

Annual Report 2019 – 2020



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Letter of compliance

11 September 2020

The Honourable Cameron Dick
Treasurer, Minister for Infrastructure and Planning
1 William Street
Brisbane QLD 4000

Dear Treasurer,

I am pleased to submit for presentation to the Parliament the Annual Report 2019 – 2020 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 2019*; 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 62 of this annual report.

Yours sincerely,



Leon Allen
Chair
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 2000.

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More information:

- Queensland Government Enterprise Architecture – Information licensing <http://www.qgcio.qld.gov.au/products/information-licensing>
- Australian Government’s Open Access and Licensing Framework (AusGOAL) <http://www.ausgoal.gov.au/>
- Contact: Queensland Government Chief Information Office (QGCI/O), Department of housing and Public Works qgcio@qgcio.qld.gov.au Tel: 3215 3900

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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	<i>South Bank Corporation Act 1989 (Qld)</i>
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 2019</i>
FTE	Full-time equivalent
SBEO	South Bank Employing Office

South Bank Corporation overview

A Message from the Chair and Chief Executive Officer

The past year has presented both opportunities and challenges like no other for South Bank Corporation. For more than 30 years we have overseen the development and sustainability of the South Bank precinct and we are proud of our achievements, as outlined in this Annual Report.

In 2019-20 the Corporation embarked upon its new Future South Bank Master Plan, which will provide the renewal and rejuvenation plan for the next 30 years of the precinct. We have undertaken comprehensive planning and community engagement activities across Brisbane and South East Queensland. We have also continued to partner with our stakeholders throughout the precinct and government agencies.

The Riverside Open Space project is well underway and will revitalise the land where the Riverside Restaurants once stood. The 6816m² area will be transformed into a new open green space in the heart of South Bank. The project has been designed and is being constructed to meet the high standards always upheld by the Corporation, which will have the capacity to be enjoyed by thousands of visitors.

Our commercial activities continue to underpin the retail and car park offering. The Corporation continually works to improve car park performance and invest in retail, including through its digital platform, www.eatsouthbank.com.au, which promotes our retail portfolios through marketing promotions and events. The onset of the coronavirus pandemic affected our commercial segments, however the Corporation was an early mover to offer retailers rent relief from March – September 2020 to alleviate some of the impacts on their businesses, both short and longer term.

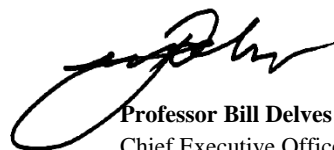
Like most tourism and business hubs across Queensland, the pandemic's impacts upon the precinct have been far reaching, and the parklands and convention centre were almost deserted during the lockdown period. While we missed the constant buzz of activity across the precinct, our beautiful area was still a magnet for people to exercise, get outside and purchase from our retailers, many of whom dug deep and continued to trade in a safe manner through the height of the pandemic. The Corporation is thankful to everyone who played a very important part to keep the precinct operational during the crisis.

Finally, we would like to thank the outgoing Chair, Emeritus Professor Ian O'Connor, who sadly had to resign due to personal reasons. Professor O'Connor led the South Bank Corporation Board since March 2019 and provided insightful leadership throughout his term and particularly for the current master planning process. We wish him and his family all the best. In addition, it is also important to acknowledge and thank the Corporation Board and team for all of their work over the past year.

While we are looking forward to 2021, we work today to protect the long-term future of this most iconic precinct in Brisbane.



Leon Allen
Chair



Professor Bill Delves
Chief Executive Officer

Corporation role and vision

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
- achieve excellence and innovation in the management of open space and park areas.

OUR STRATEGY

Our vision

To be...

A world leading urban precinct that welcomes, engages and inspires.

Our mission

We will...

- provide a diverse range of experiences for locals and visitors
- achieve excellence and innovation in open space
- accommodate events that benefit the whole community
- complement other Brisbane destinations
- achieve a balance between commercial and non-commercial activities
- renew and manage the unique South Bank assets.

Our values

We will strive to be...

- inclusive
- sustainable
- collaborative
- curious
- bold.

Also, the Corporation's staff incorporate 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 suggested 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.

Our purpose

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 sites, while strengthening physical integration and relationships within the immediate neighbourhood.

Furthermore, the Corporation is building on its position as a strong organisation that implements the 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 it remains relevant over the long term.



Agency role and main functions

Our strategic objectives

1	Deliver a world class public precinct.
2	Master planning the Corporation area to maximise its relevance for the next 30 years, while integrating with adjoining precincts' visions.
3	Optimise revenue to deliver on the broad functions of the South Bank Corporation Act 1989.
4	Provide a range of recreational, cultural and educational activities for local, regional and international visitors.
5	Ensure the precinct complements, rather than duplicates, other destinations in Brisbane.
6	Curate public events and entertainment that benefit the general community.
7	Ensure a democratic space.
8	Identify and manage safety and security risks.
9	Partner with Brisbane City Council to achieve excellence and innovation in the open space management.
10	Enhance the sustainability performance of the precinct.
11	Promote engagement, collaboration and social responsibility.

Agency role and main functions

Operating environment

South Bank, one of the city's best assets, is Brisbane's place of celebration. Opposite the CBD and linked by the Brisbane River, the 42-hectares of South Bank sits at the heart of a rich enclave of retail, cultural and educational establishments at the forefront of architecture, leisure, experiences, green space, aquatic activities, 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.

Our place is 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 by pedestrians, bikes, bus, ferry and train.

The precinct has become a model for planning authorities around the world, which 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, 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 decades to inform the future 30 years with a new master plan that will revitalise the ageing, and much-loved, infrastructure.

The Corporation is intrinsically aware of the constant need for renewal, maintaining and improving assets to meet increasing user demand. We are actively viewing and planning to ensure that South Bank precinct's core values are upheld as we connect with our visitors.

Several major developments will transform Brisbane including; Queen's Wharf, Cross River Rail, Neville Bonner Bridge, Brisbane Metro and the New Performing Arts Venue at QPAC. The increase in new precincts will naturally bring greater competition, which means South Bank will need to remain complementary and relevant.

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.

On 1 July 2013, the Queensland government and the Corporation entered into a 10-year lease agreement with Brisbane City Council (BCC) to carry out the management, operation, maintenance, promotion and administration of the South Bank Parklands. BCC, through its wholly owned entity City Parklands Services Pty Ltd, is responsible for all parkland services.

The Brisbane Convention & Exhibition Centre is managed by ASM Global as agent for the Corporation.

Agency role and main functions

Our places – leisure and commercial



South Bank Parklands is Queensland’s premier lifestyle and cultural destination, open 365 days a 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.

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 peninsula. The Corporation looks forward to welcoming future generations of visitors to this vibrant, authentic and inclusive inner-city oasis.

To add further to this amenity, a significant urban renewal project is underway. The Riverside Open Space project will transform the space previously occupied by the flood-damaged Riverside Restaurants building into an almost 7000 square metre public green open space in the heart of South Bank.

Additionally, the Corporation is undertaking the Future South Bank Master Plan, which will ensure South Bank remains Brisbane’s favourite destination and continues to meet the needs of the community. The 30-year master plan will shape the precinct’s long-term future and will look at how to refresh and revitalise one of Brisbane’s favourite destinations.

The precincts

South Bank comprises a variety of areas and each has been carefully created to attract a diverse range of visitors.



South Bank Parklands

South Bank Parklands open spaces and public areas are managed by BCC, through its subsidiary City Parklands Services Pty Ltd, while South Bank Corporation is responsible for the cafes, restaurants, retail outlets, roads, footpaths and public car park.

Covering 17 hectares of riverfront land, the parklands features a rainforest, picnic areas and free swimming facilities, including an iconic man-made beach. It is also home to a year-round calendar of events and has many eateries catering to a range of tastes and budgets.

The parklands are a place to learn about healthy, active and modern living through the many experiences and initiatives on offer.

South Bank Parklands is a place where locals and visitors can take time out to relax in a natural setting, just moments from the CBD.

Little Stanley Street

Little Stanley Street is a multicultural food destination and a popular Brisbane eat-street. It offers an array of cafes, bars and restaurants with a variety of cuisines from Italian, Vietnamese, Mexican, Turkish and more.

Little Stanley Street embodies the subtropical energy and vibrancy of our city in a contemporary setting overlooking South Bank Parklands.

Stanley Street Plaza

Stanley Street Plaza is in the heart of South Bank and on the doorstep of our famous beach. The plaza is home to casual dining and eclectic markets.

Grey Street

Centered 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, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Centre and the State Library of Queensland. Further on, is the Queensland Conservatorium, ABC and Cineplex. Grey Street is Brisbane's cultural boulevard where commerce meets with creativity delivering a diverse offering.

River Quay

River Quay offers an award-winning dining experience, with stunning river views and direct access from the promenade, Goodwill Bridge and the South Bank Arbour. Each of the restaurants: Stokehouse, Aquitaine, Popolo, Jetty and River Quay Fish integrate seamlessly into the natural surrounds and the riverscape. Offering

fine dining, these restaurants provide memorable dining experiences within an unmatched riverside setting.

Situated in front of the restaurants is River Quay Green, a large lawn for the community to enjoy. The Green hosts events and free live music throughout the year.

Central cafes

Predominantly a food-based property portfolio currently comprising tenants that include popular fast service dining on the doorstep of South Bank's water activities.

South Bank car park

The South Bank underground car park is an 866-bay dual-level public parking facility providing another transport option with ease of access to South Bank.

Brisbane Convention & 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. Managers of BCEC, ASM Global, have managed the Centre since 1995.

Operational highlights

Brisbane Convention & Exhibition Centre

Snapshot for the 2019-2020 year until cessation of operation in April 2020

Total event numbers 713

Total visitation 528,549

These included:

- 77 conventions held
- Total delegate numbers (conventions only) 38,372
- 556 Corporate Meetings and Functions
- 34 Public and Trade Exhibitions

The Centre is holding 1,436 bookings for events up to 2027.

The economic value of these future events to Queensland is \$1.05 billion.

Response to COVID-19

Queensland Treasurer, the Hon. Cameron Dick formally announced the reopening of the Centre from August 2020 following its closure in April 2020 due to the COVID-19 pandemic. The reopening followed approval by Queensland Health of the Centre's Site Specific COVID Safe Plan.

The Plan was developed, in consultation with government and health authorities, and covered all areas of the Centre's operation and is underpinned by hygiene, health and safety protocols of the highest standards.

The BCEC Plan is integrated with VenueShield, a new environmental hygiene protocol developed by the BCEC Manager's parent group, ASM Global and rolled out at ASM Global's 325 venues worldwide. VenueShield provides the most advanced hygiene safeguards and exceeds current regulations.

A newly developed BCEC Safe Event Guideline has been prepared specifically to assist in the planning of events at the Centre and this document encompasses all the necessary health and hygiene safeguards, food safety measures and social distancing required under the Centre's opening conditions.

Operational highlights

The global Coronavirus COVID-19 pandemic has created unique challenges in the operation of most Queensland businesses for the 2019 – 2020 Financial Year.

Those challenges are particularly acute for the Business Events Industry, causing in turn, the centre to close for three months leading into the end of the Financial Year.

The centre has been profitable since opening and previous to the pandemic the Centre was on track for another successful year in this, its 25th year of operation.

The centre achieved a key milestone, celebrating 25 years of delivering major events to Brisbane and Queensland during the COVID shutdown.

The centre is proud of its impressive record of 25 years of continued successful operation, hosting some 22,000 events and welcoming 18.5 million visitors during that time.

A major contributor to the economic fabric of Queensland, responsible for more than 70 per cent of delegate days to Brisbane each year, the Centre's Business Events portfolio has wide and enduring benefits associated with knowledge wealth, employment and industry growth and development.

The centre's COVID Safe Plan has been approved by Queensland Health and the Centre looks forward to welcoming events back to BCEC in 2020-21.

Awards and recognition

- Hospitality Qld – Chef of the Year awarded to Sous Chef Mathew Lee
- Qld Government - #eatqld Champion awarded to Executive Chef David Pugh
- Meetings and Events Australia State Awards – Event Capacity more than 1500
- Meetings and Events Australia State Awards – Banqueting and Catering
- Meetings and Events Australia National Awards - Banqueting and Catering

Initiatives and highlights

New branding

The centre underwent a brand refresh to reflect a future business environment in its 25th year of operation.

The centre's logo evolved from the historic five sails design, symbolic of the original Merivale Street building to one overarching sail, acknowledging the emergence of the centre's boutique events hub, BCEC on Grey Street.

The campaign – *Our City Your Canvas* – speaks to BCEC's deep connection with Brisbane and our pride in shining a light on the city's many rich experiences.

The new colour palette reflects both the venue and its location – the rich vibrancy of the riverside South Bank Parklands and the lights that illuminate a beautiful Brisbane city.

Advocates

BCEC Convention Advocates Partnership is a highly successful strategic partnership with Queensland's top scientists, researchers, business leaders and innovators attracting scientific conferences to Brisbane.

The 2019-20 Financial Year saw an additional nine Advocate assisted conferences confirmed for BCEC and Brisbane with an economic impact of \$8.8million, bringing the total tally of Advocate bid wins to 127 to

date with a total economic benefit of \$171.9million. BCEC Advocates continue to work with the centre driving business events into Queensland and accelerating international exposure of Brisbane and Queensland's world leading science and research.

Highlight conventions

- Xerocon Brisbane 2019: 2,800 delegates
- SIGGRAPH Asia 2019: 2,500 delegates
- Asia Pacific Cities Summit and Mayor's Forum 2019: 788 delegates
- TROPAg 2019 (International Tropical Agriculture Conference): 600 delegates
- IATA 145th Slot Conference 2019: 850 delegates

Highlight exhibitions

- The Brisbane Home Show 2019
- World Travel Expo 2019
- Brisbane Boat Show 2019
- Oz Comic-Con 2019
- Craft and Quilt Fair 2019



Operational highlights

Renewal project - Riverside Open Space

Visitors to South Bank will soon be able to experience stunning city views, lush rainforest and a new connection to the Brisbane river as construction continues on the Corporation's latest urban redevelopment project, Riverside Open Space. The space will be a world-class example of design excellence and urban renewal. The green space will entice visitors back to an area that was devastated by the 2011 floods.

Riverside Open Space project will deliver a high-quality 6816m² green space that will leverage the prime riverfront position and will set a new benchmark in quality parklands for the public within the precinct, which will include landscaped areas, a 2200m² river lawn for open air events, and a riverside community shade house. The new green community space will also feature barbecue facilities, public art, riverfront events and function space.

Uniquely Queensland, this project reflects the wider precinct experience of our leafy outdoor subtropical lifestyle, combined with the connection to the Brisbane River and CBD.

Future South Bank Master Plan

After more than 30 years, South Bank remains Brisbane's favourite destination, so it's important we plan South Bank's future and ensure it continues to meet the needs of the community in a changing world.

Our vision for South Bank is for a world leading urban precinct that welcomes, engages and inspires. The 30-year master plan will shape a long-term future for South Bank. It will look at how to refresh and revitalise the precinct, make more efficient use of space, create more usable green space, improve access for all people and develop new uses and opportunities to align with the vision for South Bank, our changing city, and future generations.

It will cover the 42-hectare South Bank Corporation area, including the 17-hectare area of the parklands precinct, and commercial assets such as the retail tenancies and underground car park. It will also consider how South Bank connects to and complements its surrounding areas.

Retail marketing – eatSouthbank

From early 2020, COVID-19 had a major impact on the global economy, with the hospitality industry being one of the hardest hit. South Bank's precinct visitation and consequently, retail spend reduced dramatically due to Government restrictions, retail closures and reduced footfall.

The Retail Marketing team spent early 2020 establishing a comprehensive 'relaunch strategy' designed to drive visitation back into the precinct and encourage retail spend.

During this time, the eatSouthBank digital platform became an increasingly important tool for communicating with the community throughout the pandemic. The digital channels kept the community up to date on the evolving requirements and restrictions for retail, whilst also ensuring that retailers still trading could promote their business.

In the first half of the financial year, there was a strong emphasis placed upon precinct activations paired with complementary digital campaigns in order to drive sales and reinforce our position as Brisbane's premier dining destination.

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

- *Website*
 - 5,015,400 page views
 - 2,208,200 sessions
- *Social Media*
 - Facebook = 50K followers
 - Instagram = 37K followers
- *Database*
 - Subscribers = 55k followers

Other major marketing initiatives implemented in the 2019-20 financial year include:

- Regional Flavours - retail activations (eatSouthBank street stalls and River Quay Gourmet food vending).
- Trick or Treat Little Stanley Street - Family-friendly Halloween event.
- Sunday Social free music program on River Quay Green.
- Christmas Markets - retailer integration in the form of street stalls.
- Australia Day on the Green - free Australia Day music program on River Quay Green.
- Valentine's Day Campaign pop up on Little Stanley Street.

- Free Parking Campaign – Retail campaign offering free parking to diners of South Bank Corporation restaurants.
- COVID-19 take away and free parking campaign.
- eatSouthBank Concierge - loyalty discount cards for BCEC patrons.
- Locals campaign - loyalty and discount card for those who live in the 4101 postcode Sunday Social – free music program on River Quay Green.

Corporate social responsibility

South Bank Corporation is committed to the long-term sustainability of its operations and has a number of ongoing initiatives that promote positive social and environmental change.

Community

South Bank is truly one of the world's great community spaces. The precinct has several community-focused sustainability initiatives in place such as CityCycle stations; bike racks and walking and cycling tracks throughout South Bank Parklands to encourage active transport; a viewing deck and educational animations at Rain Bank to educate the community about water recycling; and Regional Flavours, an annual, free community event that educates visitors about regional produce and sustainable living.

Riverside Open Space

The Riverside Open Space project will transform almost 7000 square metres of South Bank Parklands to extend the existing Riverside Green Lawn and provide various new outdoor publicly accessible recreational parkland spaces. New sheltered community spaces will be set between the new lawns and the rainforest, overlooking the Brisbane River.

Sustainability

One of the Corporation's core values is to continue to be ecologically and financially sustainable. The precinct is a leader in sustainable development, which is managed on a financially sustainable basis to allow the Corporation to deliver community benefits over the long-term.

Water

Rain Bank is an innovative storm water harvesting and reuse centre. Rain Bank can recycle up to 77 megalitres of storm water each year — that's enough to provide 85 per cent of the parkland's irrigation and non-potable water requirements. Rain Bank has been an exemplar project in the water industry and has received a range of prestigious awards.

Waste

South Bank Corporation is constantly working to reduce the amount of waste produced and its impact on the environment. Some of the measures in place to manage waste sustainably include: recycling programs for our

most commonly produced waste like fluorescent lighting, batteries, paper products, green waste, oil, glass and aluminium products and recycling bins are located throughout the precinct. Additionally, we send all non-recyclable items to a bioenergy facility for disposal in an environmentally friendly manner. The Corporation uses bio-friendly products for cleaning, landscaping and general maintenance. An organic waste stream has been introduced at River Quay, which has resulted in a substantial reduction in the amount of general waste going to landfill. The pulp master grinds the organic waste into liquid, which is on-sold to farmers as fertiliser.

BCEC sustainability and community

Sustainability

The centre continues to lead the way in sustainability for the meetings and events industry, with the installation of 764 solar panels on the roof of its Grey Street building by the Centre's owners, South Bank Corporation.

The 309 kilowatt solar system will supply 18 per cent of energy demand from the operation of the Centre.

The introduction of solar was part of a program of energy and cost saving initiatives which also included LED lighting system for the Centre's Exhibition Halls, Concourse and Car Park, which have been equipped with smart lighting control facilitating daylight harvesting.

Community

At Christmas 500 families most in need were invited to the Centre's 11th annual traditional Christmas lunch for those under the care of The Salvation Army's many programs.

The centre hosted OzHarvest's Brisbane birthday fundraiser, where Brisbane's leading chefs, including BCEC Executive Chef, David Pugh, participated in baking *Cakes for a Cause*. The event raised in excess of \$50,000 with cakes going to individuals and families in the community.

Strategic risks, opportunities and challenges

The past year has been one of significant change and development for South Bank Corporation. In response to the COVID-19 pandemic the Corporation has been focused on supporting retailers, and working with stakeholders and the community to maintain safety while carrying out necessary operations.

The excellence that South Bank demonstrates is the product of the commitment and energy applied by many stakeholders over the decades. The South Bank Corporation Board is continuing that commitment by implementing strategies that will – with broad consultation – review and reassess the way in which South Bank Corporation area continues to evolve, excite and maintain relevancy for a future South Bank.

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

The impact of COVID-19 pandemic response and recovery has seen the Corporation significantly refocus its services in the second half of the 2019-20 year. The Corporation transitioned to a largely remote workforce, which had varying impacts on operations and future planning of the Future South Bank Master Plan.

A key objective of the Corporation's new works is to boost the capacity of South Bank to meet demand for green space and recreation areas to cater for that population growth. Renewing, maintaining and revitalising our ageing assets and public open spaces is a high priority.

South Bank is undoubtedly one of Queensland's signature iconic destinations. However we must maintain our attractiveness by evolving our places, while adjusting the mix and quality of our public offer.

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

Operational plans and priorities

South Bank Corporation's Board identified the following key projects as major priorities for the 2019–2020 financial year:

Master plan: the Future South Bank Master Plan will look at how to refresh and revitalise South Bank, make more efficient use of space, create more usable green

space, improve access for people and explore possible new uses and opportunities to align with the vision for South Bank, our changing city, and future generations.

Riverside Open Space: construction continued on the urban renewal project, which is transforming the site into a new almost 7000 square metre public open space that will create a new green heart for South Bank.

Photovoltaic installation: a 309 kilowatt system with 764 solar panels was installed on the roof of the Grey Street side of the Brisbane Convention & Exhibition Centre. Local Brisbane business GEM Energy Australia Pty Ltd won the open-market tender to install the panels that employed 37 construction contractors.

Approved Development Plan (ADP) Amendments: The Corporation will continue to manage any changes required to the ADP.

Retail management

The following leasing initiatives were delivered to meet the challenging retail environment, to further enhance South Bank's diverse retail offer while underscoring the precinct's reputation as Brisbane's premier dining destination.

- Activating vacant spaces with 'pop-up' opportunities while seeking permanent retailers.
- Securing permanent retailers for vacant spaces.
- Undertaking capital expenditure projects in the parklands, including upgrades to grease and storm water pumps on Little Stanley Street and upgrades to fan coil units.

Brisbane Convention & Exhibition Centre

The Brisbane Convention & Exhibition Centre in the 2019–20 financial year:

- Leveraged and maximised the Centre's experience and wealth of industry knowledge.
- Expanded and further developed the role of the BCEC Convention Advocates Partnership, particularly in the area of creating new conferences for Brisbane.

- Increased the share of major international, national and interstate and local conventions.
- Accessed new markets, attracted new events and promoted the BCEC outside the mainstream convention and exhibition markets to maximise usage and financial returns to South Bank Corporation.
- Continued to build the centre's partnership portfolio.
- Maintained BCEC's leadership in the social responsibility space.
- Maintained BCEC to world class standards and apply the highest standards of professionalism in customer service.
- Increased and maximised existing flow-on economic benefits to the state of Queensland
- Contributed to the visitation of the South Bank precinct.
- Continued to capitalise on its new creative branding and online social media and marketing.

Managed the impact of COVID-19 on the Centre's operations:

- Activated BCEC's Pandemic Plan as part of the Centre's Crisis Response Manual
- Maintained a small Business Continuity Team throughout the crisis
- Maintained strong involvement with peak industry bodies to influence advocacy for Business Events
- Stayed connected to clients, both booked and prospective, guests and the community
- Proactively assisted clients in postponing events to a period later in 2020 or 2021
- Developed a reopening strategy including:
 - preparation of COVID Safe Site Specific Plan which was approved by Queensland Health.
 - prepared Guidelines for clients to host events under the COVID Safe Plan and ASM Global VenueShield.
 - focused sales efforts on local and national markets to maximum opportunities for BCEC and Queensland.

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

CONTRIBUTION TO THE STATE GOVERNMENT'S OBJECTIVES

Objective	South Bank Precinct contribution
Create jobs in a strong economy	The Corporation's plan supports this priority by attracting and hosting events and activities, which boost the economy and create jobs to support event delivery. Our construction projects and retailers contribute to development and job creation in addition to other capital and maintenance projects delivered every year. South Bank is also a major education hub in Brisbane, teaching and housing many students.
Give our children a great start	Our precinct is a popular and safe venue for families from diverse backgrounds. South Bank is a haven of fun activities, playgrounds, swimming, water play, green open space and educational events.
Keep Queenslanders healthy and communities safe	South Bank operates at a high standard, is well maintained, safely operated and enables recreational health and fitness activities for a diverse range of visitors. The parklands are also a place for respite. The Corporation has an operational focus on risk management, user safety, workplace health and safety, incident management and reporting. We also work with key partners such as City Parklands Services and Queensland Police Service to ensure our crowded places and array of precinct venues are safe and protected for the community.

Other whole-of-government plans/specific initiatives

The Queensland Government has endorsed the Corporation's preparation of the Future South Bank Master Plan that will revitalise and renew aging assets and highly utilised infrastructure.

Agency service areas, service standards and other measures

The services of South Bank Corporation significantly altered from 1 July 2013 with the management of South Bank Parklands, its marketing and activation activities largely transferred to the BCC. In addition to implementation of the COVID-19 crisis response plan, the Corporation in the 2019-20 financial year achieved its service summary that includes:

- Continuation of the Future South Bank Master Plan.
- Continued to manage and enhance, with BCC, the distinct elements of the precinct that make South Bank Brisbane's favourite place to work, live and play.

- Continued to consider and identify future opportunities for the management and use of land and other property within the Corporation area.
- Worked with relevant stakeholders to ensure the best possible outcome for the landing of the proposed Neville Bonner Bridge in the parklands.
- Worked with QPAC and Arts Queensland to ensure the best possible outcome for the New Performing Arts Venue.
- Worked with relevant stakeholders on construction projects that impact the precinct.

Agency objectives and performance indicators

The Corporation continued to focus on its corporate goals throughout the year. Our performance management systems continue to ensure that employees are working effectively and efficiently across the Corporation.

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 visitor 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.

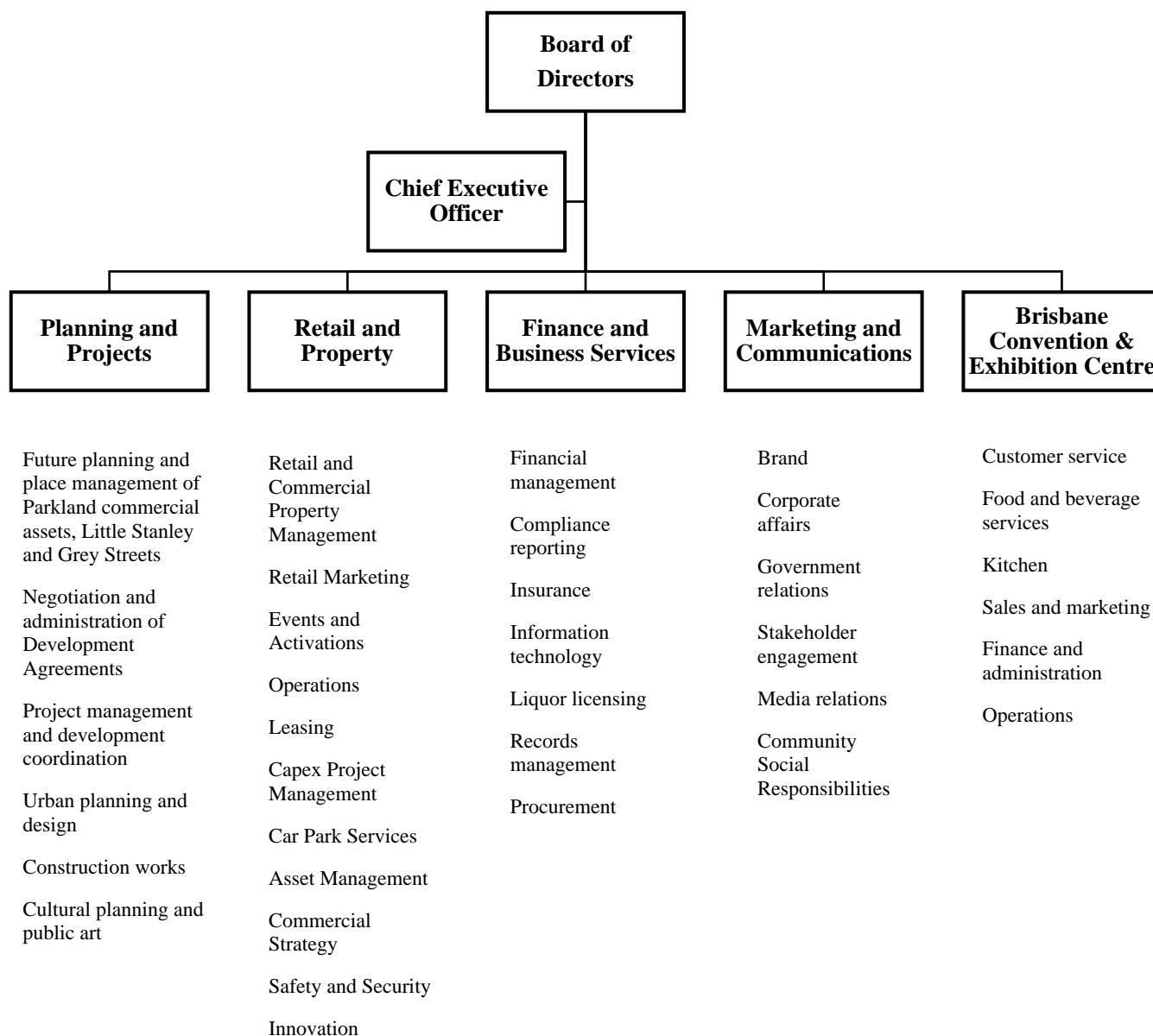
South Bank Corporation recorded a net operating loss of \$31 million for the 2019–20 year, after a \$13 million reduction in the value of investment properties and depreciation of \$24 million.

A significant portion of the Corporation's operations have been impacted by the COVID-19 pandemic. Government directives to close non-essential businesses and social distancing restrictions resulted in major disruption to cafe and restaurant tenancies and closure of the Brisbane Convention & Exhibition Centre during April, May and June 2020. As a result, the Corporation derived limited revenue during this period.

	2015–16 (\$'m)	2016–17 (\$'m)	2017–18 (\$'m)	2018–19 (\$'m)	2019–20 (\$'m)
Revenue	83	86	88	97	74
Gain/(Loss) on revaluation of investment property	7	6	14	3	(13)
Sale of development land	-	10	10	-	-
Total income	90	102	112	100	61
Expenditure and losses	63	64	69	73	58
Cost of development land	-	4	3	-	-
Depreciation	23	21	22	23	24
Contribution to BCC's management of the South Bank Parklands	9	10	9	10	10
Total expenditure	95	99	103	106	92
Net result	(5)	3	9	(6)	(31)
Total assets	770	781	792	810	793
Net assets	732	751	770	786	771

Governance – management and structure

Organisational structure



Related entities

The South Bank Employing Office (SBEO)

All employees, with the exception of Board Members and Chief Executive Officer, are employed by the South Bank Employing Office (SBEO). 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 responsible Minister to a maximum of eight members and Brisbane City Council to two members.

The current Board has been appointed for a three-year term that expires on 28 February 2022. There were 16 Board meetings during the 2019–20 financial year.

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.

Our board of directors



LEON ALLEN

Leon Allen was appointed Deputy Under Treasurer, Queensland Treasury in May 2020 with responsibility for economic, fiscal and commercial policy. Leon's appointment came after 13 years with the Institutional Banking and Markets division of the Commonwealth Bank of Australia where he held senior leadership positions both domestically and internationally. His resume includes periods with the Australian Government's Department of Finance, Queensland Treasury and Ergon Energy.

He holds degrees from Griffith University and the Crawford School of Government and Economics at the Australian National University.

He was appointed as Chair of the Corporation in July 2020.



PROFESSOR EMERITUS IAN O'CONNOR AC

Ian O'Connor was Vice Chancellor and President of Griffith University for the period 2005 to 2018. He is Chair of the Board of Trustees of the Queensland Art Gallery and the Higher Education Standards Panel. In 2017 he was awarded the Companion of the Order of Australia for his contributions to the community.

Ian O'Connor was appointed Chair of the Corporation in March 2019 and resigned in July 2020.



MARGARET DE WIT, OAM

Margaret de Wit was a Councillor with Brisbane City Council for 19 years. During that time she chaired the portfolios of Infrastructure and Public and Active Transport and was Chairman of Council Local Government Association of Queensland and was the first President elected from Brisbane since 1921.



RICHARD KIRK

Richard is the founder of the architectural practice KIRK, which was established in 1995. Richard is an Adjunct Professor at The University of Queensland and is a Life Fellow of the Australian Institute of Architects (AIA) and a former National President of the AIA. He also has previously served on the Queensland Urban Design and Places Panel, the Board of Architects of Queensland, and the Brisbane City Council Independent Design Advisory Panel.



KYL MURPHY

Kyl Murphy is an experienced executive committed to ideas, integrity and inclusion. She has held senior roles in state, federal and local governments, in academia and the media and has facilitated successful cross-sector initiatives and partnerships. Kyl has led major projects on social policy reform, innovation integration and regional service delivery and served as State Director and Company Secretary for the Committee for Economic Development of Australia, a national independent research organisation. Kyl holds a Master of Business from QUT, is a graduate of AICD, of the Cranlana Executive Colloquium and of the INSEAD Executive Program. Kyl is a Director of the Community Services Industry Alliance and the Aboriginal Centre for the Performing Arts Pty Ltd, a national registered training organisation.



MICK POWER AM

Mick Power AM, Group Board Chairman and Managing Director of the BMD Group, has over 50 years of experience in the civil construction and urban development sectors. Under Mick’s leadership, BMD has grown from a small Queensland family business to become one of Australia’s largest privately owned engineering design, construction and land development contractors. With a 41 year history of delivering infrastructure which has changed the shape of Australia, BMD is renowned for projects including the Legacy Way tunnel and Brisbane’s recently completed New Parallel Runway. Mick has been a Brisbane City Council nominated member of the Corporation Board since 1997.



RACHEL HUNTER

In May 2020, Rachel was appointed to the role of Under Treasurer, Queensland Treasury. Rachel is a former Director-General of three Queensland Government departments – the Department of Justice and Attorney-General, the Department of Education, Training and the Arts and the Department of State Development, Manufacturing, Infrastructure and Planning. She also served as Queensland Public Service Commissioner from 2000 to 2003. Rachel also holds the position of Deputy Chancellor of Griffith University.



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 +.



CAROLINE STALKER

Caroline is a highly skilled designer, communicator and leader of teams for complex architectural and urban design projects. Her career spans over 30 years and a range of project types, including new communities, urban regeneration around transport hubs, transport and urban architecture, city and town centres, education architecture and master planning, public spaces, public buildings, mixed use and multi-residential buildings. Throughout her career Caroline has demonstrated a sustained commitment to enhancing people's connection to the natural world and each other through design, and an outstanding ability to take a holistic approach to the complex design challenges of cities. This has been recognised over the years through numerous architecture and planning awards. Caroline is an Adjunct Professor, School of Design, QUT Creative Industries, and has served on and chaired awards juries in both architecture and urban design. She is a member of the State Government Urban Design and Places Panel and Brisbane City Council Independent Design Advisory Panel. Caroline resigned from the Board on 3 September 2020.



MARINA VIT

Marina Vit is the Chief Operating Officer at Mosaic Property Group. Marina has significant industry experience, working in executive roles within highly regarded property development, government and not-for-profit organisations. Marina was previously the CEO of UDIA QLD, a position which she held for more than 5 years, where she transformed the organisation in terms of its long-term sustainability and the impact it delivered for its property industry members. She has also held high profile CEO roles with Youngcare and Brisbane Marketing; and was the Chief of Staff for the Lord Mayor of Brisbane. Marina is a former Director of Seqwater, and is a current Director of South Bank Corporation, and a Councillor on the State Government's Koala Advisory Council.



STEPHANIE WYETH

Stephanie Wyeth is an urban planner, researcher and strategist who specialises in the social dynamics of cities and communities. She has more than 20 years' experience in urban and social planning across government, NGO, academic and private sectors, with expertise in the design and delivery of community and stakeholder engagement programs for complex social infrastructure and master planning projects. Stephanie is a Planning Institute of Australia Fellow and active member of the Women in Planning Network (Queensland).

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.

Executive management

Chief Executive Officer – William Delves



Bill Delves has been the Chief Executive Officer at South Bank Corporation since November 2017.

Prior to joining South Bank Corporation, he was recognised in professional services for his experience in accounting, consulting, business leadership and entrepreneurship. With more than 30 years' experience, he has provided tailored business advice and led large professional services teams locally and globally at both EY and KPMG.

Bill's consulting and leadership experience has spanned a wide array of family business, private, corporate, not for profit, and

government entities that have drawn upon his expertise for both business and personal solutions. He has also created and led several innovative start-ups across different industries.

Bill now leads a passionate team at South Bank Corporation who deliver one of the most iconic urban and cultural precincts in the world. He works closely with Government's and the business community to deliver a welcoming place for everyone.

Bill is also an Honorary Professor at the University of Wollongong and chair's an advisory board for the Faculty of Business and Law.

Executive management team

Angela Harper, General Manager, Marketing and Communications

Angela Harper joined the Corporation in January 2018 and, prior to her resignation in August 2020, oversaw marketing and communications, including the diverse range of external affairs, stakeholder relations and media for the South Bank precinct. Angela brought extensive experience to the corporation in corporate affairs, including in the resources industry, government and worked across Australia as an AAP journalist. Prior to that, Angela served 10 years in the Australian Army.

Ryan McDonald, General Manager, Property

Ryan joined the Corporation in 2011 and manages South Bank Corporation's commercial asset division that includes the property, marketing, and car park portfolios. Ryan brings many years of business expertise in the retail management, leasing and operations sectors. His current appointment has seen him design and implement successful asset strategies, resulting in improved retail destinations through the development of a balanced food and beverage mix and strong precinct identities while also achieving exceptional visitation and turnover growth across the precinct.

Julia Scodellaro, General Manager, Planning and Projects

Julia Scodellaro joined the Corporation in 2013 and is responsible for overseeing the Planning and Projects team to ensure that all major development projects are delivered effectively across South Bank's 42-hectare precinct. The team also has the responsibility of delivering the South Bank Corporation Master Plan – Future South Bank. Julia has extensive experience in urban planning and a wide range of project developments including construction management and delivery of projects. Julia plays a key role in both the commercial and strategic planning for the precinct and is a key advocate of design excellence.

Trevor Marsden, Chief Financial Officer and Company Secretary

Having joined the Corporation in 2002, Trevor is responsible for reporting on all financial and compliance matters for the Corporation. He started his career in public accounting in the areas of taxation advice and business consulting. He is a chartered accountant, a graduate of AICD and holds an MBA from QUT. Trevor has worked in the South Bank precinct for almost 30 years.

Governance – management and structure

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 Stephanie Wyeth (Chair), Tim Quinn, Richard Kirk and Caroline Stalker. The Committee met eight times during the 2019-20 financial year.

Finance and Commercial Committee

The primary role of the Finance and Commercial Committee is to assist the Board in fulfilling its responsibility by providing advice and guidance on issues affecting the financial and commercial strategies and sustainability of the Corporation. The Committee members are Nigel Chamier (Chair), Kerry Doss and Stephanie Wyeth. The Committee met on five occasions during FY 2019-20.

Audit and Risk Committee

The South Bank Corporation Audit and Risk Committee provides advice to the Board and its members to assist in the effective discharge of the responsibilities prescribed in the *South Bank Corporation Act 1989*, *Financial Accountability Act 2019*, *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 framework and fraud management. 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 Karen Smith-Pomeroy (Chair), Kerry Doss, Mick Power and Ian Rodin. Gary Humphries retired as Chair and from the Committee in November 2019. The Committee met on five occasions during the year. A risk workshop was also held.

Governance – risk management, accountability and human resources

Risk management

South Bank Corporation maintains an enterprise Risk Framework Statement, Risk Appetite Statement and a strategic Risk Register to support its risk management framework. Both the Risk Appetite Statement and Risk Register were approved by the Board in May 2020. The register is provided to the Audit and Risk Committee at each of its meetings and is used in the preparation of the internal audit plan and strategies.

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

Areas of particular focus during the year have been the review and refresh of the Corporation's policies and procedures for precinct safety and security, information security/cyber security, and the Corporation's Business Continuity Plan.

External scrutiny

During the 2019-20 financial year, no external audits or reviews were conducted of South Bank Corporation other than the annual audit of the financial statements.

Internal audit

The Corporation's internal audit function is outsourced to the audit firm BDO. BDO prepares the annual internal audit plan in conjunction with management for approval by the Audit and Risk Committee. Internal audits undertaken during the year were;

- South Bank Corporation Payroll
- BCEC Payroll
- South Bank Corporation purchase order software.

Public Sector Ethics Act 1994

As a public sector entity, South Bank Corporation has a Code of Conduct in accordance with section 12M(2) of the Public Sector Ethics Act.

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

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

Employees are provided with a copy of the Code of Conduct on commencement of their employment. The Code is always available to employees 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 Company Directors, the Planning Institute of Australia, the Australian Institute of Project Management, the Urban Development Institute of Australia and the Property Council of Australia.

Online training using the MyCareer platform, developed by the Department of Science, Information Technology and Innovation, was provided to all staff during the year with staff required to complete training on:

- code of conduct
- cultural capability awareness
- domestic and family violence
- fraud and corruption
- information privacy
- Information Security.

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. Measures undertaken include:

- training relevant staff in the Corporation's electronic records management system
- continuing reduction in use of paper records by the Corporation's accounting system
- management of records in line with the Queensland State Archives' Retention and Disposal Schedule.

Strategic Workforce Planning and Performance

Two employees retired during the 2019-20 year and no staff resigned. While in the prior year four full-time positions resigned, representing an annualised turnover of 13 per cent.

During the year all staff were reminded of the Corporation's HR policies on: workplace health and safety, time off in lieu procedures, study assistance, working from home, workplace harassment prevention,

domestic and family violence and alcohol and drug policy.

The Corporation offers an employee assistance program to provide counselling and support service with access to an independent psychology practitioner on either a face-to-face basis or over the phone.

Redundancies

There were no redundancies or retrenchments during 2019–20.

Disclosure of additional information

Consultants costs

A summary of the Corporation's payments to consultants during the reporting period is 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 principle to the *Carers (Recognition) Act 2008* and the Carers Charter including principle number four and principle number seven:

- 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 carer

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

Human Rights Act 2019

South Bank Corporation has reviewed the Human Rights Act 2019 and considered its implications to the Corporation. A review of the Act was presented to the Audit and Risk Committee and the Corporation's executive management team and a review of its impact on the Corporation's policies and procedures is being performed. There were no human rights complaints during the year.

Right to Information

The Right to Information Act 2009 (Qld) enables the public to access documents held by the Corporation.

Financial statements

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SOUTH BANK CORPORATION
Consolidated Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<i>Income from Continuing Operations</i>			
User charges	B1	44,039	63,931
Sale of goods	B2	20,104	31,947
Other	B3	10,156	149
Interest		591	1,002
Total Revenue		74,890	97,029
<i>Gains</i>			
(Loss)/Gain on revaluation of investment property	C4	(13,044)	2,808
(Loss)/Gain on revaluation of right-of-use assets, investment property	C5	(267)	-
Gain on disposal of plant and equipment		-	10
Total Income from Continuing Operations		61,579	99,847
<i>Expenses from Continuing Operations</i>			
Supplies and services	B4	48,434	60,822
Cost of goods sold		4,813	7,419
Employee expenses	B5	5,002	4,950
Depreciation	C3	24,070	22,720
Interest on lease liabilities		101	-
Other expenses	B6	9,890	9,507
Total Expenses from Continuing Operations		92,310	105,418
Operating Result from Continuing Operations		(30,731)	(5,571)
<i>Other Comprehensive Income</i>			
<i>Items that will not be reclassified to operating result</i>			
Revaluation increment	C8	17,082	22,292
Total Comprehensive Income		(13,649)	16,721

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
Consolidated Balance Sheet
as at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<i>Current assets</i>			
Cash and cash equivalents	C1	27,891	54,064
Receivables	C2	10,416	2,210
Prepayments and deposits		105	192
Inventories		393	448
Total current assets		38,805	56,914
<i>Non-current assets</i>			
Property, plant and equipment	C3	636,530	628,942
Investment property	C4	112,750	124,500
Right-of-use assets, investment property	C5	5,006	-
Total non-current assets		754,286	753,442
Total assets		793,091	810,356
<i>Current liabilities</i>			
Payables	C7	7,104	13,894
Contract liabilities, deposits held		7,071	8,756
Lease liabilities	C6	618	-
Unearned income		32	53
Accrued employee benefits		469	468
Total current liabilities		15,294	23,171
<i>Non-current liabilities</i>			
Payables	C7	860	761
Lease liabilities	C6	5,821	-
Accrued employee benefits		282	195
Total non-current liabilities		6,963	956
Total liabilities		22,257	24,127
Net assets		770,834	786,229
<i>Equity</i>			
Accumulated surplus		261,424	293,901
Asset revaluation surplus	C8	509,410	492,328
Total equity		770,834	786,229

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
Consolidated Statement of Changes in Equity
for the year ended 30 June 2020

	Note	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2018		299,472	470,036	769,508
Operating result from continuing operations		(5,571)	-	(5,571)
Other Comprehensive Income				
- increase in asset revaluation surplus		-	22,292	22,292
Balance as at 30 June 2019		293,901	492,328	786,229
Balance as at 1 July 2019		293,901	492,328	786,229
Adjustment from the adoption of AASB 16 <i>Leases</i>				
	D8	(1,746)	-	(1,746)
Adjusted balance as at 1 July 2019		292,155	492,328	784,483
Operating result from continuing operations		(30,731)	-	(30,731)
Other Comprehensive Income				
- increase in asset revaluation surplus		-	17,082	17,082
Balance as at 30 June 2020		261,424	509,410	770,834

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
Consolidated Statement of Cash Flows
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges, sale of goods and other income		64,387	93,952
Interest		591	1,002
GST collected on sales and charges		5,958	10,281
GST input tax credits received from ATO		1,557	541
<i>Outflows:</i>			
Supplies and services		(68,766)	(74,913)
Employee expenses		(4,914)	(4,859)
Interest paid		(101)	-
GST paid on purchases		(5,011)	(4,273)
GST remitted to ATO		(3,424)	(6,445)
Net cash provided from / (used in) operating activities	CF-1	(9,723)	15,286
Cash flows from investing activities			
<i>Inflows:</i>			
Proceeds on sale of plant and equipment		-	10
<i>Outflows:</i>			
Payments for property, plant and equipment, and investment property		(15,871)	(7,719)
Net cash used in investing activities		(15,871)	(7,709)
Cash flows from financing activities			
<i>Outflows:</i>			
Lease payments		(579)	-
Net cash used in financing activities		(579)	-
Net increase in cash and cash equivalents		(26,173)	7,577
Cash and cash equivalents at beginning of financial year		54,064	46,487
Cash and cash equivalents at end of financial year	C1	27,891	54,064

The accompanying notes form part of these statements

South Bank Corporation
Consolidated Statement of Cash Flows
for the year ended 30 June 2020

Notes to the Consolidated Statement of Cash Flows

CF-1 Reconciliation of operating result to net cash provided by operating activities

	2020	2019
	\$'000	\$'000
Operating result	(30,731)	(5,571)
<i>Non-cash items:</i>		
Loss / (Gain) on revaluation of investment property	13,311	(2,808)
Depreciation	24,070	22,720
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in receivables	(8,206)	(706)
(Inc)/dec in prepayments and deposits	87	(33)
(Inc)/dec in inventories	55	(26)
(Dec)/inc in payables	(6,691)	2,998
(Dec)/inc in accrued employee benefits	88	91
(Dec)/inc in unearned income and deposits	(1,706)	(1,379)
Net cash from operating activities	(9,723)	15,286

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2020

About the Corporation and the financial report

A1 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
- car parking facilities.

A2 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 Corporation has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2019.

The Corporation is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis using historical cost unless otherwise stated, in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards applied for the first time in these financial statements are outlined in Note D8.

Except where stated otherwise accounting policies have been applied on a basis consistent with the previous financial year.

A3 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 ten year 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.

A4 Brisbane Convention & Exhibition Centre (BCEC)

The Corporation's financial statements include the ownership and operation of the Brisbane Convention & Exhibition Centre (BCEC) and the associated assets, liabilities, revenues and expenses. Management of the BCEC is outsourced with the Centre Manager – acting as an 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.

A5 Rounding and comparatives

Amounts included in the consolidated financial statements have been rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

The comparative information reflects the prior year audited consolidated financial statements except where comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current reporting period.

A6 Issuance of financial statements

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

A7 The reporting entity

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the 'economic entity' comprising South Bank Corporation and the entity it controls, the South Bank Employing Office (the Employing Office).

In order to provide enhanced disclosure, the Corporation has adopted the principles outlined in Australian Accounting Standard AASB 10 *Consolidated Financial Statements*. 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 difference between the consolidated group and the parent entity financial statements are classification differences as noted below and are not considered material.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2020

Consolidated Statement of Comprehensive Income

Reporting differences

- Employee expenses incurred by the Employing Office are classified as supplies and services expenses by the parent entity.

Consolidated balance sheet

Reporting differences

- Accrued employee benefits liabilities of the Employing Office are classified as payables by the parent entity.

Consolidated Statement of Cash Flows

Reporting differences

- Employee expenses incurred by the Employing Office are classified as supplies and services expenses by the parent entity.

A8 Controlled entity

The South Bank Employing office (the Employing Office) is a separate entity established by the *South Bank Corporation Act 1989*. The main function of the Employing Office is to enter into a work performance arrangement with the Corporation under which the employees of the Employing Office perform work for the Corporation. The Employing Office 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.

All employees are employed by the Employing Office, except for the Board Members and Chief Executive Officer.

A9 Going concern principle

The board in its considerations on the going concern basis of accounting has identified the following issues:

- A significant portion of the Corporation's operations have been impacted by the COVID-19 pandemic. Government directives to close non-essential businesses and social distancing restrictions has resulted in closure of the Brisbane Convention & Exhibition Centre and cafe and restaurant tenancies during April, May and June 2020.
- Uncertainty still exists given it is not known how long the travel restrictions and social distancing measures will be in place.
- The Corporation has derived limited revenue during this period thus contributing to its financial loss position of \$30.731 million and negative cash flows of \$9.723 million for the year ended 30 June 2020.

The significant impacts and transactions as a result of the pandemic have been detailed in the following notes:

- B2 Sale of Goods
- B4 Supplies and Services
- C3 (b) Buildings
- C4 Investment Property
- C5 Right-of-use assets, investment property.

It is acknowledged that there are a number of uncertainties outside the Corporation's control and possible future events such as trading restrictions into 2020-2021 which could impact on the Corporation's

financial position, however, management has considered a number of scenarios and based on the information available at the time of preparation of these financial statements the Board considers the going concern basis of accounting to be appropriate for the following reasons:

- Solid cash opening position
- Experienced management team
- Insurance claims to date for loss of revenue
- Easing of pandemic restrictions in Queensland and
- Government financial stimulus support.

The Corporation is currently working on the following strategies to ensure it can meet its current and future obligations, as and when they fall due:

- Strong monitoring of the cash position
- Review of capital expenditure requirements
- Review of operational expenditure and
- On-going discussions with venue hirers, retail tenants, health authorities and other stakeholders.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

Notes about our financial performance

Revenue

B1 User charges

	2020	2019
	\$'000	\$'000
Venue hire	20,425	31,307
Rental income	10,418	14,529
Car parking	13,196	18,095
Total	44,039	63,931

B2 Sale of goods

Food and beverage sales	20,104	31,947
Total	20,104	31,947

Impact of the COVID-19 pandemic on user charges and sale of goods

Venue hire and food and beverage sales revenue has been significantly affected by the COVID-19 pandemic with the Brisbane Convention & Exhibition Centre officially closed from 1 April 2020 through to 30 June 2020 and onwards.

The Corporation granted rental abatements to retail tenancies from 1 April to 30 September 2020. For the period from 1 April to 30 June 2020 the Corporation provided rental relief of approximately \$4million to its cafe and restaurant tenants who were required to close for almost all sales, except take-away sales, as per the Government's directions for social distancing. Rent refunds were also paid to tenants for the month of March 2020 as listed in note B4 Supplies and Services Expenditure.

The Corporation's car park suffered significant loss of revenue following the closure of: precinct cafes and restaurants, the parkland pools and playgrounds, and the closure of most commercial offices in the precinct.

Accounting policy - revenue

Venue hire revenue is recognised when the event has been held and the related services have been provided, which is the sole performance obligation. Venue hire revenue received before an event is held as a booking deposit and recorded as a liability in the consolidated balance sheet.

The adoption of rental income from investment properties is recognised on a straight-line basis over the lease term. The cost of lease incentives granted are recognised as a reduction of rental revenue on a straight-line basis from the lease commencement date to the end of the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Car parking facilities are provided by the Corporation within the South Bank area to the public. Revenue is recognised when the related services has been provided to the customer.

Food and beverage sales revenue is recognised on the transfer of the goods which is at the point of sale.

The adoption of AASB 15 *Revenue from Contracts with Customers* in 2019-20 did not change the timing of the recognition for revenue.

B3 Other income

Insurance recoveries	10,107	-
Other	49	149
Total	10,156	149

The Corporation is insured with the Queensland Government Insurance Fund for a range of business operations including public liability claims.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

EXPENSES

B4 Supplies and services

	2020 \$'000	2019 \$'000
Brisbane Convention & Exhibition Centre:		
• Staffing charges	26,735	34,629
• Operating costs and management fee	4,771	8,430
• Asset repairs and maintenance	3,530	4,385
• Electricity	1,992	2,617
• Advertising, marketing and public relations	620	1,035
Investment property operating costs	4,694	5,128
Sponsorship, retail marketing and precinct activation	637	1,180
Insurance premiums - QGIF	824	769
Operating lease rentals	8	594
Refunds of rental charges specifically due to COVID-19 pandemic	769	-
External audit fees	103	100
Other supplies and services	3751	1,955
Total	48,434	60,822

The total external audit fees of the Queensland Audit Office relating to the 2019-20 financial statements are estimated to be \$102,500 (2019: \$100,000). There are no non-audit services included in this amount.

Impact of the COVID-19 pandemic on user charges

With the closure of the Brisbane Convention & Exhibition Centre, from 1 April 2020 through to 30 June 2020 and beyond, stringent measures were taken to reduce costs by the company contracted to manage the Centre. The more than 500 casual staff employed by the Centre Manger, some long-term employees, were advised there would be no rostered work for them for the foreseeable future. All 207 BCEC permanent staff were stood down and access to leave payments were arranged. Only those staff required for essential services or special project work had returned to work by 30 June 2020.

B5 Employee expenses

Wages and salaries	4,391	4,184
Superannuation	516	495
Recruitment	-	83
Other employee benefits	95	188
Total	5,002	4,950

The number of employees as at 30 June, including full-time, part-time and casual employees, measured on a full-time equivalent basis is 33 (2019: 34). During the year, staff employed under the relevant certified agreement each received the \$1,250 one-off payment, or pro-rata for part time and casuals, under the Queensland Government's public sector wages policy: total \$24,237.

Accounting Policy – Employee Expenses

Wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the Consolidated Balance Sheet at the current salary rates. These liabilities are expected to be wholly settled within 12 months of reporting date and are recognised at undiscounted amounts.

Annual leave

Annual leave is recognised as accrued employee benefits in the Consolidated Balance Sheet and is measured at the amounts expected to be paid when the liabilities are settled, plus relevant on-costs. All liabilities for annual leave are expected to be paid within twelve months of the reporting date.

Sick leave

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. As sick leave is non-vesting an expense is recognised for this leave as it is taken.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

Long service leave

Long service leave is recognised as accrued employee benefits in the Consolidated Balance Sheet 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, relevant on-costs, 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.

Superannuation

Employer contributions for superannuation expenses are included in the Consolidated Statement of Comprehensive Income. Beyond the agreed contributions to the various funds the Corporation has no financial commitment to the funds.

B6 Other expenses

	2020	2019
	\$'000	\$'000
Contribution to management of the South Bank Parklands by the Brisbane City Council	12,215	10,728
less		
Contribution recognised as capital works owned by the Corporation	(2,433)	(1,605)
Other	108	384
Total	9,890	9,507

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

Notes about our financial position

C1 Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash on hand	152	152
Cash at bank	9,187	11,626
Deposits at call	18,552	42,286
Total	27,891	54,064

Accounting Policy - Cash and Cash Equivalents

For the purposes of the Consolidated Balance Sheet and the Consolidated Statement of Cash Flows, cash and cash equivalents includes all cash on hand, cash at bank and deposits at call with financial institutions.

C2 Receivables

Trade receivables	1,487	1,637
Government support and insurance recoveries	8,705	-
Accrued income	139	437
Other	85	136
Total	10,416	2,210

Accounting Policy - Receivables

Trade debtors are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase or contract price. Other receivables arise from transactions outside the usual operating activities of the Corporation. Receivables settlement is required within 14 days from invoice date.

The simplified approach to the impairment of trade receivables has been elected, as receivables do not contain a significant finance component. No provision for expected credit losses has been recognised on the basis of historical default rates, forwarding looking information and materiality.

Receivables are measured at amortised cost which approximates their fair value at reporting date.

C3 Property, plant and equipment

Property, plant and equipment reconciliation

	Land and Improvements	Buildings	Heritage and Cultural	Plant and Equip.	Work in progress	Total
Fair value level 2020	(level 3) \$'000	(level 3) \$'000	(level 3) \$'000	n/a \$'000	n/a \$'000	\$'000
Gross	310,620	732,677	11,074	19,501	14,478	1,088,350
Less accumulated depreciation	(56,605)	(368,204)	(4,583)	(14,408)	-	(443,800)
Less accumulated impairment loss	(8,020)	-	-	-	-	(8,020)
Carrying amount 30 June 2020	245,995	364,473	6,491	5,093	14,478	636,530
Balance 1 July 2019	240,714	366,818	6,599	4,723	10,088	628,942
Additions	4,917	3,087	-	2,182	4,390	13,985
Revaluation increment	4,143	12,905	34	-	-	17,082
Depreciation	(3,779)	(18,337)	(142)	(1,812)	-	(24,070)
Balance 30 June 2020	245,995	364,473	6,491	5,093	14,478	636,530

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

	Land and Improvements	Buildings	Heritage and Cultural	Plant and Equip.	Work in progress	Total
Fair value level	(level 3)	(level 3)	(level 3)	n/a	n/a	
2019	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross	302,001	697,936	10,934	18,658	10,088	1,039,617
Less accumulated depreciation	(53,267)	(331,118)	(4,335)	(13,935)	-	(402,655)
Less accumulated impairment loss	(8,020)	-	-	-	-	(8,020)
Carrying amount 30 June 2019	240,714	366,818	6,599	4,723	10,088	628,942
Balance 1 July 2018	240,503	362,802	6,837	4,941	7,370	622,453
Additions	-	2,752	-	1,447	2,718	6,917
Revaluation increment	3,600	18,792	(100)	-	-	22,292
Depreciation	(3,389)	(17,528)	(138)	(1,665)	-	(22,720)
Balance 30 June 2019	240,714	366,818	6,599	4,723	10,088	628,942

Accounting policy - property, plant and equipment recognition thresholds

The property, plant and equipment of the Corporation is comprised of the South Bank Parklands and the BCEC including land, buildings and related items of plant and equipment, but excludes investment properties (refer note C4) and right-of-use assets (refer note C5) which are shown separately in the Consolidated Balance Sheet.

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.

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.

C3 (a) Land and land improvements

As at 30 June 2020 and 2019, land of the South Bank Parklands and the land occupied by the Brisbane Convention & 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. Land use 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.

For land occupied by the Brisbane Convention & 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 2020

All land improvements - such as landscaping and civil works - were valued separately from the land as at 30 June 2020 and 2019 by an independent valuer, March Pty Ltd (formerly Jardine Lloyd Thompson Valuation Services, based on the depreciated replacement cost of the assets, taking into consideration their remaining useful life.

Fair value level 3 significant valuation inputs

Asset class - Description	Fair value at 30 June 2020	Fair value at 30 June 2019	Type of significant level 3 inputs
Land - South Bank Parklands	\$36.0 million	\$34.5 million	Effective rate per sq. metre.
Land - Brisbane Convention & Exhibition Centre	\$115.0 million	\$115.0 million	Effective rate per sq. metre.
Land Improvements	\$159.6 million	\$90.2 million	Remaining useful life and costs per component.

C3 (b) Buildings

The commercial car park was valued as at 30 June 2020 and 2019 by independent valuers Colliers International using 'fair value' principles as disclosed in Note D2 based on current market values.

The Brisbane Convention & Exhibition Centre building and all non-commercial buildings, such as the South Bank Piazza, were valued by an independent valuer, March Pty Ltd (formerly Jardine Lloyd Thompson Valuation Services), as at 30 June 2020 and 2019, based on the depreciated replacement cost, as there is no active market for such facilities. The depreciated 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.

Fair value level 3 significant valuation inputs

Building	Fair value at 30 June 2020	Fair value at 30 June 2019	Type of significant level 3 inputs
Brisbane Convention & Exhibition Centre	\$267.3 million	\$256.6 million	Remaining useful life and costs per component.
South Bank car park	\$94.0 million	\$101.0 million	Capitalisation rate for sale of lessee interest and rate for sale on going concern basis.

Impact of the COVID-19 Pandemic on valuations

The impact of the COVID-19 pandemic on valuations disclosed in Note C4 should be read in reference to the valuers, Colliers International, valuation of the South Bank car park.

C3 (c) Heritage and cultural assets

The Nepalese Pagoda was last valued as at 30 June 2019 using written down replacement cost (taking into consideration its remaining useful life) as no active market exists.

Artworks, predominately of aboriginal paintings, were independently valued as at 30 June 2019 using 'fair value' principles based on current market values from lists of public auction results and from research conducted with private dealers.

The Corporation believes that any variance to current values is not material.

C3 (d) 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*. The Carrying amounts for such plant and equipment is not materially different from their fair value.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

C3 (e) Depreciation

Accounting Policy - Depreciation

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:

<i>Asset type</i>	<i>Expected useful life</i>
Buildings	30-40 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.

Accounting Policy - 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.

No impairment has been recognised in the current reporting period.

C4 Investment property

	2020	2019
	\$'000	\$'000
Fair value levels	(level 3)	(level 3)
Balance as at 1 July	124,500	120,900
Additions and work in progress	1,294	792
Fair value adjustment	(13,044)	2,808
Balance as at 30 June	112,750	124,500

Fair value level 3 significant valuation inputs

Description	Fair value as at 30 June 2020	Fair value as at 30 June 2019	Type of significant level 3 inputs
South Bank Parklands	\$28.2 million	\$30.4 million	Capitalisation rate
Little Stanley and Grey Streets	\$63.2 million	\$68.4 million	Capitalisation rate
River Quay	\$11.0 million	\$11.6 million	Capitalisation rate
BCEC on Grey	\$10.2 million	\$14.1 million	Capitalisation rate

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2020

Independent valuations were performed by qualified valuers Colliers International as at 30 June 2020 and 2019. The valuations provided are for the land and buildings used and no split between land and buildings has 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.

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

	2020 \$'000	2019 \$'000
Not later than one year	10,322	11,345
Later than one year and not later than five years	30,884	36,589
Later than five years	17,826	31,080
Total	59,032	80,353

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.

Impact of the COVID-19 Pandemic on valuations

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets.

As a consequence Colliers International in their valuations have made a number of site specific adjustments in undertaking the valuation assessments including: no percentage rent during the pandemic period due to government restrictions on trading due to the Covid-19 pandemic, rental abatements for several months during the first year of the cash flow analysis and nil growth in the first year.

Colliers International in their valuation reports have made the following statement in relation to the impact of COVID-19 “*Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous evidence for comparison purposes to inform opinions of value. Indeed, the response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.*”

Our valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global Standards and the API Valuation Protocol – Significant Valuation Uncertainty. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.”

Accounting Policy - Investment Property

Investment property is property held to earn rental income and or for capital appreciation, and property that is being constructed or developed for future use as an investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value.

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.

Accounting Policy - Fair Value Measurement

These assets are classified as level 3 as the fair value is substantially derived from unobservable inputs.

The primary valuation techniques included:

- Discounted cash flow models
- Income capitalisation approaches.

Discounted cash flow models consider the present value of net cash flows to be generated from the property, reflecting the expected rental growth rate, vacancy periods, occupancy rates, lease incentive costs and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

The income capitalisation approach applies a market capitalisation rate to income. Adjustments are made for any relevant rental reversions including allowances for vacant space, incentives, leasing fees, capital expenditure and other appropriate capital allowances.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

C5 Right-of-use assets, investment property

	2020 \$'000
Fair value levels	(level 3)
Balance as at 1 July 2019	5,273
Fair value adjustment	(267)
Balance as at 30 June	5,006

The Corporation is the lessee of three leases: the Grey Street retail space of the ABC building, ground floor retail space of Stanley House in Stanley Plaza and one lease for a basement space of Stanley House used for operational offices and workshop spaces. As from 1 July 2019, on adoption of the new accounting standard AASB 16 *Leases*, the leases are shown on the Consolidated Balance Sheet as right-of-use assets and lease liabilities.

The Corporation sub-leases the properties and accounts for these right-of-use assets in a consistent manner to its investment properties (note C4 Investment Property).

The leases of the right-of-use assets have lease terms of:

	Lease term end	Option period available
Stanley Plaza, ground floor retail	July 2023	5 year option
Stanley Plaza, basement office and work-spaces	July 2023	5 year option
Grey Street, ABC building retail	January 2037	10 year option

The leases are non-cancellable with fixed lease payment terms that are subject to indexation. The Corporation is prohibited from selling or pledging the underlying assets as security. The Corporation must keep the properties in a good state of repair and return the properties in their original condition at the end of the lease. It must also insure the properties and incur maintenance costs. The Corporation does not have any contractual obligations requiring it to purchase, construct or develop the right-of-use assets.

The assets are sub-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.

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

	2020 \$'000
Not later than one year	836
Later than one year and not later than five years	2,025
Later than five years	1,685
Total	4,546

Asset values

The assets have been valued by independent valuers, Colliers International, as at the consolidated balance date and at the time of recognition of the asset under accounting standard AASB 16 *Leases*, being 1 July 2019. The change in value from 1 July 2019 to 30 June 2020 is included in the Consolidated Statement of Comprehensive Income as a Gain or Loss on revaluation of Right-of-use assets, investment property.

Lease payments not recognised as an asset

The Corporation has elected not to recognise a right-of-use asset for leases of low value assets. These leases relate to photocopy and printing machines. The value of these assets and the corresponding lease liabilities are not material.

Impact of the COVID-19 pandemic on valuations

Refer to note C4 for the impact of the COVID-19 Pandemic on the valuation of the right-to-use assets.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

C6 Lease liabilities

Lease liabilities are presented in the Consolidated Balance Sheet as follows and relate to the right-of-use assets, investment properties (note C5):

	As at 30 June 2020 \$'000	As at 1 July 2019 \$'000
Current	618	618
Non-current	5,821	6,400
Total	6,439	7,018

	2020 \$'000
Amounts recognised in the Consolidated Statement of Comprehensive Income	
• Income from subleasing included in rental income	521
• Interest expense on lease liabilities	101
• Lease expenses relating to leases of low value assets	6

Total cash outflow for leases	686
-------------------------------	-----

	2019 \$'000
Operating lease commitments as at 30 June 2019	
• Not later than one year	621
• Later than one year but not later than five years	3,277
• Later than five years	3,504
Total	7,402

Accounting policy - lease liabilities

For any new contracts entered into, on or after 1 January 2019, the Corporation considers whether a contract is, or contains a lease. A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition the Corporation assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Corporation,
- the Corporation has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and
- the Corporation has the right to direct the use of the identified asset throughout the period of use.

The Corporation assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Corporation recognises a right-of-use asset and a lease liability on the Consolidated Balance Sheet. The Corporation measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the estimated borrowing rate available to the Corporation.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest incurred. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or Consolidated Statement of Comprehensive Income if the right-of-use asset is already reduced to zero.

The Corporation has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in Consolidated Statement of Comprehensive Income over the lease term.

The Corporation as a lessor

Where the Corporation is a lessor its accounting policy under AASB 16 *Leases* has not changed from the comparative period.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

C7 Payables

	2020	2019
	\$'000	\$'000
Current		
Trade payables	480	3,828
Accrued expenditure	2,792	6,532
Sundry payables	4,408	3,190
	7,680	13,550
GST receivable	(650)	(564)
GST payable	74	908
	(576)	344
Total	7,104	13,894
Non-current		
Sundry payables	860	761

Accounting policy - 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.

Sundry payables represents the Corporation's liability under the BCEC management agreement for employee entitlements of staff employed by the BCEC manager.

C8 Asset revaluation surplus by class

	Land and Improvements	Buildings	Heritage and Cultural	Total
	\$'000	\$'000	\$'000	\$'000
2020				
Balance as at 1 July 2019	225,694	261,223	5,411	492,328
Revaluation increase (decrease)	4,143	12,905	34	17,082
Balance as at 30 June 2020	229,837	274,128	5,445	509,410
2019				
Balance as at 1 July 2018	222,094	242,431	5,511	470,036
Revaluation increase (decrease)	3,600	18,792	(100)	22,292
Balance as at 30 June 2019	225,694	261,223	5,411	492,328

The asset revaluation surplus represents the net effect of increases and decreases on revaluations of assets to fair value.

Accounting policy - revaluation of non-current physical assets

The Corporation values land, buildings, and heritage and cultural assets in accordance with the AASB 116 *Property, Plant and 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 on sell of 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. 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 above mentioned 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.

Any revaluation increment arising on the revaluation of an asset is credited to the revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrement in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

For assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

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.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2020

Notes about risks and other accounting judgements

D1 Judgements and assumptions

The preparation of these consolidated financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the 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:

- Going concern principle Note A9,
- Receivables Note C2,
- Property, plant and equipment, and depreciation Note C3,
- Investment property Note C4,
- Right-of-use assets, investment property Note C5,
- Payables Note C7, and
- Lease liabilities Note C6.

D2 Accounting policy - fair value measurement

All assets and liabilities of the Corporation for which fair value is measured or disclosed in the consolidated 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 levels 1 or 2 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 C3, C4 and C5.

D3 Accounting policy - financial instruments

Recognition

Financial assets and financial liabilities are recognised in the Consolidated Balance Sheet when the Corporation becomes a party to the contractual provisions of the financial instrument. The Corporation has the following categories of financial assets and financial liabilities:

(a) Categorisation of financial instruments

	Measurement classification	Note	2020 \$'000	2019 \$'000
Financial assets				
Cash and cash equivalents	Amortised cost	C1	27,891	54,064
Receivables	Amortised cost	C2	10,416	2,210
Total			38,307	56,274
Financial Liabilities				
Payables	Amortised cost	C7	7,104	14,655
Contract liabilities, deposits held	Amortised cost		7,071	8,756
Lease liabilities	Amortised cost	C6	6,439	-
Total			20,614	23,411

No financial assets and financial liabilities have been offset and presented net in the Consolidated Balance Sheet.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2020

(b) Financial risk management

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market 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	Maturity analysis
Market risk	Interest rate sensitivity analysis

Credit risk

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. The maximum exposure to credit risk at balance date for financial assets is the carrying amount of those assets after allowance for impairment.

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. Liquidity risk is managed by monitoring forecast cash flows to ensure the Corporation has sufficient funds available to meet employee and supplier obligations as and when they fall due.

The following tables sets out the liquidity risk of financial liabilities held by the Corporation. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Consolidated Balance Sheet that are based on discounted cash flows

Financial liabilities	Total \$'000	Contractual maturity		
		<1 Year \$'000	1-5 Years \$'000	> 5 Years \$'000
2020				
Payables	7,964	7,104	860	-
Lease Liabilities	12,500	4,535	2,850	5,115
Total	19,873	11,048	3,710	5,115

Market risk

Market risk refers to changes in market prices relating to foreign exchange rates, equity prices and interest rates. The Corporation is only exposed to interest rate risk attributable to future cash flows from variable interest rates on deposits at call with Queensland Treasury Corporation disclosed in note C1. The exposure to interest rate risk is not considered material. No foreign exchange or equity instruments are held.

D4 Commitments

Capital expenditure

Material capital expenditure commitments contracted for but not completed and therefore not recognised as payable at balance date.

	2020 \$'000	2019 \$'000
Not later than one year	8,130	5,366
Total commitments	8,130	5,366

There are no other material commitments contracted for but not recognised as a payable at balance date.

D5 Insurance

It is the Corporation's policy to insure against potential liabilities or losses that would materially affect its operations and assets. Primary insurance cover is held with the Queensland Government Insurance Fund.

WorkCover Queensland insurance provides for employee compensation cover.

D6 Contingent assets and liabilities

The Corporation may receive notifications from time to time of public liability incidents which could result in claims and litigation. The Corporation however 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.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2020

D7 Events after the balance sheet date

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

D8 New and revised accounting standards

First year application of new accounting standards

Three new accounting standards were applied for the first time in 2019-20:

- AASB 16 *Leases*,
- AASB 15 *Revenue from Contracts with Customers* and
- AASB 1058 *Income of Not-for-Profit Entities*.

The effect of adopting these new standards are detailed below. No other accounting standards or interpretations that apply to the Corporation for the first time in 2019-20 have any material impact on the financial statements.

AASB 16 leases

The adoption of the new Standard AASB 16 *Leases* as from 1 July 2019, has resulted in the Corporation recognising a right-of-use asset and related lease liabilities in connection with all material former operating leases from the date of initial application.

Short-term leases and leases of low value assets

The Corporation has elected to continue to recognise lease payments for low-value assets or leases having a remaining lease term of less than 12 months as expenses on a straight –line basis over the lease term, rather than accounting for them on the balance sheet. This accounting treatment is similar to that used for operating leases under AASB 117 *Leases*.

Transitional impact

On adoption of the new standard the asset was initially recognised at an amount equal to the lease liabilities.

Lease liabilities have been recognised at an amount equal to the present value of lease liability not yet paid, adjusted for any prepaid or accrued lease payments that existed at the date of transition. The present value discount rate used is the borrowing rate available to the Corporation from the Queensland Treasury Corporation as no implicit rate is available.

The right to use asset was then classified as an investment property and subsequently recognised at its fair value at 1 July 2019. The Corporation has measured the value of the right-of-use assets consistent with the valuation of its other investment properties (refer note C4).

The new standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 *Leases* being recognised in equity as an adjustment to the opening balance of accumulated surplus for the current period. Prior period comparatives have not been restated.

The following adjustments were made to the balance sheet as at 1 July 2019:

	\$'000
Right-of-use asset, investment property	5,272
Lease liability	7,018
Accumulated surplus	(1,746)

Reconciliation of operating lease commitments at 30 June 2019 to the lease liabilities at 1 July 2019.

	\$'000
Total undiscounted lease commitments at 30 June 2019	7,402
Less present value discount using incremental borrowing rates at 1 July 2019 (1.48% weighted average)	(2,432)
Less leases of low value assets	(2)
Add adjustment on reassessment of lease terms	2,050
Lease liability 1 July 2019	7,018

Leases as lessor

No transitional adjustments were required for leases in which the Corporation is the lessor.

SOUTH BANK CORPORATION

Notes to and forming part of the consolidated financial statements for the year ended 30 June 2020

AASB 15 Revenue from contracts with customers

AASB 15 *Revenue from Contracts with Customers* first applied to the Corporation's reporting from 1 July 2019. The Corporation has reviewed its contracts, its operations and the new requirements under AASB 15 and does not believe the requirements will have any material differences to revenue recognition. Refer to note B2 for the Corporation's revenue accounting policy.

Depending on future contractual terms, however, the requirements of AASB 15 *Revenue from Contracts with Customers* may result in a change to the timing of revenue from sales of the Corporation's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Corporation has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime).

AASB 1058 Income of not-for-profit entities

AASB 1058 includes specific requirements with respect to grants received under enforceable agreements for construction or acquisition of recognisable non-financial assets. The Corporation does not currently receive any grant funding, however, it will adopt the following new recognition requirements of AASB 1058 *Income of Not-for-Profit Entities* should they become applicable in future years:

- Grants that are not enforceable and/or not sufficiently specific will be recognised as revenue as soon as they are controlled.
- Special purpose grants received to construct non-financial assets or grants with associated performance obligations will be recognised as a liability, and subsequently recognised progressively as revenue as the Corporation satisfies its performance obligations under the grant.

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.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

Notes on our performance against budget

E1 Consolidated statement of comprehensive income

	Notes	Budget 2020 \$'000	Actual 2020 \$'000	Variance favourable /(unfavourable) \$'000
<i>Income from Continuing Operations</i>				
User charges and fees	1	97,044	64,143	(32,901)
Interest		528	591	63
Other	2	-	10,156	10,156
<i>(Loss)/Gains</i>				
Loss/Gain on revaluation of investment property	3	2,000	(13,311)	(15,311)
Total Income from Continuing Operations		99,572	61,579	(37,993)
<i>Expenses from Continuing Operations</i>				
Employee expenses		5,212	5,002	210
Supplies and services	4	73,820	53,247	20,573
Depreciation		22,500	24,070	(1,570)
Other expenses		7,211	9,991	(2,780)
Total Expenses from Continuing Operations		108,743	92,310	16,433
Operating Result from Continuing Operations		(9,171)	(30,731)	(21,560)

Explanations of major variances

The following are explanations of major variances between the actual Consolidated Statement of Comprehensive Income and the 2019-20 budget presented to Parliament.

Note 1 User charges and fees

The actual figure is considerably lower than budget expectations due to the disruption caused by the COVID-19 pandemic with loss of car parking revenue, the Brisbane Convention & Exhibition Centre officially closed from 1 April through to 30 June 2020 and the granting of rent abatement and rent refunds by the Corporation to retail tenants for the same period.

Note 2 Other income

Other income was unbudgeted and relates to insurance recoveries from policies held with the Queensland Government Insurance Fund.

Note 3 Loss on revaluation of investment property

The actual figure is significantly lower than the budgeted gain with the valuations at 30 June 2020 impacted by the disruption to the general retail market by COVID-19 pandemic and its effect on rental markets.

Note 4 Supplies and services

The actual cost figure is lower than the budget as a consequence of the reduced turnover and reduced BCEC staffing and food and beverage costs.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

E2 Consolidated balance sheet

	Notes	Budget 2020 \$'000	Actual 2020 \$'000	Variance favourable /(unfavourable) \$'000
Current assets				
Cash and cash equivalents		31,273	27,891	(3,382)
Receivables	5	1,504	10,416	8,912
Inventories		422	393	(29)
Other		159	105	(54)
Total current assets		33,358	38,805	5,447
Non-current assets				
Property, plant and equipment	6	775,322	754,286	(21,036)
Total non-current assets		775,322	752,695	(21,036)
Total assets		808,680	793,091	(15,589)
Current liabilities				
Payables	7	10,837	7,104	3,733
Lease liabilities	8	-	618	(618)
Accrued employee benefits		452	469	(17)
Other	7	10,188	7,103	3,085
Total current liabilities		21,477	15,294	6,183
Non-current liabilities				
Payables		819	860	(41)
Lease liabilities	8	-	5,821	(5,821)
Accrued employee benefits		121	282	(161)
Total non-current liabilities		940	6,963	(6,023)
Total liabilities		22,417	22,257	160
Net assets		786,263	770,834	(15,429)
Total equity		786,263	770,834	(15,429)

Explanations of major variances

The following are explanations of major variances between the actual Consolidated Balance Sheet and the 2019-20 budget presented to Parliament.

Note 5 Receivables

The actual receivables amount is higher than budget due to the Corporation's insurance claim and other government support not received at balance sheet date.

Note 6 Property, plant and equipment

The actual balance for property plant and equipment is lower than budget primarily due to the reduced valuation of the investment properties and the later than budgeted commencement of a major capital project.

Note 7 Payables and Other liabilities

Actual payables and other liabilities at balance date are lower than budgeted mainly due to the BCEC ceasing trading during April, May and June 2020 because of the pandemic.

Note 8 Lease liabilities

The budget for 2019-20, to be consistent with comparative figures, did not include the new accounting standard *AASB 16 Leases* which recognises right-for-use assets and the corresponding lease liability in the balance sheet.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

E3 Consolidated statement of cash flows

	Notes	Budget 2020 \$'000	Actual 2020 \$'000	Variance favourable /(unfavourable) \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
User charges and fees	9	101,044	64,387	(36,657)
Interest received		528	591	63
Other		4,000	7,515	3,515
<i>Outflows:</i>				
Employee expenses		(5,212)	(4,914)	298
Supplies and services	9	(77,820)	(68,867)	8,953
Other		(11,211)	(8,435)	2,776
Net cash provided by or used in operating activities		11,329	(9,723)	(21,052)
Cash flows from investing activities				
<i>Outflows:</i>				
Payments for non-financial assets	10	(29,743)	(16,450)	13,293
Net cash provided by or used in investing activities		(29,743)	(16,450)	13,293
Net increase (decrease) in cash and cash equivalents		(18,414)	(26,173)	(7,759)
Cash and cash equivalents – opening balance		49,687	54,064	4,377
Cash and cash equivalents – closing balance		31,273	27,891	(3,382)

Explanations of major variances

The following are explanations of major variances between the actual Consolidated Statement of Cash Flows and the 2019-20 budget presented to Parliament.

Note 9 inflows: User charges and fees and outflows: supplies and services

The actual figure is considerably lower due to the disruption caused by the COVID-19 pandemic with the Brisbane Convention & Exhibition Centre officially closed from 1 April through to 30 June 2020 and the granting of rent abatement and rent refunds by the Corporation to retail tenants.

Note 10 outflows: payments for non-financial assets

The actual payments were below budget due to the later than budgeted commencement of a large construction project and the deferral of other capital investments.

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

Other Information

F1 Key executive management personnel

Key executive management positions that had authority and responsibility for planning, directing and controlling the activities of the Corporation during the 2019-20 financial year were:

Position	Responsibilities	Date of initial appointment	Date of resignation or cessation
Board Chair, David (Ian) O'Connor AC	The Board's responsibilities include the effective governance and strategic management of the Corporation in accordance with the <i>South Bank Corporation Act 1989</i> .	March 2019	3 July 2020
Board Members:			
• Margaret de Wit OAM		March 2019	-
• Richard Kirk		March 2016	-
• Rachel Hunter		March 2019	-
• Kyl Murphy		March 2019	-
• Michael Power AM		February 1997	-
• Kieron (Tim) Quinn		March 2016	-
• Caroline Stalker		March 2019	-
• Marina Vit		March 2019	-
• Stephanie Wyeth	March 2016	-	
Chief Executive Officer, William Delves	The CEO is responsible for the efficient and effective management of the affairs of the Corporation subject to and in accordance with the directions of the Board of Directors.	October 2017	-

Remuneration 2019-20

Position	Short Term Employee Base Benefits \$'000	Post Employment Benefits \$'000	Total Remuneration \$'000
Board Chair:			
• David (Ian) O'Connor AC	46	4	50
Board Members			
• Richard Kirk	14	1	15
• Michael Power AM	14	1	15
• Tim Quinn	14	1	15
• Stephanie Wyeth	14	1	15
• Kyl Murphy	14	1	15
• Caroline Stalker	14	1	15
• Marina Vit	14	1	15
• Margaret de Wit OAM	14	1	15
Board Members employed by Queensland Government, Rachel Hunter	-	-	-
Chief Executive Officer, William Delves	331	34	365
Total	489	46	535

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

Remuneration 2018-19

Position	Short Term Employee Base Benefits \$'000	Post Employment Benefits \$'000	Total Remuneration \$'000
Board Chair: March to June 2019			
• David (Ian) O'Connor AC	15	1	16
July 2018 to February 2019			
• Catherin Bull AM	31	3	34
Board Members full year			
• Richard Kirk	14	1	15
• Michael Power AM	14	1	15
• Tim Quinn	14	1	15
• Stephanie Wyeth	14	1	15
July 2018 to February 2019			
• Nigel Chamier AM	9	1	10
• Susan Forrester AM	9	1	10
• Matthew Miller	9	1	10
March 2019 to June 2019			
• Kyl Murphy	5	-	5
• Caroline Stalker	5	-	5
• Marina Vit	5	-	5
• Margaret de Wit OAM	5	-	5
Board Members employed by Queensland Government, Kerry Doss and Toni Power	-	-	-
Board Member employed by Brisbane City Council, Andrea Kenafake	-	-	-
Chief Executive Officer, William Delves	331	34	365
Total	480	45	525

Remuneration expenses

Remuneration expenses for key management personnel comprises 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.

Performance payments

Performance bonuses are not paid under the contracts in place.

The Chair, Board Members and Chief Executive Officer are appointed by the Governor in Council. Further information can be found in the body of the corporation's annual report under the section relating to Executive Management.

F2 Related party transactions

There were no related party transactions during the reporting period.

F3 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 GST and FBT payable to, the Australian Taxation Office are recognised

South Bank Corporation Management Certificate

Management certificate

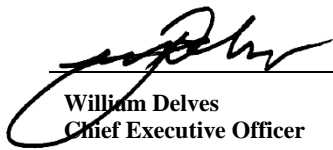
These general purpose financial statements have been prepared pursuant to section 62(1) of the provisions of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) 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; and
- the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of South Bank Corporation for the financial year ended 30 June 2020 and of the financial position of the Corporation at the end of that year; and

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Leon Allen
Chair



William Delves
Chief Executive Officer



Trevor Marsden
Chief Financial Officer

Date: 21 August 2020

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 entity (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 2020, 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 2019* and Australian Accounting Standards.

The financial report comprises the consolidated balance sheet as at 30 June 2020, the consolidated 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 2019* 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 that 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- 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.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

- 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.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the *Financial and Performance Management Standard 2019*. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



31 August 2020

Bhavik Deoji
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

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	P2
Accessibility	Table of contents Glossary	ARRs – section 9.1	P3
	Public availability	ARRs – section 9.2	P3
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	P3
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	P3
	Information Licensing	Queensland Government Enterprise Architecture-Information Licensing ARRs – section 9.5	P3
General information	Introductory Information	ARRs – section 10.1	P4
	Agency role and main functions	ARRs – section 10.2	P7
	Machinery of Government changes	ARRs – section 10.2, 31 and 32	n/a
	Operating environment	ARRs – section 10.3	P8
Non-financial performance	Government objectives for the community	ARRs – section 11.1	P18
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	P18
	Agency objectives and performance indicators	ARRs – section 11.3	P18
	Agency service areas and service standards	ARRs – section 11.4	P18
Financial performance	Summary of financial performance	ARRs – section 12.1	P19
Governance – management and structure	Organisational structure	ARRs – section 13.1	P20
	Related entities	ARRs – section 13.3	P20
	Executive management	ARRs – section 13.2	P21
	<i>Public Sector Ethics Act 1994</i>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	P26
	Human Rights	<i>Human Rights Act 2019</i> ARRS – section 13.5	P27
	Queensland public service values	ARRs – section 13.6	P5

SOUTH BANK CORPORATION
Notes to and forming part of the consolidated financial statements
for the year ended 30 June 2020

Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 14.1	P26
	External scrutiny	ARRs – section 14.4	P26
	Audit and Risk Committee	ARRs – section 14.2	P25
	Internal Audit	ARRs – section 14.3	P26
	Information systems and recordkeeping	ARRs – section 14.5	P26
Governance – human resources	Strategic workforce, planning and performance	ARRs – section 15.1	P27
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i>	P27
Open Data	Statement advising publication of information	ARRs – section 15.2 ARRs – section 16	P27
	Consultants	ARRs – section 33.1	https://data.qld.gov.au
	Overseas travel	ARRs – section 33.2	https://data.qld.gov.au
	Queensland Language Services Policy	ARRs – section 33.3	https://data.qld.gov.au
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	P58
	Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	P59

ARRs *Annual report requirements for Queensland Government agencies*

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*