSTEMS AND RECORD KEEPING

The Corporation recognises that sound record keeping practices are required for good corporate governance. The Corporation's record keeping practices are carried out by appropriately trained personnel with proper regard to the *Public Records Act 2002* (QLD) and Queensland Government information policies, standards and guidelines.

WORKFORCE PLANNING, ATTRACTION AND RETENTION

Staff in five full time positions left the Corporation during the year, representing an annualised turnover of 20% (2016: 16%).

It should be noted that with a relatively small staff, these percentages can vary considerably from one period to another.

Redundancies

There were no redundancies during the 2016–2017 year.

Disclosure of additional information

CONSULTANCY AND GOVERNMENT BODY COSTS

A summary of the Corporation's payments to consultants and Government Body costs during the reporting period are both published on the Government's open data website:

<https://data.qld.gov.au>.

OVERSEAS TRAVEL

No overseas travel was undertaken by South Bank Corporation employees during the reporting period.

LANGUAGE SERVICE COSTS

No language translation requests were received during the reporting period.

CARERS (RECOGNITION) ACT 2008

South Bank Corporation has responded to principles in both the Carers (Recognition) Act 2008 and the Carers Charter including principle number 4 and principle number 7 (listed consecutively):

The importance of carers work means the role of carers should be recognised by including carers, or their representative bodies, in the assessment, planning, delivery and review of services affecting carers; and

The relationship between a carer and the person they care for should be respected and honoured.

RIGHT TO INFORMATION

The *Right to Information Act 2009* (Qld) enables the public to access documents held by the Corporation. In turn, we make as much information available to the public as possible, taking into consideration commercially sensitive information.

One Right to Information request was received in the reporting period and the requested information was provided.

COMPLAINTS MANAGEMENT

The majority of complaints and enquiries are managed by the Brisbane City Council as part of its management of the Parklands. South Bank Corporation responds to and investigates all complaints received. The majority of complaints relate to operational issues from cafes and restaurants.

EXERCISE OF POWERS OF EXCLUSION FROM THE PARKLANDS

Under the *South Bank Corporation Act 1989* the Corporation is required to report on the number of exclusion directions issued during the reporting period. Exclusion directions can be given for disorderly conduct, drunkenness or creating a disturbance.

The total number of exclusion directions given was 501 (2016: 706) inclusive of 132 exclusion directions given to children (2016: 173).

The main reason for issuing an exclusion notice was for creating a disturbance, with a total of 304 exclusions issued for this, and includes antisocial behavior such as fighting, using obscene or offensive language and generally disturbing other people's peaceful enjoyment of the precinct.

No directions were set aside and one order was made by the courts to exclude a person from the site.

Financial statements

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SOUTH BANK CORPORATION

Consolidated Profit and Loss Statement and Statement of Comprehensive Income for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<i>Income from Continuing Operations</i>			
User charges	2	58,297	55,928
Sale of goods	3	26,361	26,190
Sale of development property		10,198	-
Interest		877	718
Total Revenue		95,733	82,836
<i>Gains</i>			
Gain on revaluation of investment property	11	6,190	7,293
Total Income from Continuing Operations		101,923	90,129
<i>Expenses from Continuing Operations</i>			
Employee expenses	4	3,525	2,665
Supplies and services	5	54,511	53,465
Cost of goods sold		6,491	6,411
Cost of development property		3,647	-
Depreciation	10	21,031	22,738
Other expenses	6	9,699	9,400
Total Expenses from Continuing Operations		98,904	94,679
Operating Result from Continuing Operations		3,019	(4,550)
<i>Other Comprehensive Income</i>			
Revaluation increment	14	15,380	12,915
Total Comprehensive Income		18,399	8,365

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
Consolidated Balance Sheet
as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	7	45,851	40,316
Receivables	8	1,218	2,019
Prepayments and deposits		455	90
Inventories		404	335
Development property	9	3,115	3,647
Total current assets		51,043	46,407
Non-current assets			
Development property	9	-	2,941
Property, plant and equipment	10	624,275	624,035
Investment property	11	105,850	96,250
Total non-current assets		730,125	723,226
Total assets		781,168	769,633
Current liabilities			
Payables	12	11,092	7,821
Booking deposits held		7,492	7,650
Unearned income	13	10,367	9,948
Accrued employee benefits		600	400
Total current liabilities		29,551	25,819
Non-current liabilities			
Payables	12	855	781
Unearned income	13	-	10,611
Accrued employee benefits		73	132
Total non-current liabilities		928	11,524
Total liabilities		30,479	37,343
Net assets		750,689	732,290
Equity			
Accumulated surplus		290,125	287,106
Asset revaluation surplus	14	460,564	445,184
Total equity		750,689	732,290

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
 Consolidated Statement of Changes in Equity
 for the year ended 30 June 2017

	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2015	291,656	432,269	723,925
Operating result from continuing operations	(4,550)	-	(4,550)
Other Comprehensive Income			
- increase in asset revaluation surplus	-	12,915	12,915
Balance as at 30 June 2016	287,106	445,184	732,290
Balance as at 1 July 2016	287,106	445,184	732,290
Operating result from continuing operations	3,019	-	3,019
Other Comprehensive Income			
- increase in asset revaluation surplus	-	15,380	15,380
Balance as at 30 June 2017	290,125	460,564	750,689

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
Consolidated Statement of Cash Flows
for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges and sale of goods		85,307	89,620
Interest		877	718
GST collected on sales and charges		8,696	8,956
GST input tax credits received from ATO		256	212
<i>Outflows:</i>			
Employee expenses		(3,384)	(2,687)
Supplies and services		(67,727)	(68,930)
GST paid on purchases		(4,101)	(3,851)
GST remitted to ATO		(5,088)	(5,138)
Net cash provided by operating activities	15	14,836	18,900
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for property, plant and equipment, and investment property		(9,301)	(6,271)
Net cash (used in) investing activities		(9,301)	(6,271)
Net increase in cash and cash equivalents		5,535	12,629
Cash and cash equivalents at beginning of financial year		40,316	27,687
Cash and cash equivalents at end of financial year	7	45,851	40,316

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

Objectives of South Bank Corporation

The objectives of South Bank Corporation (the Corporation) are to: promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation area; to the highest possible standards and in the interest of the people of the City of Brisbane and of Queensland. The Corporation's vision is to make Brisbane's South Bank the most vibrant urban and cultural precinct in the world.

The Corporation provides services on a fee for service basis including:

- Convention and exhibition space facilities, including associated food and beverage sales,
- Retail and commercial tenancies and
- Car parking facilities.

It also sells development property by leasehold.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The Corporation is constituted as a body corporate by virtue of the *South Bank Corporation Act 1989* (the Act), and is a statutory body within the meaning of the *Financial Accountability Act 2009*. The South Bank Corporation has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards and Interpretations, the Queensland Treasury's Minimum Reporting Requirements for the year ended 30 June 2017 and other authoritative pronouncements. They have been prepared on an accrual basis using historical costs unless otherwise stated.

The Corporation has applied the Australian Accounting Standards and Interpretations applicable to not-for-profit entities, as it is a not-for-profit statutory body.

Accounting policies have been applied on a basis consistent with the previous financial year.

The Auditor-General of Queensland is the auditor of the Corporation and the South Bank Employing Office.

b. The Reporting Entity

The consolidated financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Corporation and the entity it controls: the South Bank Employing Office (SBEO).

The Corporation as an economic entity consists of the parent entity together with the SBEO as a controlled entity. In order to provide enhanced disclosure, the Corporation has adopted the principles outlined in Australian Accounting Standard AASB 10 *Consolidated Financial Statements*. This approach is considered appropriate as it reflects the relationship between the Corporation's core business activities and those of the SBEO. In the process of reporting on the Corporation as a single economic entity, all transactions and balances internal to the consolidated group have been eliminated in full.

The financial statements cover the consolidated financial statements of South Bank Corporation and its controlled entity as a consolidated group. The financial statements of South Bank Corporation as an individual parent entity are not materially different from those of the consolidated group and are therefore not shown separately in this report. These immaterial differences are listed in Note 16 to provide full disclosure.

c. Management and maintenance of the Parklands

The State Government, the Corporation and the Brisbane City Council (the Council) have entered into an agreement to lease the South Bank Parklands to the Council for the purpose of carrying out the management, operation, maintenance, promotion and administration of the Parklands. The lease commenced on 1 July 2013 and the Council (through its wholly owned entity the City Parklands Services Pty Ltd) is responsible for all parkland services including maintenance, horticulture, security, parklands cleaning, marketing and venue hire within the Parklands.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

d. Brisbane Convention and Exhibition Centre (BCEC)

The Corporation's financial statements include the ownership and operation of the Brisbane Convention and Exhibition Centre (BCEC) and the associated assets, liabilities, revenues and expenses. Management of the BCEC is outsourced with the Centre Manager – acting as agent for the Corporation - responsible for its day to day management and operation including: standards of operations, quality of service, marketing, staffing, cleaning, maintenance, safety and security.

e. Taxation

The Corporation is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from, and FBT and GST payable to, the Australian Taxation Office are recognised.

f. Insurance

It is the Corporation's policy to insure against potential liabilities or losses that would materially affect its operations and assets. Non-current physical assets and other risks are insured through the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis.

In addition, premiums are paid to WorkCover Queensland to provide employee compensation cover.

g. Revenue

The Corporation's revenue from continuing operations includes: sale of goods including food and beverages, venue hire, car parking income, and rental and outgoings received or receivable from properties leased by the Corporation.

User charges, sale of goods and other revenue are recognised upon provision of the particular service and when measurable with a sufficient degree of certainty. This involves either invoicing for related goods or services and/or the recognition of accrued revenue.

Revenue from the sale by leasehold of development land is only recognised once all pre-conditions to the granting of the lease are completed.

No Government grants were received during the reporting period.

h. Depreciation of Property, Plant and Equipment

Land is not depreciated as it has an unlimited useful life.

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the Corporation. Estimates of remaining useful lives are made on an annual basis for all assets. Expected useful lives, by asset type, are as follows:

Buildings	27-30 years
Land improvements	
• Hard landscaping	21-35 years
• Soft landscaping	3 years
• Riverwall and reclamation	50 years
• Lighting and electrical	15-20 years
Heritage and cultural assets	
• Nepalese Pagoda	18 years
• Artwork	n/a
Plant and equipment	
• Furniture and fittings	4-20 years
• Other	8-20 years

Where assets have separately identifiable components that are subject to regular replacements, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Assets under construction are capitalised as work in progress at cost, until completed, and are not depreciated.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

i. Impairment of Non-current Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Corporation determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as revenue, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j. Cash and cash equivalents

For the purposes of the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows, cash includes all cash, cash at bank and deposits at call with financial institutions.

k. Receivables

Trade receivables are recognised at the amounts receivable, as they are due for settlement within normal trading terms. Collectability of trade receivables are reviewed on an ongoing basis. An allowance for impairment is raised when doubt as to collection exists.

l. Inventories

Inventories represent goods held by the Corporation in the ordinary course of business and are stated at the lower of cost and net realisable value. Cost is assigned on a weighted average cost basis. Net realisable value is determined on the basis of the Corporation's normal selling pattern.

m. Development Property

Certain real property holdings are intended for sale by leasehold as part of the Corporation's objective to carry out and control the development of land within the Corporation area, and are classified in these statements as development property. Development property is recorded at the lower of cost and net realisable value, being in the nature of inventory.

Costs of preparing land for leasing are capitalised until all pre-conditions of the lease are completed. Revenue and costs are then brought to account in the Profit and Loss Statement.

Development property is treated as a current asset when the issuing of the leasehold is expected within 12 months.

n. Property, Plant and Equipment

The property, plant and equipment of the Corporation comprise the South Bank Parklands and the BCEC including land, buildings and related items of plant and equipment, other than investment property. Land includes land improvements.

Land improvements are long-life attachments to parcels of land that increase the land's usefulness or value, have a limited useful life and are depreciated.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

n. Property, Plant and Equipment (cont)

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are recognised for financial reporting purposes in the year of acquisition:

Land	\$1
Land improvements	\$10,000
Buildings	\$10,000
Heritage and cultural assets	\$5,000
Plant and equipment	\$5,000
Computer software	\$100,000

Items with a lesser value are expensed.

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. Any training costs, however, are expensed as incurred.

o. Revaluation of Non-current Physical Assets

The Corporation values land (other than development property), buildings, and heritage and cultural assets in accordance with the AASB 116 *Property, Plant & Equipment*, AASB 13 *Fair Value Measurement* and the Queensland Treasury's *Non-Current Asset Policies for the Queensland Public Sector*. It is the Corporation's policy to record all land, buildings, and heritage and cultural assets at fair value, being the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date taking into account the highest and best use of the asset that is physically possible, legally permissible and financially feasible. Revaluations are made with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at the reporting date. All other classes of assets are recorded on a cost basis less depreciation and impairment losses. In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by the Corporation to materially represent their fair value at the end of the reporting period.

Plant and equipment is measured at cost in accordance with the Queensland Treasury's *Non-Current Asset Policies for Queensland Public Sector*. The carrying amount for these assets should not materially differ from their fair value.

Revaluation increments are credited directly to the asset revaluation surplus of the appropriate class, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Statement of Comprehensive Income, the increment is recognised immediately as revenue in that statement. Revaluation decrements are recognised immediately as expenses in the Statement of Comprehensive Income, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

On revaluation accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Separately identifiable components of assets are measured on the same basis as the assets to which they relate.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

p. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Corporation include, but are not limited to, published sales data for land and general office buildings. Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Corporation include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Corporation's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities of the Corporation for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and

level 3 – represents fair value measurements that are substantially derived from unobservable inputs .

None of the Corporation's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the Corporation's Property, Plant and Equipment and Investment Property is outlined in Notes 10 and 11 respectively.

q. Investment Property

Investment property, which is property held to earn rentals and or for capital appreciation, is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value being revalued as at each reporting date. Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property. If there is no active property market, alternative calculation methods are used such as recent selling prices in less active markets, or discounted cash flow projections.

Pursuant to AASB 140 *Investment Property* investment buildings under construction are included within the investment property category, rather than within Property, Plant and Equipment (and being measured at cost prior to completion). Consequently, investment buildings under construction are also measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case, the property concerned is measured at cost until fair value can be reliably determined). In determining a fair value for investment buildings under construction, a value is determined as at reporting date for an equivalent completed building (using current construction plans and all available relevant information), and this value is adjusted proportionately to reflect the percentage of completion and remaining costs to complete construction as at reporting date.

Gains or losses arising from changes in the fair value of investment property are included in the operating result for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Rental received from investment property is recognised as income on a periodic straight line basis over the lease term.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

r. Payables

Trade creditors and accruals represent liabilities for goods and services provided to the Corporation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within normal trading terms.

s. Unearned Income

The Corporation can earn revenue from the sale of development property by leasehold. Premiums received in advance of the granting of the leasehold are recognised as unearned income until all pre-conditions to the granting of the lease are completed. The corresponding land is recognised as an asset of the Corporation until such time as the revenue is earned.

Deposits received or receivable for services not yet provided, such as venue hire, are recognised as unearned income in the Consolidated Profit and Loss Statement until the services have been provided.

t. Accrued Employee Benefits

Annual leave and sick leave

All liabilities for annual leave are expected to be paid within twelve months of the reporting date. Such liabilities in respect of employees' services up to the reporting date are measured at the amounts expected to be paid when the liabilities are settled, plus relevant on-costs. No liability is recognised for non-vesting sick leave as the anticipated pattern for future sick leave indicates that accumulated non-vesting sick leave will never be paid.

Long Service Leave

Long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Future payments not expected to be paid within 12 months are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. Relevant on-costs are included in the determination of the provision.

Superannuation

Employer contributions for superannuation expenses are included in the Consolidated Profit and Loss Statement. Beyond the agreed contributions to the various funds the Corporation has no financial commitment to the funds.

u. Leases

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

The Corporation has no finance leases.

v. Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Consolidated Profit and Loss Statement when the Corporation becomes a party to the contractual provisions of the financial instrument.

Classifications

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss;
- Receivables – held at amortised cost;
- Payables – held at amortised cost; and

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Corporation are included in Note 17.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

w. New and Revised Accounting Standards

The Corporation did not change any of its accounting policies during the 2016-17 financial year.

The Corporation is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury. Consequently, the Corporation has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Corporation applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)

These standards will first apply to the Corporation from its financial statements for 2018-19. The main impacts of these standards on the Corporation are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Corporation's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Corporation has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of the new standard will depend on the facts and circumstances existing at that date, the Corporation's conclusions will not be confirmed until closer to that time.

At this stage, and assuming no change in the types of transactions the Corporation enters into, all of the Corporation's financial assets are expected to be required to be measured at fair value (instead of the measurement at depreciated cost). In the case of the Corporation's major financial asset, its current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

Another impact of AASB 9 relates to calculating impairment losses for the Corporation's receivables. Assuming no substantial change in the nature of the Corporation's receivables, no material change is expected.

AASB 16 Leases

This standard will first apply to the Corporation from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Impact for Lessees

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for agencies that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the agency's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

Impact for Lessees (cont)

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The Corporation will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

The Corporation leases property it then sub-leases, but has not yet quantified the impact on the Profit and Loss Statement or the Balance Sheet of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

Impact for Lessors

For lessor like the Corporation, which does not provide finance leases, accounting under AASB 16 remains largely unchanged from the current standard AASB 117.

All Other Standards

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Corporation's activities, or have no material impact on the Corporation.

x. Judgements and Assumptions

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potentially significant effect are outlined in the following statement notes:

- Receivables Note 8,
- Property, plant and equipment, and depreciation Note 10,
- Investment property Note 11, and
- Payables Note 12.

y. Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero.

Comparative information has been reclassified and restated where necessary to be consistent with disclosures in the current reporting period.

z. Issuance of Financial Statements

The financial statements are authorised for issue by the Board of South Bank Corporation at the date of signing the Management Certificate.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
2 USER CHARGES		
Venue hire	26,043	25,123
Rental income	12,521	12,444
Car parking	19,680	18,286
Other	53	75
Total	58,297	55,928
3 SALE OF GOODS		
Food and beverage sales	26,361	26,190
Total	26,361	26,190
4 EMPLOYEE EXPENSES		
Employee Benefits		
Wages and salaries	2,821	2,208
Superannuation	376	294
Recruitment	125	6
Other	203	157
Total	3,525	2,665

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis is: 30 (2016: 25).

Key Executive Management Personnel

The following details for Key Executive management personnel include positions that had authority and responsibility for planning, directing and controlling the activities of the Corporation during the 2016-17 financial year. The Chair, Board Members and Chief Executive Officer are appointed by the Governor in Council.

Position	Responsibilities	Date of initial appointment	Date of resignation or cessation
Board Chair	Strategic management	March 2016	-
Board Members – one		February 1997	-
Board Members – seven		March 2016	-
Board Members – one		June 2016	-
Chief Executive Officer (CEO) - former	Strategic planning, development, and the efficient and effective management of the Corporation.	August 2012	September 2016
CEO – interim		September 2016	July 2017

Further information can be found in the body of the Annual Report of the Corporation under the section relating to Executive Management.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

(a) Remuneration 2016-17

Position	Short Term Employee Benefits	Post Employment Benefits	Total Remuneration
	Base \$'000	\$'000	\$'000
Board Chair	46	4	50
Board Members – total for seven Members	96	9	105
Board Members employed by Queensland Government	-	-	-
Board Member employed by Brisbane City Council	-	-	-
Chief executive Officer – to Sept 2016	94	5	99
Chief executive Officer – from Sept 2016	229	20	249
Total	465	38	503

Remuneration 2015-16

Position	Short Term Employee Benefits	Post Employment Benefits	Total Remuneration
	Base \$'000	\$'000	\$'000
Board Chair – current (from 1 March 2016)	15	2	17
Board Chair – former (to 29 February 2016)	30	3	33
Board Members – total for seven Members	37	3	40
Board Members employed by Queensland Government	-	-	-
Board Member employed by Brisbane City Council	-	-	-
Chief executive Officer	296	25	321
Total	378	33	411

(b) Remuneration expenses

Remuneration expenses for key management personnel comprise the following components:

- Short-term employee benefits which include: salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position.
- Post-employment benefits include amounts expensed in respect of employer superannuation obligations.

No long term employee benefits, such as long service leave, were expensed during the year.

(c) Performance payments

Performance bonuses are not paid under the contracts in place.

Related Party Transactions

An architectural firm controlled by a board member has been contracted to design fitout works for a property being leased by the Corporation. The firm was contracted by the Corporation, in part, because it designed the building for the owners. Total estimated consideration paid to the firm was \$16,000. The fee was contracted on normal commercial terms and rates.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

	2017 \$'000	2016 \$'000
5 SUPPLIES AND SERVICES		
BCEC:		
- Advertising, marketing and Public Relations	989	776
- Asset repairs and maintenance	3,756	4,249
- Electricity	2,773	2,481
- Operating costs and management fee	5,834	6,029
- Staffing charges	31,388	30,520
External audit fees	95	92
Investment property operating costs	5,646	5,702
Insurance premiums - QGIF	861	899
Operating lease rentals	559	536
Marketing and sponsorship	308	151
Other supplies and services	2,302	2,030
Total	54,511	53,465
<p>The total external audit fees of the Queensland Audit Office relating to the 2016-17 financial year are estimated to be \$95,000 (2016: \$92,000). There are no non-audit services included in this amount.</p> <p>Fees paid to the independent Chair of the Audit Committee \$7,400 (2016: \$4,200).</p>		
6 OTHER EXPENSES		
Contribution to management of the South Bank Parklands by the Brisbane City Council	10,635	10,251
less		
Contribution recognised as capital works owned by the Corporation	(1,291)	(1,049)
Other	355	198
Total	9,699	9,400
7 CASH AND CASH EQUIVALENTS		
Cash on hand	152	544
Cash at bank	5,484	7,742
Deposits at call	40,215	32,030
Total	45,851	40,316
8 RECEIVABLES		
Trade and other receivables	1,219	2,125
Less allowance for impairment	(1)	(106)
Total	1,218	2,019
9 DEVELOPMENT PROPERTY		
Current		
Development property	3,115	3,647
Non-current		
Development property	-	2,941
Total	3,115	6,588
At cost	752	1,562
Capitalised development costs	2,363	5,026
Total	3,115	6,588

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

9 DEVELOPMENT PROPERTY (cont)

As at 30 June 2017 the Directors of the Corporation Board estimate the fair market value of the development property to be approximately \$10 million (2016: \$20 million) in accordance with the Corporation's accounting policy at Note 1(m). This valuation has not been recognised in the financial statements. Furthermore, the Directors expect that the carrying value of the land will not exceed the present value of the net cash flows resulting from the realisation of the land.

	2017 \$'000	2016 \$'000
10 PROPERTY, PLANT AND EQUIPMENT		
Land and land improvements		
At fair value	290,548	287,823
Less impairment loss	(8,020)	(8,020)
Less accumulated depreciation	(42,879)	(39,346)
	<u>239,649</u>	<u>240,457</u>
Buildings		
At fair value	655,510	627,470
Less accumulated depreciation	(285,664)	(257,088)
	<u>369,846</u>	<u>370,382</u>
Heritage and Cultural assets		
At fair value	10,747	10,617
Less accumulated depreciation	(3,825)	(3,593)
	<u>6,922</u>	<u>7,024</u>
Plant and equipment		
At cost	21,524	21,210
Less accumulated depreciation	(16,431)	(15,881)
	<u>5,093</u>	<u>5,329</u>
Work in progress		
At cost	2,765	843
	<u>2,765</u>	<u>843</u>
Total	<u>624,275</u>	<u>624,035</u>
Summary		
Property, plant and equipment at fair value or cost	981,094	947,963
Less impairment, asset write down and accumulated depreciation.	(356,819)	(323,928)
Total	<u>624,275</u>	<u>624,035</u>

Land and land improvements

As at 30 June 2017 and 2016, land of the South Bank Parklands (excluding development land) and the land occupied by the Brisbane Convention and Exhibition Centre were independently valued by the State Valuation Services of the Department of Natural Resources and Mines.

The valuations were made on the basis of a comparison with sales of properties which have similar attributes and which generally form part of a similar real estate market of lands considering: location, development potential, access to facilities and other community amenities, and overall size. The valuations were determined by reference to the best use physically possible, legally permissible and financially feasible, which would result in the highest value. Opportunities that are not available to the Corporation are not taken into account. Land has been valued as vacant land and exclude buildings and improvements constructed upon the land. The valuations recognise that the properties are historically prone to flooding, however due to the use and prime location of the properties, the longer term impact on values of this event are expected to be minimal.

For land occupied by the Brisbane Convention and Exhibition Centre: mixed commercial, retail and residential uses were considered appropriate for the notional development of the site for the purposes of determining the value of the land for financial reporting purposes. The highest and best use of the balance of land is for parklands, in line with the Approved Development Plan for South Bank.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

Land and land improvements (cont)

All land improvements - such as landscaping and civil works - were valued separately from the land as at 30 June 2017 and 2016 by an independent valuer: based on the depreciated replacement cost of the assets, taking into consideration their remaining useful life.

Buildings

The commercial car park and buildings utilised by the Corporation for its own use were valued as at 30 June 2017 and 2016 by independent valuers CBRE Valuations using 'fair value' principles as disclosed in Note 1(p), based on current market values.

The Brisbane Convention and Exhibition Centre building and all non-commercial buildings, such as the South Bank Piazza, were valued by an independent valuer as at 30 June 2017 and 2016, based on the depreciated replacement cost, due to there not being an active market for such facilities. The depreciation replacement cost was based on a combination of internal records of the original cost of the specialised fit out, published construction rates for various standard components of buildings and taking into consideration the assets condition and their remaining useful life.

Heritage and Cultural Assets

Heritage and Cultural Assets were valued as at 30 June 2017 and 2016 by independent valuers. Artworks, predominately of aboriginal paintings, were valued using 'fair value' principles based on current market values from lists of public auction results and from research conducted with private dealers. The Nepalese Pagoda is valued using written down replacement cost (taking into consideration its remaining useful life) as no active market exists.

Plant and Equipment

Plant and equipment is valued at cost in accordance with Queensland *Treasury's Non-current Asset Accounting Policies for the Queensland Public Sector*.

Property, plant and equipment reconciliation:

Fair value level	Land and Improvements (level 3) \$'000	Buildings (level 3) \$'000	Heritage & Cultural (level 3) \$'000	Plant & Equipment n/a \$'000	Work in progress n/a \$'000	Total \$'000
2017						
Balance 1 July 2016	240,457	370,382	7,024	5,329	843	624,035
Additions	601	2,014	-	1,354	1,922	5,891
Revaluation increment	1,893	13,458	29	-	-	15,380
Depreciation	(3,302)	(16,008)	(131)	(1,590)	-	(21,031)
Balance 30 June 2017	239,649	369,846	6,922	5,093	2,765	624,275
2016						
Balance 1 July 2015	236,436	377,481	7,080	5,773	1,874	628,644
Additions	2,125	2,732	56	1,332	(1,031)	5,214
Revaluation increment	6,229	6,667	19	-	-	12,915
Depreciation	(4,333)	(16,498)	(131)	(1,776)	-	(22,738)
Balance 30 June 2016	240,457	370,382	7,024	5,329	843	624,035

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

Plant and Equipment (cont)

Level 3 significant valuation inputs for the major assets:

Asset class - Description	Fair value at 30 June 2017	Fair value at 30 June 2016	Type of significant level 3 inputs
Land - South Bank Parklands	\$34.5 million	\$34.0 million	Effective rate per sq. metre.
Land - Brisbane Convention and Exhibition Centre	\$115 million	\$115 million	Effective rate per sq. metre.
Land Improvements	\$90.1 million	\$91.4 million	Remaining useful life and costs per component.
Buildings - Brisbane Convention and Exhibition Centre	\$268 million	\$270 million	Remaining useful life and costs per component.
Buildings - South Bank car park	\$92.9 million	\$92.3 million	Capitalisation rate for sale of lessee interest and rate for sale on going concern basis.

	2017 \$'000	2016 \$'000
11 INVESTMENT PROPERTY		
Fair value levels - refer Note 1(p)	(level 3)	(level 3)
Balance as at 1 July	96,250	87,900
Additions & work in progress	3,410	1,057
Fair value adjustment	6,190	7,293
Balance as at 30 June	105,850	96,250

Level 3 significant valuation inputs and relationships to fair value for the major assets are:

Description	Fair value as at 30 June 2017	Fair value as at 30 June 2016	Type of significant level 3 inputs
South Bank Parklands	\$26.3 million	\$22.2 million	Capitalisation rate
Little Stanley and Grey Streets	\$58 million	\$52.8 million	Capitalisation rate
River Quay	\$8.7 million	\$8.3 million	Capitalisation rate
BCEC on Grey	\$12.8 million	\$13.0 million	Capitalisation rate

The Parklands investment properties were independently valued as at 30 June 2017 and 2016 by CBRE Valuations using the income approach, based on current market values and the rental stream received for the property. The valuations consider the estimated rental capacity of individual tenancies using results to date and current budgets, combining the properties into three groups based on their location and market segment: the Parklands, River Quay and Little Stanley St.

Realisable values could vary from the valuations depending on changed circumstances.

Valuations provided are for the land and buildings used. The split between land and buildings has not been obtained.

Investment property is leased on terms which vary depending on the use of the property and other relevant factors. There were no properties that did not generate rental income during the period. No contingent rentals were recognised during the current or prior period.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

11 INVESTMENT PROPERTY (cont)

The future minimum lease payments receivable under non-cancellable leases are:

	2017 \$'000	2016 \$'000
Not later than one year	9,547	7,546
Later than one year and not later than five years	29,826	25,962
Later than five years	28,807	27,127
Total	68,180	60,635

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal.

The Corporation does not have any contractual obligations requiring it to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

	2017 \$'000	2016 \$'000
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12 PAYABLES

Current

Trade payables	2,151	2,198
Accrued expenditure	5,827	2,570
Sundry payables	2,964	2,666
	<u>10,942</u>	<u>7,434</u>
GST receivable	(605)	(340)
GST payable	755	727
	<u>150</u>	<u>387</u>
Total	11,092	7,821

Non-current

Sundry payables	<u>855</u>	<u>781</u>
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13 UNEARNED INCOME

Current

Unearned income	10,367	9,948
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Non-current

Unearned income	-	10,611
Total	10,367	20,559

Unearned income includes premiums received for the sale of development land expected to be completed in the 2017-18 financial year.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

14 ASSET REVALUATION SURPLUS BY CLASS

	Land and Improvements	Buildings	Heritage & Cultural	Total
2017	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016	216,028	223,723	5,433	445,184
Revaluation increment	1,893	13,458	29	15,380
Balance as at 30 June 2017	217,921	237,181	5,462	460,564
2016				
Balance as at 1 July 2015	209,799	217,056	5,414	432,269
Revaluation increment	6,229	6,667	19	12,915
Balance as at 30 June 2016	216,028	223,723	5,433	445,184

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	2017 \$'000	2016 \$'000
15 RECONCILIATION OF OPERATING SURPLUS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating profit / (loss)	3,019	(4,550)
<i>Non-cash items:</i>		
(Gain) on revaluation of investment property	(6,190)	(7,293)
Depreciation	21,031	22,738
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in receivables	801	(450)
(Inc)/dec in prepayments and deposits	(365)	1,174
(Inc)/dec in inventories	(69)	3
(Inc)/dec in development property	3,473	(256)
(Dec)/inc in payables	3,345	(396)
(Dec)/inc in accrued employee benefits	141	(22)
(Dec)/inc in unearned income & deposits	(10,350)	7,952
Net cash from operating activities	14,836	18,900

16 DIFFERENCES BETWEEN THE FINANCIAL STATEMENTS OF THE CONSOLIDATED ENTITY AND THE PARENT ENTITY - SOUTH BANK CORPORATION

All employees with the exception of the Board Members and Chief Executive Officer are employed by the South Bank Employing Office (SBEO). The Corporation has entered into an arrangement for the SBEO employees to perform the work of the Corporation. The SBEO's sole client is South Bank Corporation.

SBEO operates on a break even basis each year. It owns a bank account but has no physical assets and is indemnified for all liabilities by the Corporation.

	Consolidated 2017 \$'000	Parent 2017 \$'000
Profit and Loss Statement		
Interest income	877	876
Employee expenses	3,525	556
Supplies and services expenses	54,511	57,479
Total Expenses	58,036	58,035

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

16 DIFFERENCES BETWEEN THE FINANCIAL STATEMENTS OF THE CONSOLIDATED ENTITY AND THE PARENT ENTITY - SOUTH BANK CORPORATION (cont)

The difference between the consolidated financial statements and the statements of South Bank Corporation are:

- Interest received by SBEO of \$1,000.
- Employee expenses of \$2,969,000 incurred by SBEO are classified as supplies and services expenses by South Bank Corporation.

	Consolidated 2017 \$'000	Parent 2017 \$'000
Balance Sheet		
<i>Current liabilities</i>		
Payables	11,092	11,765
Accrued employee benefits	600	-
<i>Non-current liabilities</i>		
Accrued employee benefits	73	-
	11,765	11,765

The difference between the consolidated financial statements and the statements of South Bank Corporation are:

- Accrued employee benefits are classified as Payables by South Bank Corporation.

	Consolidated 2017 \$'000	Parent 2017 \$'000
Cash Flow Statement		
Interest income	877	876
Employee expenses	3,384	415
Supplies and services expenses	67,727	70,695
Total Expenses	71,111	71,110

The difference between the consolidated financial statements and the statements of South Bank Corporation are:

- Interest received by the entity SBEO of \$1,000.
- Employee expenses of \$2,969,000 incurred by SBEO are classified as supplies and services expenses by South Bank Corporation.

17 FINANCIAL INSTRUMENTS

(a) Categorisation of Financial Instruments

The Corporation has the following categories of financial assets and financial liabilities.

	Note	2017 \$'000	2016 \$'000
Category			
Financial asset			
Cash and cash equivalents	7	45,851	40,316
Receivables	8	1,218	2,019
Total		47,069	42,335
Financial Liabilities			
Payables	12	11,947	8,602
Total		11,947	8,602

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2017

17 FINANCIAL INSTRUMENTS (cont)

(b) Fair Value

It is considered that the carrying amount of the Corporation's financial assets and financial liabilities closely approximate their fair value and therefore no fair value is disclosed.

(c) Financial Risk Management

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

Financial risk management is implemented pursuant to the Corporation's policies which focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Corporation. The Corporation measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method
Credit risk	Ageing analysis
Liquidity risk	Sensitivity analysis
Interest rate risk	Interest rate sensitivity analysis

I. Credit Risk Exposure

No significant credit risks have been identified. Credit risk refers to the situation where a financial loss may be incurred as a result of another party failing to discharge their obligations in relation to a financial asset of the Corporation.

I. Liquidity Risk

Liquidity risk refers to the situation where the Corporation may encounter difficulty in meeting obligations associated with financial liabilities in the normal course of business. It manages this risk by monitoring forecast cash flows to ensure it has sufficient funds available to meet employee and supplier obligations at all times.

II. Interest Rate Risk

No material interest rate risk has been identified. The Corporation's exposure to interest rate risk is mainly attributable to variable interest rates on cash held with Queensland Treasury Corporation.

18 COMMITMENTS FOR EXPENDITURE

Non-cancellable Operating Lease Commitments

Commitments under operating leases at reporting date, exclusive of GST, are payable as follows:

	2017 \$'000	2016 \$'000
Not later than one year	553	569
Later than one year but not later than five years	61	1,115
Total commitments	614	1,684

Operating leases, with fixed lease payments, are entered into as a means of acquiring access to assets, mainly retail space. There are no other material commitments contracted for but not recognised as a payable at balance date.

19 CONTINGENT ASSETS AND LIABILITIES

The Corporation has received notification of public liability claims that could result in litigation. The Corporation believes that any material liability will be indemnified by the Corporation's insurer or the insurer for the manager of the BCEC.

There are no other contingent assets or liabilities.

20 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

No material events have occurred between the reporting date and the signing of these financial statements.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

21 BUDGET VS ACTUAL COMPARISON

Consolidated Profit and Loss Statement

	Notes	Budget 2017 \$'000	Actual 2017 \$'000	Variance favourable/ (unfavourable) \$'000
Income from Continuing Operations				
User charges and fees	1	91,871	94,856	2,985
Interest		650	877	227
Gains				
Gain on revaluation of investment property	2	2,340	6,190	3,850
Total Income from Continuing Operations		94,861	101,923	7,062
Expenses from Continuing Operations				
Employee expenses		2,955	3,525	(570)
Supplies and services		64,065	64,649	(584)
Depreciation		23,000	21,031	1,969
Other expenses	3	7,633	9,699	(2,066)
Total Expenses from Continuing Operations		97,653	98,904	(1,251)
Operating Result from Continuing Operations		(2,792)	3,019	5,811

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

21 BUDGET VS ACTUAL COMPARISON (cont)

Consolidated Balance Sheet

	Notes	Budget 2017 \$'000	Actual 2017 \$'000	Variance favourable/ (unfavourable) \$'000
Current assets				
Cash and cash equivalents	4	33,691	45,851	12,160
Receivables		1,569	1,673	(351)
Inventories		338	404	66
Other	5	1,264	3,115	1,851
Total current assets		36,862	51,043	14,181
Non-current assets				
Property, plant and equipment		722,857	730,125	7,268
Other	5	3,076	-	(3,076)
Total non-current assets		725,933	730,125	4,192
Total assets		762,795	781,168	18,373
Current liabilities				
Payables	6	8,234	11,092	(2,858)
Provisions/Employee benefits		423	600	(177)
Other	7	6,309	17,859	(11,550)
Total current liabilities		14,966	29,551	(14,585)
Non-current liabilities				
Payables		764	855	(91)
Provisions/Employee benefits		131	73	58
Other	7	10,423	-	10,423
Total non-current liabilities		11,318	928	10,390
Total liabilities		26,284	30,479	(4,195)
Net assets		736,511	750,689	14,178
Total equity		736,511	750,689	14,178

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2017

21 BUDGET VS ACTUAL COMPARISON (cont)

Statement of Cash Flows

	Notes	Budget 2017 \$'000	Actual 2017 \$'000	Variance favourable/ (unfavourable) \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
User charges and sale of goods		85,921	85,307	(614)
Interest		650	877	227
Other	8	4,000	8,952	4,952
<i>Outflows:</i>				
Employee expenses		(2,955)	(3,384)	(429)
Supplies and services		(64,437)	(67,727)	(3,290)
Other		(11,633)	(9,189)	2,444
Net cash provided by /(used in) operating activities		11,546	14,836	3,290
Cash flows from investing activities				
<i>Outflows:</i>				
Payments for property, plant and equipment, and investment property	9	(16,478)	(9,301)	7,177
Net cash provided by /(used in) investing activities		(16,478)	(9,301)	7,177
Net increase /(decrease) in cash and cash equivalents		(4,932)	5,535	10,467
Cash and cash equivalents at beginning of financial year		38,623	40,316	1,693
Cash and cash equivalents at end of financial year		33,691	45,851	12,160

Explanations of major variations

- The increase is mainly due to higher turnover by the Brisbane Convention and Exhibition Centre.
- The increase is due to higher than anticipated gains on revaluation of investment properties driven by capital investments by the Corporation and strong trading results by some tenancies.
- Other expenses have increased with contributions to the Parklands' maintenance by the Council being directed to operating costs rather than capital works.
- The increase in cash is due to a better than budgeted operating result and deferred capital expenditure.
- A development property asset has been transferred from non-current assets to current assets to recognise its expected sale in the 2018 financial year, nearly 12 months ahead of schedule.
- The increase in payables is a normal fluctuation in trading payments.
- Non-current other liabilities have been reclassified as current other liabilities to recognise the expected sale of development land in the coming 12 months, for which premiums have already been received and are shown as an unearned income liability.
- The increase in Other cash inflows from operating relates to higher than expected GST collected on sales with GST received and paid offset in the budget process.
- Actual payments for investment activities were below budget with a number of capital works deferred to later periods.

Certificate of South Bank Corporation

These general purpose financial statements have been prepared pursuant to section 62(1) of the provisions of the *Financial Accountability Act 2009* (the Act), section 42 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the South Bank Corporation for the financial year ended 30 June 2017 and of the financial position of the Corporation at the end of that year; and
- these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



Catherin Bull AM
Chairperson



Jemina Dunn
Chief Executive Officer



Trevor Marsden
Chief Financial Officer

Date: 17 August 2017

Independent Auditor's Report

To the Board of South Bank Corporation

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of South Bank Corporation (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2017, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the consolidated balance sheet as at 30 June 2017, the consolidated profit and loss statement and statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the Entity for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards; and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report...

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



David Adams
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

22 August 2017

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister(s)	ARRs – section 7	P1
Accessibility	Table of contents Glossary	ARRs – section 9.1	P(i)
	Public availability	ARRs – section 9.2	P2
	Interpreter service statement	Queensland Government Language Services Policy	P2
	Copyright notice	ARRs – section 9.3 <i>Copyright Act 1968</i>	P2
	Information Licensing	ARRs – section 9.4 Queensland Government Enterprise Architecture- Information licensing	P2
		ARRs – section 9.5	
General information	Introductory Information	ARRs – section 10.1	P3-4
	Agency role and main functions	ARRs – section 10.2	P5-11
	Operating environment	ARRs – section 10.3	P12-18
Non-financial performance	Government objectives for the community	ARRs – section 11.1	P19
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	P19
	Agency objectives and performance indicators	ARRs – section 11.3	P19
	Agency service areas and service standards	ARRs – section 11.4	P19-20
Financial performance	Summary of financial performance	ARRs – section 12.1	P21
Governance – management and structure	Organisational structure	ARRs – section 13.1	P22
	Related entities	ARRs – section 13.3	P22
	Executive management	ARRs – section 13.2	P23-25
	Public Sector Ethics Act 1994	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	P26
	Queensland public service values	ARRs – section 13.5	P6

Compliance checklist...

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	P27
	External scrutiny	ARRs – section 14.4	P27
	Audit and Risk Committee	ARRs – section 14.2	P27
	Internal Audit	ARRs – section 14.3	P27
	Information systems and record keeping	ARRs – section 14.5	P27
Governance – human resources	Workforce planning, attraction and retention	ARRs – section 16.1	P27
	Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment</i> (from 20 May 2016) ARRs – section 15.2	P27
Open Data	Statement advising publication of information	ARRs – SECTION 16	P2 & P28
	Consultants	ARRs – section 33.1	P28
	Overseas travel	ARRs – section 33.2	P28
	Queensland Language Services Policy	ARRs – section 33.3	P28
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	P55
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	P56-57

ARRs Annual report requirements for Queensland Government agencies

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2009