



**south bank**  
corporation

# Annual Report **2018 – 2019**



## **South Bank Corporation**

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<b>Letter of Compliance</b>	<b>4</b>	<b>Non-financial performance outcomes achieved</b>	<b>30</b>
<b>Availability of interpreter services</b>	<b>6</b>	<b>Summary of financial performance</b>	<b>32</b>
<b>Glossary</b>	<b>7</b>	<b>Governance – management and structure</b>	<b>33</b>
<b>South Bank Corporation Overview</b>	<b>8</b>	Organisational structure	33
A message from the Chair	8	Related entities	33
A message from the Chief Executive Officer	9	Board and committees	34
<b>Corporation role and vision</b>	<b>10</b>	Executive management	36
Our role	10	Committees	37
Our vision	10	<b>Governance – risk management, accountability and human resources</b>	<b>38</b>
<b>Agency role and main functions</b>	<b>11</b>	Risk management	38
Our values	11	External scrutiny	38
Our purpose	12	Public Sector Ethics Act 1994	38
Our corporate goals	13	Education and training	38
Operating environment	14	Internal audit	39
Our places – leisure and commercial	16	Information systems and record keeping	39
<b>Operational highlights</b>	<b>18</b>	Strategic workforce planning and performance	39
Brisbane Convention and Exhibition Centre (BCEC)	18	<b>Disclosure of additional information</b>	<b>40</b>
Corporate Social Responsibility	21	Consultancy and government body costs	40
Retail marketing – <i>eat</i> Southbank	23	Overseas travel	40
Regional flavours	25	Language service costs	40
<b>Strategic risks, opportunities and challenges</b>	<b>26</b>	Carers (Recognition) Act 2008	40
Operational plans and priorities	26	Right to information	40
Retail management	26	Complaints management	40
Brisbane Convention and Exhibition Centre	27	Exercise of powers of exclusion from South Bank Parklands	40
<b>Non-financial performance</b>	<b>28</b>	<b>FINANCIAL STATEMENTS</b>	<b>42</b>
Government’s objectives for the community	28	<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>71</b>
Other whole-of-government plans/specific initiatives	29	<b>Compliance checklist</b>	<b>74</b>
Agency service areas, service standards and other measures	29		
Agency objectives and performance indicators	29		

# Letter of Compliance

23 September 2019

The Honourable Cameron Dick MP  
Minister for State Development, Manufacturing,  
Infrastructure and Planning  
1 William Street  
Brisbane QLD 4000

Dear Minister,

I am pleased to submit for presentation to the Parliament the Annual Report 2018–19 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 74 of this annual report.

Yours sincerely,



**Professor Emeritus Ian O'Connor AC**

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.

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

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- Queensland Government Enterprise Architecture – Information licensing <http://www.qgcio.qld.gov.au/products/information-licensing>

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- Contact: Queensland Government Chief Information Office (QGCI), Department of housing and Public Works [qgcio@qgcio.qld.gov.au](mailto: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](http://www.southbankcorporation.com.au/resources/annual-reports).

To provide feedback about this annual report please visit [www.qld.gov.au/annualreportfeedback](http://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](http://www.qld.gov.au/data) in lieu of inclusion in this annual report.

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# Glossary

<b>The Act</b>	<i>South Bank Corporation Act 1989 (Qld)</i>
<b>ARRs</b>	Annual report requirements for Queensland government agencies
<b>BCC</b>	Brisbane City Council
<b>BCEC</b>	Brisbane Convention and Exhibition Centre
<b>FAA</b>	<i>Financial Accountability Act 2009</i>
<b>FPMS</b>	<i>Financial and Performance Management Standard 2009</i> <i>Financial and Performance Management Standard 2019</i> (effective from 1 September 2019)
<b>FTE</b>	Full-time equivalent
<b>SBC</b>	South Bank Corporation
<b>Corporation</b>	South Bank Corporation
<b>SBEO</b>	South Bank Employing Office

# South Bank Corporation overview

## A message from the Chair

On behalf of the Board, I am pleased to present the South Bank Corporation Annual Report 2018-19. The report highlights a year of achievements for the Corporation and also foreshadows exciting times ahead.

South Bank is one of the most popular destinations in Brisbane. It is iconically Queensland. From its pristine beach that overlooks the stunning Brisbane River and the city, to its subtropical rainforest, its diverse dining experiences and a multitude of major events that quite often blur the boundary between the Corporation's 42-hectare precinct and the Cultural Precinct.

The iconic Clem Jones Promenade is the largest stage in Brisbane and enables hundreds of thousands of people to celebrate and experience Brisbane Festival's Riverfire. It also provides a connection to the river, city and our adjoining precincts, for everyone, every day.

Our precinct is also rich in Indigenous history, and the Corporation recognises the Traditional Owners of the lands at South Bank, the Turrbal and Jagera (including Jagera Daran) communities. We also pay our respects to their elders, past, present and emerging.

South Bank has withstood the test of time for the past three decades and remains as popular today with almost 14 million annual visitors, as it was during World Expo '88, which saw 18 million people flock to the precinct.

After 30 years since Expo, the Queensland Government has announced the Corporation will focus its attention to the future of our much-loved precinct and we will prepare it for coming generations to enjoy. The Corporation is in the planning phase for a new master plan and is excited to work with our stakeholders over the coming years to deliver a revitalised precinct.

South Bank Corporation works with many stakeholders in the precinct. In particular, I'd like to thank City Parklands Services and Brisbane Marketing for the activation and management of our parklands, together with AEG Ogden, our long-term managers of the Brisbane Convention and Exhibition Centre.

I would also like to acknowledge the outgoing Board's contribution, and its Chair, Dr Catherin Bull AM, over the past three years. As the current Chair, I would also like to recognise the commitment of my current Board colleagues, who provide both a continuity of expertise and fresh perspectives. Finally, I would like to commend the work of the South Bank Corporation team, led by Chief Executive Officer Bill Delves.



**Professor Emeritus Ian O'Connor AC**  
Chair





## A message from the Chief Executive Officer

Now in its 30th year, South Bank has withstood the test of time and remains the favourite place for many Queenslanders, as well as visitors from interstate and overseas. While the Corporation is proud of the precinct's rich history and heritage, we are firmly focused on the icon's future.

The revitalisation and renewal of the precinct has continued over the financial year with construction commencing on the Riverside Open Space project. The project, which is a result of the demolition of the Riverside Restaurants that were damaged in the 2011 flood, will deliver almost 7000 square metres of new green open space adjacent the beautiful Brisbane River.

We also fully activated Flowstate, our urban redevelopment of the Arbour View Cafes. Flowstate celebrated the year of the Commonwealth Games and was host to community arts and artistic performances that came to a conclusion in December 2018. The landmark Southpoint development was completed in October 2018, celebrated with the opening of the luxurious Emporium hotel.

The varied retail precincts across South Bank also continued to grow in popularity during the year. The eatSouthBank brand and associated marketing channels continue to grow and drive activation and awareness of the precinct. These channels were complemented by events and campaigns throughout the year, such as Regional Flavours, Brisbane Festival and Christmas events.

I would like to thank the South Bank Corporation team members for their hard work and dedication to the precinct, our values and our vision.

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



**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; and
- Achieve excellence and innovation in the management of open space and park areas.

## Our vision

- Three decades on since Expo '88, our business focus is shifting away from building 'the places', which is only part of our role.
- Increasingly, our focus is on renewing, adapting and creating 'a place of many places' that people want to connect with and experience.
- Our vision is to continue to innovate, manage and maintain South Bank's reputation as one of the most vibrant urban and cultural precinct in the world: to maintain that vision requires a future vision. Evolve. Adapt. Be Brave.
- We strive to ensure that South Bank continues to evolve, which includes the Parklands, River Quay, Little Stanley, Grey Street, our latest urban redevelopment venue Flowstate; and the transformation of the Riverside Restaurants into public open green space. And this evolution of renewal continues to surprise and delight visitors and confirm South Bank remains the primary leisure venue at the heart of Brisbane's urban precinct community life.

# Agency role and main functions

## Our values

### VALUE 1

A Place for Everyone

### VALUE 2

Design Excellence

### VALUE 3

Uniquely Queensland

### VALUE 4

Innovative, Creative  
and Bold

### VALUE 5

Balance Community Needs  
and Commerciality

### VALUE 6

Ecologically and Financially  
Sustainable

### VALUE 7

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

**Also, the SBC 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 suggest solutions
- Encourage and embrace new ideas
- Work across boundaries

#### **Unleash potential**

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

#### **Be courageous**

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

#### **Empower people**

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

# Our purpose

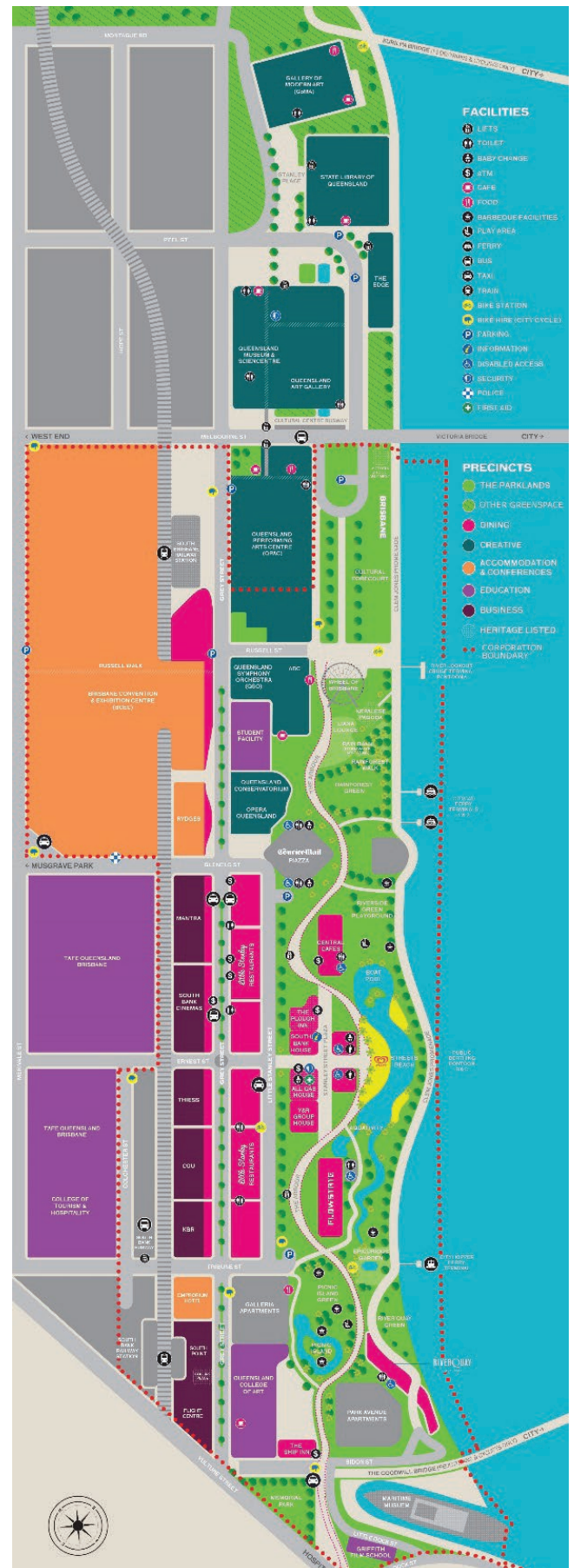
Inner-city renewal has seen a dramatic shift in the distribution and density of Brisbane's population. This trend will result in a significant increase in the residential and work population of South Brisbane, Woollongabba, West End, the CBD and other inner-city locations.

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

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

Furthermore, the Corporation is building on its position as a strong and viable organisation that 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.



## Our corporate goals

### The Corporation's goals are to:

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



## Operating environment

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





South Bank, one of the city's best assets, is Brisbane's place of celebration opposite the CBD and linked by the Brisbane River. It comprises the composite 42-hectare site, which 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 with about \*14 million people visiting the precinct.

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 SBC's intention to prepare a more detailed analysis of the broader benefits of these significant and sustained investments over the past 30 years to inform the coming decades with a new master plan that will revitalise the aging, 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 reviewing and planning to ensure that South Bank precinct's core values are upheld as we connect with an ever-growing number of visitors.

Several major developments will transform Brisbane including; Queen's Wharf, Cross River Rail, Brisbane Airport redevelopment, New Performing Arts Venue, Neville Bonner Bridge, Brisbane Metro and Howard Smith Wharves. 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, SBC is subject to state government policies. Accordingly, we integrate whole-of-government targets into our strategic direction and day-to-day activities.

The state government, the Corporation and the Brisbane City Council (BCC) have entered into an agreement in relation to the South Bank Parklands with BCC for the purpose of carrying out the management, operation, maintenance, promotion and administration of the parklands. The 10-year lease commenced on 1 July 2013 and the BCC (through its wholly owned entity City Parklands Services Pty Ltd) is responsible for all parkland services.

The Brisbane Convention and Exhibition Centre is managed by AEG (Ogden) Pty Ltd as agent for the Corporation and is responsible for all day-to-day management and operations.

## Our places – leisure and commercial

**South Bank is a rare lifestyle precinct located on the edge of Brisbane's CBD. About 14 million visitors a year experienced South Bank's diverse mix of restaurants, leisure and cultural attractions.**

Visitors are attracted to South Bank for many reasons: stunning views, a changing program of events, a diverse range of restaurants and proximity to the cultural precinct. More so, locals bring their families and friends to South Bank who may come from across Queensland, interstate, or international.

Brisbane is a dynamically changing city and South Bank sits within one of the most rapidly evolving parts of the city on the South Brisbane 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 got underway in the 2018-19 financial year. 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.

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

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

#### **Little Stanley Street**

Little Stanley Street is a multicultural food destination. From casual, quick lunch-time eats to sumptuous sit-down and celebratory offerings, including Turkish, Vietnamese, Spanish, Mexican 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 a hive of activity in the heart of South Bank and on the doorstep of our famous beach. The plaza is awash with activity as a 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 Studio and Cineplex. Grey Street is Brisbane's cultural boulevard where commerce meets with creativity delivering a diverse street designed for ambling before heading into South Bank Parklands to rest, contemplate and recharge.

#### **River Quay**

River Quay is an outstanding dining experience, delivering an enviable dining model for Brisbane – elegant yet casual with access from the promenade, Goodwill Bridge the Brisbane River and through the leafy South Bank Arbour. Each of the restaurants: Stokehouse, Aquitaine, Popolo, Jetty and River Quay Fish integrate seamlessly with the natural surrounds and the breathtaking riverscape. Featuring elaborate fit-outs and offering fine dining and beautiful cuisine, these restaurants create memorable dining experiences within an unmatched riverside setting.

#### **Central Cafes**

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

#### **South Bank car park**

866 bay two-level public parking facility providing another transport option and ease of access to South Bank.

#### **Brisbane Convention and Exhibition Centre**

A multi-purpose convention, exhibition and event facility, including 147,650 square metres fronting Merivale Street and 24,580 square metres opening onto Grey Street. Managers of BCEC, AEG Ogden, have managed the Centre since 1995.





# Operational highlights

## Brisbane Convention and Exhibition Centre (BCEC)

### Snapshot for the 2018–19 year

- Total number of events 1158
- 156 conventions
- Total delegate numbers 70,275
- 51 public trade exhibitions
- 816,953 total visitors
- Economic benefit \$300 million annually to the Queensland economy
- Future bookings of 1436 up to 2027 attended by 2.6 million delegates and worth \$1.05 billion to Queensland.

### Highlights and major achievements

BCEC achieved its highest level of financial and operational success in the 2018-19 financial year recording a 28 per cent increase in profit from the previous year, as well as important awards for operational excellence.

The Centre provides an economic impact of over \$300m annually to the Queensland economy, and achieved its highest level of revenue and profit in its 24-year operating history.

The Centre has been profitable since opening and has grown its financial results by between 46 per cent and 65 per cent in each of its first three five-year periods of its operation. In the past five-year period, profit increased by 25 per cent over the previous five years.

In 2019, the Centre held 156 conventions, the highest in its history.

### Awards

Brisbane Convention & Exhibition Centre is Australia's most awarded Convention Centre with 178 awards received since opening and was awarded Meeting & Events Australia *Best Meeting Venue 2019* in the MEA Awards held in May 2019.

Awards and recognition for BCEC during the past 12 months included:

- Courier Mail Food Awards – Icon of the Year awarded to Executive Chef David Pugh
- Meetings & Events Australia National Award - Meeting, Exhibition or Event Venue capacity more than 500
- Meetings & Events Australia National Award - Banqueting & Catering Highly Commended
- Meetings & Events Australia State Award - Banqueting & Catering
- Meetings & Events Australia State Award - Meeting, Exhibition or Event Venue capacity more than 500

Recertification was achieved for the Centre's Quality Management Systems under ISO 9001 and the Food Safety Management System under ISO 22000. The Centre transitioned to the new Standard for ISO 22000 in March 2019.

### Innovations & initiatives

BCEC's Convention Advocates Partnership, a highly successful initiative of the Centre, delivered an additional 16 conferences to Brisbane and BCEC with a direct economic impact to Queensland of \$24.2 million during the 2018-19 financial year.

The Advocates Partnership, critical to attracting new conference business to Brisbane, continues to evolve with the Centre hosting nine sector events to bring together Brisbane's leading researchers in key health and medical fields, taking a leadership role helping to build a stronger scientific community for Brisbane.

South Bank Conferences, a partnership initiative between BCEC and Rydges Hotel South Bank, designed to target smaller and medium sized conferences, added

10 new events to the Centre's conference calendar during the period.

To celebrate International Women's Day, the Centre produced a video series championing BCEC women in key leadership roles in Audio Visual and Technology with increasing numbers of professional women driving change in each of the audio-visual specialities.

The appointment of leading Australian Chef, and former Queensland Ambassador Chef David Pugh, to the role of Executive Chef at the Brisbane Convention & Exhibition Centre has been an outstanding success with Chef Pugh strongly promoting Queensland produce to Centre visitors.

The Centre continues to lead the industry in dealing with the increase in demand for special dietaries in venue catering. David Pugh helped establish the Centre's dedicated dietary kitchen, the only one in an Australian convention centre.

### Highlight Events

#### Conventions

- 21st Asia Pacific League of Associations for Rheumatology Congress (APLAR-ARA 2019) – 1300 delegates
- 42nd World Hospital Congress 2018 – 1000 delegates
- World Congress of Political Science - IPISA – 1000 delegates
- APPEA (Australian Petroleum & Exploration Association) Conference & Exhibition 2019 – 2200 delegates

#### Events and Exhibitions

- Brisbane Truck Show 2019
- Brisbane Boat Show 2018
- Oz Comic-Con 2018
- Asia Pacific Screen Awards 2018

## New Business

BCEC secured 144 new conventions for Brisbane during the 2018-19 financial year, 29 of which are international meetings. Conventions won for Brisbane during the period will generate \$145 million for the Queensland economy. These include:

- The World Congress of the International Federation of Head and Neck Oncologic Societies 2026 – 2000 delegates
- Congress of the International Orthoptic Association (IOA) 2024 – 600 delegates
- Asia Oceania Otorhinolaryngological Head and Neck Surgery Congress (AO ORL-HNS) 2023 – 1500 delegates
- International Pharmaceutical Federation (FIP) World Congress of Pharmacy & Pharmaceutical Sciences 2021- 2500 delegates
- United Nations Asian Ministerial Conference on Disaster Risk Reduction 2020 – 3000 delegates

## Customer Satisfaction

Customer satisfaction rates continue to be high with 99 per cent of clients indicating a very good or excellent overall performance of BCEC service in post-event surveys.





## 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. South Bank 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 — now in its 11th year.

### 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 publically accessible recreational parkland spaces. New sheltered community spaces will be set between the new lawns and the rainforest.

### Flowstate

The Flowstate project transformed the aging and degraded Arbour

View Café buildings in South Bank Parklands at the end of Tribune Street, into a vibrant community space. It consists of an innovative world-leading digital centrepiece, setting a stage for activations, free artistic performances and community events from January to December 2018. Flowstate repurposed the disused site as an initiative that provides a tangible demonstration of creative urban recycling and asset renewal in the heart of the precinct.

### Sustainability

One of SBC'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

SBC 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. SBC 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.

### Green Star development

The Green Star system is used to guide sustainable development in the precinct — developments such as the ABC building and the BCEC expansion that have both received five-star ratings.

The first stage of the \$600m Southpoint development, comprising the Flight Centre tower, received a five-star green star rating for office design from the Green Building Council of Australia. Some of our other developments were not eligible to be rated under the Green Star system, but they also feature state-of-the-art, environmentally friendly designs.

## BCEC SUSTAINABILITY AND COMMUNITY

Management and staff believe community and social values are mainstream values that are fundamental to our core business principles at BCEC. Now in its seventh year, the Centre's Corporate Social Responsibility Team, made up of enthusiastic and dedicated staff members from all BCEC departments, focuses on the implementation and communication of environmental and community based activities. The team strives to engage staff in environmental and community initiatives to encourage greater participation at all levels.

### Sustainability

**EarthCheck** - BCEC received certification during the EarthCheck audit in January 2019. This is the ninth year the Centre has achieved Gold Certification under the world's most recognised environmental benchmarking and certifications program, EarthCheck.

**CCIQ ecoBiz** - The Centre achieved the highest rating as a CCIQ ecoBiz Champion for savings on water and energy consumption and waste reduction.

**Cleaner Suburbs Award** - Litter Prevention Business for Brisbane City Council waste reduction activities across all major waste streams.

**Earth Hour** - BCEC participated in Earth Hour by eliminating all unnecessary lighting in the building and running a competition to show it's participation.

**AEG 1Earth Program** - BCEC participated in AEG 1Earth Month for the seventh year in 2019 with the theme of edible gardening. A gardening specialist provided a presentation to staff and distributed seedlings in biodegradable pots.

The Centre continues to donate meals to Foodbank and uses an Organic Waste Dehydrator for waste disposal producing nutrient rich soil used in South Bank Parklands.

### Containers for Change Program

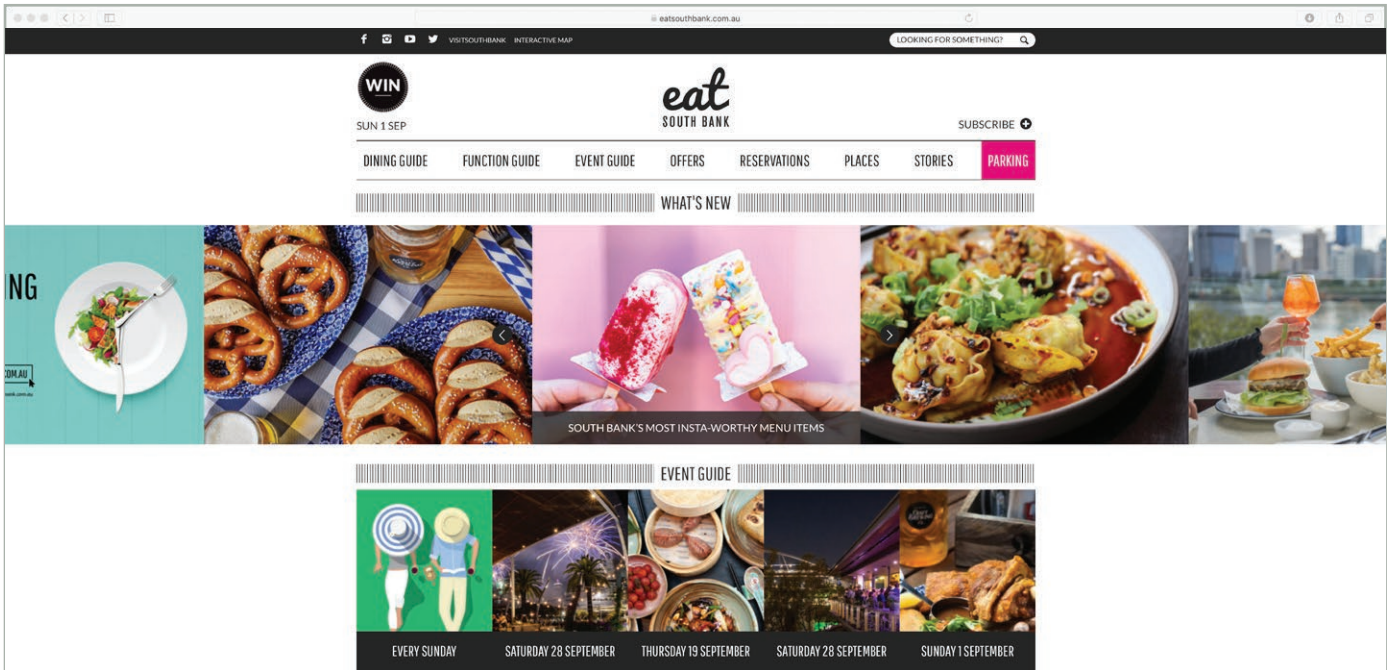
The Convention Centre has donated \$8000 to South Brisbane based Common Ground Queensland, which provides supportive housing for the homeless. The money was raised through the Centre's participation in Queensland's Containers for Change Program.

To date the Centre, which hosts more than 1100 events and welcomes more than 800,000 visitors through the doors each year, has recycled 128,741 items from various events.

### Recycling

- Recycling paper, cardboard and timber BCEC saved 654 tonnes of greenhouse gas emissions.
- Recycling paper, cardboard, mixed recycling, timber and glass BCEC diverted 5,969.88 m3 from landfill.
- Recycling paper and cardboard BCEC saved:
  - 4913 kilolitres of water
  - 557,190 kilowatts/hour of electricity
  - 336 barrels of oil
  - 1582 trees





## Retail Marketing – eatSouthBank

The 2018–19 financial year has seen a rise in the success of the popular eatSouthBank brand, which informs and drives diners to South Bank’s array of options.

This financial year has seen 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. The Corporation has also invested in events and festivals such as Regional Flavours and Brisbane Festival, which demonstrated a positive flow-on effect for retailers through participation and additional activation.

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

- Website
  - 774,009 page views
  - 361,690 sessions
- Social Media
  - Facebook = 49K followers
  - Instagram = 34K followers
- Database
  - Subscribers = 55k followers

Other major marketing initiatives implemented in the 2018–19 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 re-launch event – event to re-launch 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
- Wine, Dine and Win Campaign – February precinct-wide campaign and Valentine’s Day activation
- St Patrick’s Day – St Patrick’s Day event on Little Stanley Street
- South Bank Roadhouse Meal Deals – retailer integration with Heavy Vehicle Industry Australia’s Truck Show activation on Little Stanley Street
- Free Parking Campaign – Retail campaign offering free parking to diners of South Bank Corporation restaurants
- eatSouthBank Concierge redesign - loyalty discount cards for those using the BCEC
- Locals campaign - loyalty and discount card for those who live in the 4101 postcode
- Sunday Social – free music program on River Quay Green





## Regional Flavours

Regional Flavours is Brisbane Marketing's premiere free food and wine festival featuring a plethora of celebrity chefs, through to aspiring foodies.

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

Showcasing more than 80 of Queensland's best food and wine producers from 15 regions around the state, the July 2018 event was held over two days drawing more than 85,000 visitors. Patrons could taste and purchase locally produced food and wine from regions

such as the Lockyer Valley, Gympie and Sunshine Coast Hinterlands, watch cooking demonstrations and participate in information sessions about food sustainability with industry experts.

As part of SBC's major sponsorship, South Bank's retailers were again heavily involved in the 2018 event through the Regional Flavours street stalls, where retailers were encouraged to produce and sell regionally inspired street food options to event patrons while showcasing local produce. The stalls were situated along Little Stanley Street and were again very well attended. River Quay also hosted gourmet food vending.





## Strategic risks, opportunities and challenges

It has been 30 years since the much-loved Expo was on the land where South Bank now sits. This milestone offered appropriate time to reflect on the past, but is also the opportunity to think about the future and our vision of a revitalised precinct.

The excellence that South Bank demonstrates is the product of the commitment and energy applied by many stakeholders over the decades. The SBC 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 continued inner-city renewal has seen a dramatic shift in the distribution and density of Brisbane's population. A key objective of 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 aging assets and public open spaces is a high priority.

South Bank is undoubtedly one of Queensland's signature iconic destinations. However, with new destinations, such as Howard Smith Wharves, 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

SBC's Board identified the following key projects as major priorities for the 2018–2019 financial year:

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

**Master plan:** On 27 November 2018, the Queensland Government announced a new master plan for South Bank, which is set to revitalise the aging infrastructure for the next 30 years and beyond.

**Riverside Open Space:** In May 2019, the Corporation commenced construction after it demolished the flood-damaged Riverside Restaurants to make way for a new urban renewal project, Riverside Open Space. The project will transform the site into a new almost 7000 square metre public open space that will create a new green heart for South Bank.

### Retail management

The following leasing initiatives were delivered to meet the challenging retail environment. To further enhance South Bank's diverse and flourishing 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;
- Undertaking CAPEX projects on Little Stanley Street, including upgrades to CCTV and kitchen exhaust fans, to meet contemporary standards;
- Installation of digital wayfinding signage on Little Stanley and Grey Streets;
- Lighting enhancement projects on Little Stanley and Grey streets, and at River Quay.



## **Brisbane Convention and Exhibition Centre**

- 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 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
- Continued to build the Centre's partnership portfolio
- Maintained BCEC's contribution 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
- Contributed to the visitation of the South Bank precinct
- Continued to capitalise on its new creative branding and online social media and marketing

# Non-financial performance

## Government's objectives for the community

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

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

### CONTRIBUTION TO THE STATE GOVERNMENT'S OBJECTIVES

State Government Objective	South Bank Precinct
<b>Create jobs in a strong economy</b>	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.
<b>Give our children a great start</b>	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.
<b>Keep Queenslanders healthy and communities safe</b>	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. SBC 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.
<b>Protect the Great Barrier Reef</b>	SBC works with its precinct partners to ensure that our organisational processes and risk strategies identify, respond to, and mitigate environmental hazards. We have a sustainable footprint of 17ha of parklands, combined with a range of waste and water recycling initiatives that reduce our contribution to climate change and pollution.

## Other whole-of-government plans/specific initiatives

On 27 November 2018, the Queensland Government announced SBC will undertake a new master plan that will strive to 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. The Corporation did achieve its service summary in 2018-19 financial year that include:

- Activation of the new Flowstate community arts venue
- 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 Destination Brisbane Consortium and government agencies to ensure the best possible outcome for the landing of the proposed Neville Bonner Bridge in South Bank Parklands.

## Agency objectives and performance indicators

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

# Non-financial performance outcomes achieved

## Riverside Open Space

In May 2019, SBC commenced construction after it demolished the flood-damaged Riverside Restaurants to make way for a new urban renewal project, Riverside Open Space. The project will transform the site into a new almost 7000 square metre public open space that will create a new green heart for South Bank.

## Flowstate

Flowstate is a project that grew from renewing an aging asset in the heart of South Bank. It opened on 29 January 2018 and continued its activation until December of that year, as part of the year-long celebrations of the Commonwealth Games and as a venue securing the 2018 Brisbane Festival. It is somewhere entirely different to anything South Bank has ever seen and a symbol of the potential to come. It will be continually activated over the coming years by its new manager, City Parklands Services Pty Ltd.





# 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

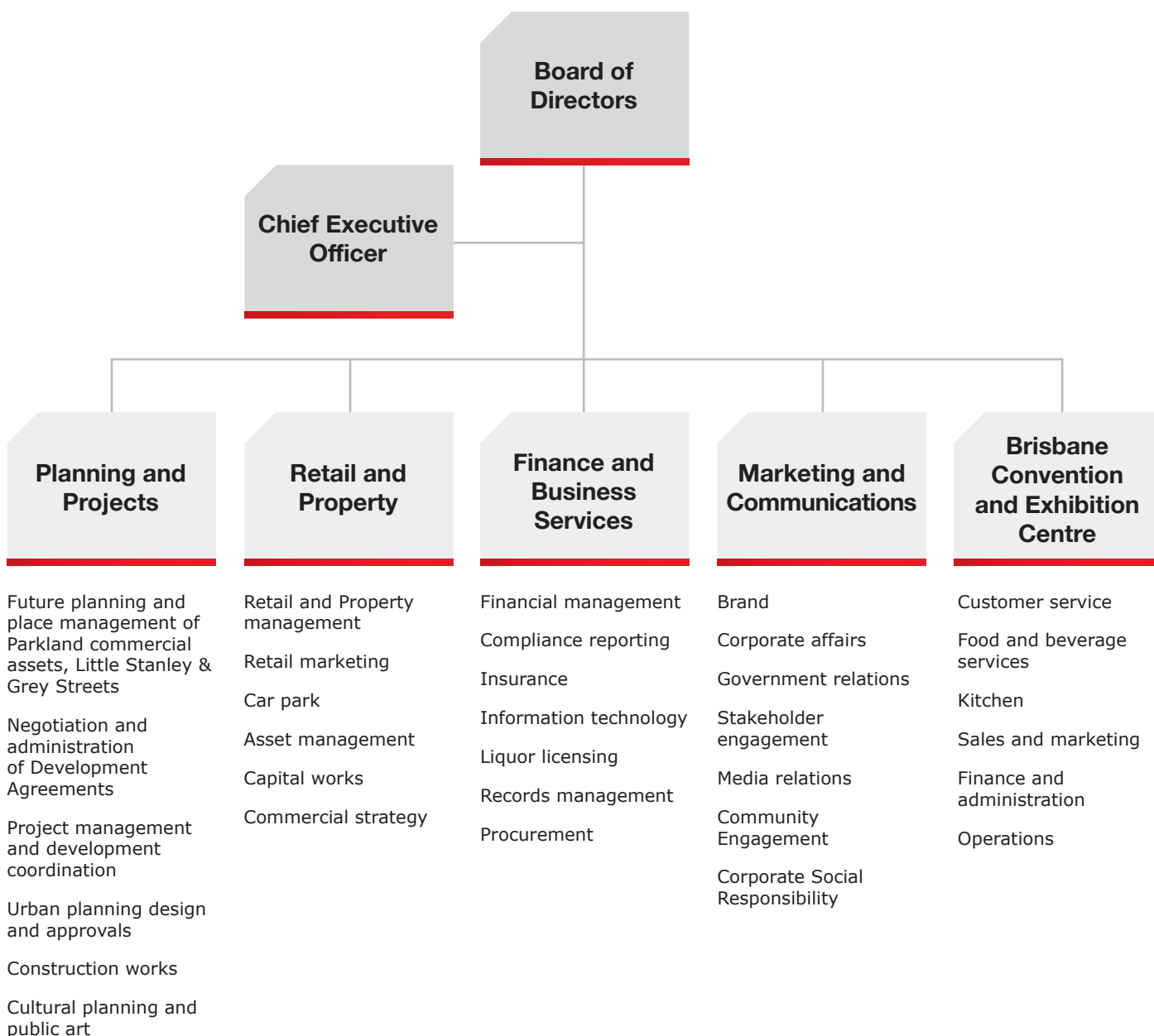
with our corporate goals and the Queensland Government's statement of objectives for the community.

South Bank Corporation achieved a net operating loss of \$5.5 million for the 2018–19 year, after depreciation of \$22.7 million.

	2014–15 (\$'m)	2015–16 (\$'m)	2016–17 (\$'m)	2017–18 (\$'m)	2018–19 (\$'m)
Revenue and gains	100	90	92	102	100
Sale of development land	-	-	10	10	-
<b>Total income</b>	<b>100</b>	<b>90</b>	<b>102</b>	<b>112</b>	<b>100</b>
Expenditure and losses	67	63	64	69	73
Cost of development land	-	-	4	3	-
Depreciation	24	23	21	22	23
Contribution to BCC's management of the South Bank Parklands	7	9	10	9	10
<b>Total expenditure</b>	<b>98</b>	<b>95</b>	<b>99</b>	<b>103</b>	<b>106</b>
<b>Net profit/ (loss)</b>	<b>2</b>	<b>(5)</b>	<b>3</b>	<b>9</b>	<b>(6)</b>
Total assets	754	770	781	792	810
<b>Net assets</b>	<b>724</b>	<b>732</b>	<b>751</b>	<b>770</b>	<b>786</b>



## Organisational structure



## Related entities

### The South Bank Employing Office

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.

## Board 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 the Brisbane City Council to two members.

The current Board, chaired by Emeritus Professor Ian O'Connor AC, has been appointed for a three-year term that expires on 28 February 2022. Dr Catherin Bull AM, Nigel Chamier AM, Kerry Doss, Susan Forrester AM and Matthew Miller were members of the Corporation's Board until the expiry of their term of appointment on 28 February 2019.

The Board met on nine occasions during the 2018–19 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. If a conflict of interest arises, the member in question will not participate in any discussion or decision regarding the matter in question, and in some circumstances will not be present during any discussion and/or decision of the Board in relation to the issue where

### Our Board of Directors



#### 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 also 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.



#### Margaret de Wit, OAM

Margaret de Wit had a 19-year career as a Councillor with Brisbane City Council. During that time she undertook the roles of Chair of Infrastructure, Chair of Public and Active Transport and Chairman of Council. In 2012, she was the first woman elected as President of the Local Government Association of Queensland. Margaret is a member of the Queensland Reconstruction Authority Board and is a Graduate of the Institute of Company Directors. She has been actively

involved in many local community organisations for many years, and is a member of Kenmore Rotary and a Warden of the Anglican Church.



#### Richard Kirk

Richard Kirk is the founder of architectural practice KIRK, which was established in 1995 and has studios in Brisbane and Kuala Lumpur. Richard is the immediate Past National President of the Australian Institute of Architects (AIA), Life Fellow of the AIA, Adjunct Professor at The University of Queensland, and Queensland Urban Design and Places Panel Member. He has been involved with the Institute for more than 20 years and was previously the Australian Institute of Architects Queensland Chapter President and a Chapter Councillor since 2008. Richard has also served on the Board of Architects of Queensland, and has previously served as a member of 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 is currently 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 has had more than 40 years of experience in the construction and development industries and over 39 years' experience as the Group Board Chairman and Managing Director of the BMD Group. BMD is an industry leader in the construction and urban development sector and is one of Australia's largest privately owned construction and urban development organisations. He has been a Brisbane City Council nominated

member of the Corporation Board since 1997.



### **Toni Power**

Toni Power is currently the Acting Director-General, Department of State Development, Manufacturing, Infrastructure and Planning.

Toni is a senior executive with 25 years' experience in the public sector at Commonwealth and state levels. In addition to executive roles within the Department of State Development, Manufacturing, Infrastructure and Planning, Toni has held senior roles within the departments of Housing, Communities and Public Works.

Toni has a professional background in government property management, commercialised business services and corporate services. Toni's experience in program and project management and leading organisations through transition and major change has created her strong relationship-based leadership style with a focus on achieving real outcomes for the department.

Toni was appointed Deputy Director-General of Industry Partnerships in early 2017.



### **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 urban design and master planning

projects. Her career spans 30 years and a range of project types, including new communities, urban regeneration around transport hubs, city and town centres, universities, 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 problems 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, and held advisory roles for government.



### **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, was the Chief of Staff for the Lord Mayor of Brisbane and is currently a Director of Seqwater and a Councillor on the state government's Koala Advisory Council.



### **Stephanie Wyeth**

Stephanie Wyeth is an urban planner who specialises in ensuring the social dynamics of cities

and communities are embedded in planning and design processes. She has more than 20 years' experience in urban and social planning across government, NGO, academic and private sectors, with specialist expertise in community and stakeholder engagement, social infrastructure and master planning projects. Stephanie is a Member of the Planning Institute of Australia, and immediate past chair of the Property Council of Australia's Queensland Diversity Committee.

### **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

William (Bill) Delves was appointed Interim Chief Executive Officer of the South Bank Corporation by the Governor in Council on 26 October 2017 and as CEO from 26 July 2018 to 25 July 2021. Bill is responsible for overseeing the Corporation's core business areas comprising planning and projects, property and commercial, financial and business services together with the Brisbane Convention & Exhibition Centre.

He brings to the Corporation extensive national and international expertise in accounting, consulting and business leadership guiding both public and private enterprises for more than 30 years.

He is currently Chair of the Advisory Board at the University of Wollongong's Sydney Business School where he also holds an Honorary Professorship in Entrepreneurship and Innovation.

## Team Leaders

### Angela Harper General Manager, Marketing & Communications

Angela Harper joined the Corporation in January 2018 and oversees all marketing and communications, including the diverse range of external affairs, stakeholder relations, media, marketing and events for the South Bank precinct. Angela brings to the corporation extensive experience 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.

### Trevor Marsden Chief Financial Officer and Company Secretary

Appointed 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 and is a chartered accountant. Trevor has worked in the South Bank precinct for over 28 years.

### Ryan McDonald General Manager, Property

Ryan joined the Corporation in 2011 and manages South Bank Corporation's commercial asset division that includes South Bank's diverse food, beverage 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 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 SBC 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.

## 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. Catherine Bull and Matthew Miller were members of the Committee until 28 February 2019. The Committee met on five occasions during the 2018–19 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 Chair of the Board is an ex officio member of the Committee. The Committee met on three occasions during the 2018–19 financial year.

## Governance People and Culture Committee

A Governance, People and Culture Committee assisted the Board in overseeing the Corporation's Human Resources strategy, sustainability, ethics and governance, prior to 28 February 2019. Sue Forrester (Chair), Catherine Bull and Andrea Kenafake were the members of the Committee which met on two occasions during the 2018–19 financial year.

## 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 2009, the Financial Performance Management Standard 2019, 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 Gary Humphrys (Chair), Kerry Doss, Mick Power and Karen Smith-Pomeroy. The Chair of the Board is an ex officio member of the Committee. Nigel Chamier was a member of the Committee until 28 February 2019. The Committee met on three occasions during the year.

# Governance – risk management, accountability and human resources

## Risk management

South Bank Corporation maintains a risk framework statement, risk appetite statement and a strategic risk register as part of its risk management framework. 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.

## External scrutiny

During the 2018–19 financial year, no external audits or reviews were conducted of South Bank Corporation other than the annual audit of the financial statements.

## 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 ethical principles:

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

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

## Education and training

Professional development is available to all staff under the Corporation's Human Resources policies. During the year, education support was provided to staff attending various professional development courses and seminars including those held by the Australian Institute of 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 and
- Information Security.

## Internal audit

The Corporation outsources its internal audit functions to Vincents Assurance and Risk Advisory. They prepare the annual internal audit plan for endorsement by management and the Audit and Risk Committee. Initiatives undertaken during the year were;

- Car park revenue
- BCEC cash handling
- Cyber security
- Contract management

## 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 and
- management of records in line with the Queensland State Archives' Retention and Disposal Schedule.

## Strategic workforce planning and performance

Staff in four full-time positions left the Corporation during the year, representing an annualised turnover of 13 per cent (2018: 26 per cent).

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

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 the 2018–19 financial year.

# Disclosure of additional information

## Consultancy and government body costs

A summary of the Corporation's payments to consultants and Government Body costs during the reporting period are both published on the Government's open data website: <https://data.qld.gov.au>.

## Overseas travel

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

## Language service costs

No language translation requests were received during the reporting period.

## Carers (Recognition) Act 2008

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

- the importance of carers work means the role of carers should be recognised by including carers, or their representative bodies, in the assessment, planning, delivery and review of services affecting carers; and
- the relationship between a carer and the person they care for should be respected and honoured.

## Right To Information

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

No Right to Information requests were received in the reporting period.

## Complaints management

South Bank Corporation and BCC handle complaints depending on their nature.

## Exercise of powers of exclusion from South Bank Parklands

Under the South Bank Corporation Act 1989 the Corporation is required to report on the number of

exclusion directions issued during the reporting period. Exclusion directions can be given for disorderly conduct, drunkenness or creating a disturbance.

The total number of exclusion directions given was 457 (2018: 385) inclusive of 184 exclusion directions given to children (2018: 174).

The main reason for issuing an exclusion notice was for creating a disturbance, with a total of 323 (2018:246) exclusions issued for this, and includes antisocial behavior such as fighting, using obscene or offensive language and generally disturbing other people's peaceful enjoyment of the precinct. 118 exclusions were made for being disorderly and 16 exclusions were made for being drunk.

No exclusion direction was reviewed, no directions were set aside and no orders were made by the courts to exclude a person from the site.





# Financial Statements

## TABLE OF CONTENTS

Consolidated Statement of Comprehensive Income .....	44
Consolidated Balance Sheet .....	45
Consolidated Statement of Changes in Equity .....	46
Consolidated Statement of Cash Flows .....	47
<b>ABOUT THE CORPORATION AND THE FINANCIAL REPORT .....</b>	<b>48</b>
<b>A1 Objectives of South Bank Corporation .....</b>	<b>48</b>
<b>A2 Basis of Preparation .....</b>	<b>48</b>
<b>A3 Management and Maintenance of the Parklands .....</b>	<b>48</b>
<b>A4 Brisbane Convention and Exhibition Centre (BCEC) .....</b>	<b>48</b>
<b>A5 Rounding and Comparatives .....</b>	<b>48</b>
<b>A6 Issuance of Financial Statements .....</b>	<b>48</b>
<b>A7 The Reporting Entity .....</b>	<b>49</b>
<b>A8 Differences between the financial statements of the consolidated entity and         the parent entity – South Bank Corporation .....</b>	<b>49</b>
<b>NOTES ABOUT OUR FINANCIAL PERFORMANCE .....</b>	<b>51</b>
<b>B1 User Charges .....</b>	<b>51</b>
<b>B2 Sale of Goods .....</b>	<b>51</b>
<b>B3 Sale of Development Land .....</b>	<b>51</b>
<b>B4 Employee Expenses .....</b>	<b>51</b>
<b>B5 Supplies and Services .....</b>	<b>52</b>
<b>B6 Other Expenses .....</b>	<b>52</b>
<b>NOTES ABOUT OUR FINANCIAL POSITION .....</b>	<b>53</b>
<b>C1 Cash and Cash Equivalents .....</b>	<b>53</b>
<b>C2 Receivables .....</b>	<b>53</b>
<b>C3 Property, Plant and Equipment .....</b>	<b>53</b>
<b>C3 (a) Land and Land Improvements .....</b>	<b>54</b>
<b>C3 (b) Buildings .....</b>	<b>55</b>
<b>C3 (c) Heritage and Cultural Assets .....</b>	<b>55</b>
<b>C3 (d) Plant and Equipment .....</b>	<b>55</b>
<b>C3 (e) Depreciation .....</b>	<b>56</b>
<b>C4 Investment Property .....</b>	<b>56</b>
<b>C5 Payables .....</b>	<b>58</b>
<b>C6 Asset Revaluation Surplus by Class .....</b>	<b>58</b>
<b>NOTES ABOUT RISKS AND OTHER ACCOUNTING JUDGEMENTS .....</b>	<b>60</b>
<b>D1 Judgements and Assumptions .....</b>	<b>60</b>
<b>D2 Accounting Policy - Fair Value Measurement .....</b>	<b>60</b>
<b>D3 Accounting Policy - Financial Instruments .....</b>	<b>60</b>
<b>D4 Commitments .....</b>	<b>61</b>
<b>D5 Insurance .....</b>	<b>61</b>
<b>D6 Contingent Assets and Liabilities .....</b>	<b>62</b>

<b>D7</b>	<b>Events after the Balance Sheet date</b> .....	62
<b>D8</b>	<b>New and Revised Accounting Standards</b> .....	62
<b>NOTES ON OUR PERFORMANCE AGAINST BUDGET</b> .....		64
<b>E1</b>	<b>Consolidated Statement of Comprehensive Income</b> .....	64
<b>E2</b>	<b>Consolidated Balance Sheet</b> .....	65
<b>E3</b>	<b>Consolidated Statement of Cash Flows</b> .....	66
<b>E4</b>	<b>Explanations of Major Variations</b> .....	67
<b>OTHER INFORMATION</b> .....		68
<b>F1</b>	<b>Key Executive Management Personnel</b> .....	68
<b>F2</b>	<b>Related Party Transactions</b> .....	69
<b>F3</b>	<b>Taxation</b> .....	69
<b>MANAGEMENT CERTIFICATE</b> .....		70
<b>INDEPENDENT AUDITOR’S REPORT</b> .....		71

**SOUTH BANK CORPORATION**  
**Consolidated Statement of Comprehensive Income**  
**for the year ended 30 June 2019**

	Notes	2019 \$'000	2018 \$'000
<b><i>Income from Continuing Operations</i></b>			
User charges	B1	64,080	59,229
Sale of goods	B2	31,947	27,348
Sale of development land	B3	-	10,175
Profit on sale of plant & equipment		10	-
Interest		1,002	896
<b>Total Revenue</b>		<b>97,039</b>	<b>97,648</b>
<b><i>Gains</i></b>			
Gain on revaluation of investment property	C4	2,808	14,258
<b>Total Income from Continuing Operations</b>		<b>99,847</b>	<b>111,906</b>
<b><i>Expenses from Continuing Operations</i></b>			
Employee expenses	B4	4,950	4,092
Supplies and services	B5	60,822	56,757
Cost of goods sold		7,419	6,574
Cost of development property		-	3,289
Depreciation	C3	22,720	22,382
Other expenses	B6	9,507	9,465
<b>Total Expenses from Continuing Operations</b>		<b>105,418</b>	<b>102,559</b>
<b>Operating Result from Continuing Operations</b>		<b>(5,571)</b>	<b>9,347</b>
<b><i>Other Comprehensive Income</i></b>			
Revaluation increment	C6	22,292	9,472
<b>Total Comprehensive Income</b>		<b>16,721</b>	<b>18,914</b>

*The accompanying notes form part of these statements.*

**SOUTH BANK CORPORATION**  
**Consolidated Balance Sheet**  
**as at 30 June 2019**

	Notes	2019 \$'000	2018 \$'000
<b>Current assets</b>			
Cash and cash equivalents	C1	54,064	46,487
Receivables	C2	2,210	1,504
Prepayments and deposits		192	159
Inventories		448	422
<b>Total current assets</b>		<b>56,914</b>	<b>48,572</b>
<b>Non-current assets</b>			
Property, plant and equipment	C3	628,942	622,453
Investment property	C4	124,500	120,900
<b>Total non-current assets</b>		<b>753,442</b>	<b>743,353</b>
<b>Total assets</b>		<b>810,356</b>	<b>791,925</b>
<b>Current liabilities</b>			
Payables	C5	13,894	10,837
Booking deposits held		8,756	10,142
Unearned income		53	46
Accrued employee benefits		468	452
<b>Total current liabilities</b>		<b>23,171</b>	<b>21,477</b>
<b>Non-current liabilities</b>			
Payables	C5	761	819
Accrued employee benefits		195	121
<b>Total non-current liabilities</b>		<b>956</b>	<b>940</b>
<b>Total liabilities</b>		<b>24,127</b>	<b>22,417</b>
<b>Net assets</b>		<b>786,229</b>	<b>769,508</b>
<b>Equity</b>			
Accumulated surplus		293,901	299,472
Asset revaluation surplus	C6	492,328	470,036
<b>Total equity</b>		<b>786,229</b>	<b>769,508</b>

*The accompanying notes form part of these statements.*

**SOUTH BANK CORPORATION**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 30 June 2019**

	<b>Accumulated Surplus</b>	<b>Asset Revaluation Surplus</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 1 July 2017</b>	290,125	460,564	750,689
Operating result from continuing operations	9,347	-	9,347
Other Comprehensive Income			
- increase in asset revaluation surplus	-	9,472	9,472
<b>Balance as at 30 June 2018</b>	<b>299,472</b>	<b>470,036</b>	<b>769,508</b>
<b>Balance as at 1 July 2018</b>	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
<b>Balance as at 30 June 2019</b>	<b>293,901</b>	<b>492,328</b>	<b>786,229</b>

*The accompanying notes form part of these statements.*

**SOUTH BANK CORPORATION**  
**Consolidated Statement of Cash Flows**  
**for the year ended 30 June 2019**

	Notes	2019 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
User charges and sale of goods		93,952	88,795
Interest		1,002	896
GST collected on sales and charges		10,281	8,809
GST input tax credits received from ATO		541	591
<i>Outflows:</i>			
Employee expenses		(4,859)	(4,193)
Supplies and services		(74,913)	(73,072)
GST paid on purchases		(4,273)	(4,736)
GST remitted to ATO		(6,445)	(4,574)
<b>Net cash provided from operating activities</b>		<b>15,286</b>	<b>12,516</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Proceeds on sale of plant and equipment		10	-
<i>Outflows:</i>			
Payments for property, plant and equipment, and investment property		(7,719)	(11,880)
<b>Net cash used in investing activities</b>		<b>(7,709)</b>	<b>(11,880)</b>
<b>Net increase in cash and cash equivalents</b>		<b>7,577</b>	<b>636</b>
Cash and cash equivalents at beginning of financial year		46,487	45,851
<b>Cash and cash equivalents at end of financial year</b>	C1	<b>54,064</b>	<b>46,487</b>

*The accompanying notes form part of these statements*

**Notes to the Consolidated Statement of Cash Flows**  
**Reconciliation of operating surplus to net cash provided by operating activities**

Operating profit	(5,571)	9,347
<i>Non-cash items:</i>		
(Gain) on revaluation of investment property	(2,808)	(14,258)
Depreciation	22,720	22,382
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in receivables	(706)	(286)
(Inc)/dec in prepayments and deposits	(33)	296
(Inc)/dec in inventories	(26)	(18)
(Inc)/dec in development property	-	3,115
(Dec)/inc in payables	2,998	(290)
(Dec)/inc in accrued employee benefits	91	(101)
(Dec)/inc in unearned income & deposits	(1,379)	(7,671)
<b>Net cash from operating activities</b>	<b>15,286</b>	<b>12,516</b>

# **SOUTH BANK CORPORATION**

## **Notes to and forming part of the consolidated financial statements for the year ended 30 June 2019**

### **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 and
- 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 43 of the Financial and Performance Management Standard 2009. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2018.

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.

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 and Exhibition Centre (BCEC)**

The Corporation's financial statements include the ownership and operation of the Brisbane Convention and Exhibition Centre (BCEC) and the associated assets, liabilities, revenues and expenses. Management of the BCEC is outsourced with the Centre Manager – acting as 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 audited 2017-18 consolidated financial statements except where it has been necessary to reclassify or restate comparatives to be consistent with disclosures 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.



# South Bank Corporation

## Notes to and forming part of the consolidated financial statements for the year ended 30 June 2019

### A7 The Reporting Entity

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

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

The consolidated financial statements cover the financial statements of South Bank Corporation and its controlled entity as a consolidated group. The financial statements of South Bank Corporation as an individual parent entity are not materially different from those of the consolidated group and are therefore not shown separately in this report. These immaterial differences are listed in Note A8 below to provide full disclosure.

### A8 Differences between the financial statements of the consolidated entity and the parent entity – South Bank Corporation

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

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

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

	<b>Consolidated 2019 \$'000</b>	<b>Parent 2019 \$'000</b>
<b>Statement of Comprehensive Income</b>		
Interest income	1,002	1,000
Employee expenses	4,950	554
Supplies and services expenses	60,822	65,216
Total Expenses	65,772	65,770
Net	(64,770)	(64,770)

#### Reporting differences

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

#### Balance Sheet

##### *Current assets*

Cash and cash equivalents	54,064	53,994
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##### *Current liabilities*

Payables	13,894	14,482
Accrued employee benefits	468	5

##### *Non-current liabilities*

Accrued employee benefits	195	-
Total Liabilities	14,557	14,487
Net	39,507	39,507

#### Reporting differences

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

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

	<b>Consolidated</b>	<b>Parent</b>
	<b>2019</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Statement of Cash Flows</b>		
<i>Inflows:</i>		
Interest income	1,002	1,000
<i>Outflows:</i>		
Employee expenses	(4,859)	(554)
Supplies and services expenses	(74,913)	(79,227)
Net	(78,770)	(78,781)

Reporting differences

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

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**NOTES ABOUT OUR FINANCIAL PERFORMANCE**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>REVENUE</b>		
<b>B1 User Charges</b>		
Venue hire	31,307	26,938
Rental income	14,529	13,465
Car parking	18,095	18,363
Other	149	463
<b>Total</b>	<b>64,080</b>	<b>59,229</b>
<b>B2 Sale of Goods</b>		
Food and beverage sales	31,947	27,348
<b>Total</b>	<b>31,947</b>	<b>27,348</b>
<b>B3 Sale of Development Land</b>		
Sale of Development Land	-	10,175
<b>Total</b>	<b>-</b>	<b>10,175</b>

*Accounting Policy - Revenue*

Venue hire revenue is recognised when the event has been held and the provision of related services has been provided. Venue hire revenue received in advance for booking deposits is recorded as a liability in the consolidated balance sheet.

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 revenue is recognised when the related services has been provided.

Food and beverage sales are recognised at the point of sale.

Sale of development land revenue (by leasehold) is recognised when the significant risks and rewards of ownership have transferred to the customer. This occurs at the settlement date once all pre-conditions to the granting of the long term lease are completed.

**EXPENSES**

<b>B4 Employee Expenses</b>		
Wages and salaries	4,184	3,694
Less wages charged to sale of development land	-	(349)
Less wages charged to event costs	-	(166)
Superannuation	495	423
Recruitment	83	179
Other employee benefits	188	311
<b>Total</b>	<b>4,950</b>	<b>4,092</b>

The number of employees as at 30 June, including full-time, part-time and casual employees, measured on a full-time equivalent basis is 34 (2018: 35).

*Accounting Policy – Employee Expenses*

**Wages and Salaries**

Wages and salaries due but unpaid at reporting date are recognised in the statement of comprehensive income at the current salary rates. The liabilities are expected to be wholly settled within 12 months of reporting date and are recognised at undiscounted amounts.

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**Annual Leave**

Annual leave is recognised as accrued employee benefits in the 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.

**Long Service Leave**

Long service leave is recognised as accrued employee benefits in the 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 Statement of Comprehensive Income. Beyond the agreed contributions to the various funds the Corporation has no financial commitment to the funds.

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>B5 Supplies and Services</b>		
Brisbane Convention and Exhibition Centre:		
- Staffing charges	34,629	31,185
- Operating costs and management fee	8,430	6,050
- Asset repairs and maintenance	4,385	3,256
- Electricity	2,617	2,522
- Advertising, marketing and public relations	1,035	776
Investment property operating costs	5,128	4,873
Sponsorship, retail marketing & precinct activation	1,180	1,658
Insurance premiums - QGIF	769	840
Operating lease rentals	594	595
External audit fees	100	98
Other supplies and services	1,955	4,904
<b>Total</b>	<b>60,822</b>	<b>56,757</b>

The total external audit fees of the Queensland Audit Office relating to the 2018-19 financial statements are estimated to be \$100,000 (2018: \$98,000). There are no non-audit services included in this amount. Fees paid to the independent Chair of the Audit and Risk Committee \$6,000 (2018: \$8,000).

**B6 Other Expenses**

Contribution to management of the South Bank Parklands by the Brisbane City Council	10,728	12,224
less		
Contribution recognised as capital works owned by the Corporation	(1,605)	(2,994)
Other	384	235
<b>Total</b>	<b>9,507</b>	<b>9,465</b>

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**NOTES ABOUT OUR FINANCIAL POSITION**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>C1 Cash and Cash Equivalents</b>		
Cash on hand	152	153
Cash at bank	11,626	11,277
Deposits at call	42,286	35,057
<b>Total</b>	<b>54,064</b>	<b>46,487</b>

*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. Deposits at call are measured at amortised cost which approximates their fair value at reporting date.

**C2 Receivables**

Trade and other receivables	<b>2,210</b>	<b>1,504</b>
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*Accounting Policy - Receivables*

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

**C3 Property, Plant and Equipment**

**Property, plant and equipment reconciliation**

	Land and Improve ments (level 3) \$'000	Buildings (level 3) \$'000	Heritage & Cultural (level 3) \$'000	Plant & Equip. n/a \$'000	Work in progress n/a \$'000	Total \$'000
Fair value level <b>2019</b>						
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	<b>240,714</b>	<b>366,818</b>	<b>6,599</b>	<b>4,723</b>	<b>10,088</b>	<b>628,942</b>
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	<b>240,714</b>	<b>366,818</b>	<b>6,599</b>	<b>4,723</b>	<b>10,088</b>	<b>628,942</b>

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

Fair value level 2018	Land and Improvements (level 3) \$'000	Buildings (level 3) \$'000	Heritage & Cultural (level 3) \$'000	Plant & Equip. n/a \$'000	Work in progress n/a \$'000	Total \$'000
Gross	294,451	671,735	10,917	18,286	7,370	1,002,759
Less Accumulated Depreciation	(45,928)	(308,933)	(4,080)	(13,345)	-	(372,286)
Less accumulated impairment loss	(8,020)	-	-	-	-	(8,020)
Carrying amount 30 June 2018	<b>240,503</b>	<b>362,802</b>	<b>6,837</b>	<b>4,941</b>	<b>7,370</b>	<b>622,453</b>
Balance 1 July 2017	239,649	369,846	69,221	5,093	2,765	624,275
Additions	-	4,206	-	2,557	4,605	11,368
Revaluation increment	4,173	5,250	49	-	-	9,472
Disposals	-	-	-	(280)	-	(280)
Reclassifications	-	662	-	(662)	-	-
Depreciation	(3,319)	(17,162)	(134)	(1,767)	-	(22,382)
Balance 30 June 2018	<b>240,503</b>	<b>362,802</b>	<b>6,837</b>	<b>4,941</b>	<b>7,370</b>	<b>622,453</b>

*Accounting Policy - Property, Plant and Equipment recognition thresholds*

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

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

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 2019 and 2018, land of the South Bank Parklands and the land occupied by the Brisbane Convention and Exhibition Centre were independently valued by the State Valuation Services of the Department of Natural Resources and Mines.

The valuations were made on the basis of a comparison with sales of properties which have similar attributes and which generally form part of a similar real estate market of lands considering: location, development potential, access to facilities and other community amenities, and overall size. The valuations were determined by reference to the best use physically possible, legally permissible and financially feasible, which would result in the highest value. 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.

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

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

All land improvements - such as landscaping and civil works - were valued separately from the land as at 30 June 2019 and 2018 by an independent valuer - 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**

<b>Asset class - Description</b>	<b>Fair value at 30 June 2019</b>	<b>Fair value at 30 June 2018</b>	<b>Type of significant level 3 inputs</b>
Land - South Bank Parklands	\$34.5 million	\$34.5 million	Effective rate per sq. metre.
Land - Brisbane Convention and Exhibition Centre	\$115.0 million	\$115.0 million	Effective rate per sq. metre.
Land Improvements	\$90.2 million	\$90.0 million	Remaining useful life and costs per component.

**C3 (b) Buildings**

The commercial car park and buildings utilised by the Corporation for its own use were valued as at 30 June 2019 and 2018 by independent valuers - Colliers International and CBRE Valuations respectively - using 'fair value' principles as disclosed in Note D2 based on current market values.

The Brisbane Convention and Exhibition Centre building and all non-commercial buildings, such as the South Bank Piazza, were valued by an independent valuer - Jardine Lloyd Thompson Valuation Services - as at 30 June 2019 and 2018, based on the depreciated replacement cost, as there is no active market for such facilities. The depreciation replacement cost was based on a combination of internal records of the original cost of the specialised fit out, published construction rates for various standard components of buildings and taking into consideration the assets condition and their remaining useful life.

**Fair value level 3 significant valuation inputs**

<b>Asset class - Description</b>	<b>Fair value at 30 June 2019</b>	<b>Fair value at 30 June 2018</b>	<b>Type of significant level 3 inputs</b>
Buildings - Brisbane Convention and Exhibition Centre	\$256.6 million	\$260.0 million	Remaining useful life and costs per component.
Buildings - South Bank car park	\$101.0 million	\$93.5 million	Capitalisation rate for sale of lessee interest and rate for sale on going concern basis.

**C3 (c) Heritage and Cultural Assets**

The Nepalese Pagoda was valued as at 30 June 2019 and 2018 using written down replacement cost (taking into consideration its remaining useful life) as no active market exists.

Artworks, predominately of aboriginal paintings, were 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 last previous valuation of these works was performed in 2016 as it was believed that any variance to current market values was 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*.

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**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:

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

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

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

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

*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.

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>C4 Investment Property</b>		
Fair value levels	(level 3)	(level 3)
Balance as at 1 July	120,900	105,850
Additions and work in progress	792	792
Fair value adjustment	2,808	14,258
<b>Balance as at 30 June</b>	<b>124,500</b>	<b>120,900</b>

**Fair value level 3 significant valuation inputs**

<b>Description</b>	<b>Fair value as at 30 June 2019</b>	<b>Fair value as at 30 June 2018</b>	<b>Type of significant level 3 inputs</b>
South Bank Parklands	\$30.4 million	\$29.5 million	Capitalisation rate
Little Stanley and Grey Streets	\$68.4 million	\$67.2 million	Capitalisation rate
River Quay	\$11.6 million	\$10.1 million	Capitalisation rate
BCEC on Grey	\$14.1 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 2019**

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

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

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	11,345	11,099
Later than one year and not later than five years	36,589	38,174
Later than five years	25,689	31,080
<b>Total</b>	<b>73,623</b>	<b>80,353</b>

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.

*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.

Independent valuations were performed by qualified valuers Colliers International in 2019 and CBRE Valuations in 2018. The primary valuation techniques included:

- Discounted cash flow models, and
- 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, void 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 letting up 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 2019**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>C5 Payables</b>		
<b>Current</b>		
Trade payables	3,828	1,802
Accrued expenditure	6,532	5,635
Sundry payables	3,190	3,160
	13,550	10,597
GST receivable	(564)	(559)
GST payable	908	799
	344	240
<b>Total</b>	<b>13,894</b>	<b>10,837</b>
<b>Non-current</b>		
Sundry payables	<b>761</b>	<b>819</b>

*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.

**C6 Asset Revaluation Surplus by Class**

	<b>Land and Improvements</b>	<b>Buildings</b>	<b>Heritage &amp; Cultural</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2019</b>				
Balance as at 1 July 2018	222,094	242,431	5,511	470,036
Revaluation increment	3,600	18,792	(100)	22,292
<b>Balance as at 30 June 2019</b>	<b>225,694</b>	<b>261,223</b>	<b>5,411</b>	<b>492,328</b>
<b>2018</b>				
Balance as at 1 July 2017	217,921	237,181	5,462	460,564
Revaluation increment	4,173	5,250	49	9,472
<b>Balance as at 30 June 2018</b>	<b>222,094</b>	<b>242,431</b>	<b>5,511</b>	<b>470,036</b>

The asset revaluation surplus represents the net effect of upwards and downwards 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 & 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.

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

Revaluations are made with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at the reporting date. All other classes of assets are recorded on a cost basis less depreciation and impairment losses. In respect of the 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 decrease 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'.

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 2019**

**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 potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

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

- Receivables Note C2,
- Property, plant and equipment, and depreciation Note C3,
- Investment property Note C4, and
- Payables Note C5.

**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 level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

More specific fair value information about the Corporation's property, plant and equipment and investment property is outlined in notes C3 and C4 respectively.

**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**

	<b>Measurement classification</b>	<b>Note</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Financial assets</b>				
Cash and cash equivalents	Amortised cost	C1	54,064	46,487
Receivables	Amortised cost	C2	2,210	1,504
<b>Total</b>			<b>56,274</b>	<b>47,991</b>
<b>Financial Liabilities</b>				
Payables	Amortised cost	C5	14,655	11,656
Booking deposits held	Amortised cost		8,756	10,142
<b>Total</b>			<b>23,411</b>	<b>21,798</b>

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

**(b) Fair Value**

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

# South Bank Corporation

## Notes to and forming part of the consolidated financial statements for the year ended 30 June 2019

### (c) 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:

<b>Risk Exposure</b>	<b>Measurement Method</b>
Credit risk	Ageing analysis
Liquidity risk	Maturity analysis
Market risk	Interest rate sensitivity analysis

#### **Credit Risk Exposure**

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 gross carrying amount of those assets after provision 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.

#### **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. No foreign exchange or equity instruments are held.

## D4 Commitments

### **Non-cancellable Operating Lease Commitments**

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	621	606
Later than one year but not later than five years	3,277	3,260
Later than five years	3,504	3,616
<b>Total commitments</b>	<b>7,402</b>	<b>7,482</b>

Operating leases, with fixed lease payments, are entered into as a means of acquiring access to assets, mainly retail space.

#### **Capital Expenditure**

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

Not later than one year	5,366	-
<b>Total commitments</b>	<b>5,366</b>	<b>-</b>

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. Insurance cover is held with the Queensland Government Insurance Fund, for an unlimited sum for: public liability, loss or damage of property, and consequential costs and loss of revenue.

WorkCover Queensland insurance provides for employee compensation cover.

# South Bank Corporation

## Notes to and forming part of the consolidated financial statements for the year ended 30 June 2019

### D6 Contingent Assets and Liabilities

The Corporation has received notification of public liability incidents which could result in claims and litigation. The Corporation believes that any material liability will be indemnified by the Corporation's insurer or the insurer for the manager of the BCEC. There are no other contingent assets or liabilities.

### 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 standard

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

AASB 9 *Financial Instruments* has been applied for the first time in 2018-19. Comparative information for 2017-18 has not been restated and continue to be reported under AASB 139 *Financial Instruments: Recognition and Measurement*.

The new classifications have not resulted in a change in the carrying amount for financial assets and liabilities.

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

#### Future impact of account standards not yet effective

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

These standards will first apply to the Corporation's financial statements for 2019-20.

The Corporation has reviewed its current contracts and operations and does not believe the new requirements of AASB 1058 will have a material impact. Depending on contractual terms, however, the new requirements of AASB 15 may potentially 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). The recognition of revenue under AASB 15 is not expected to materially differ to existing revenue recognition accounting policies.

The Corporation does not currently receive any grant funding, however, it will adopt the following new recognition requirements 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.

#### AASB 16 Leases

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

#### Impact for Lessees

Under AASB 16, the majority of operating leases (as defined by the current AASB 117 and shown at Note B5) will be reported on the balance sheet as right-of-use assets and lease liabilities.

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

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

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

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. In accordance with Queensland Treasury's policy, the Corporation will apply the 'cumulative approach', and will not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application.

***Outcome of review as lessee***

The Corporation leases property it then sub-leases to tenants. Lease payments under these arrangement totalled \$593,000 in the 2018-19 year. Based on the current operating lease commitments of the Corporation it is estimated that the transitional impact on the balance sheet of all qualifying lease arrangements that will be recognised under AASB 16 on 1 July 2019 will be:

Increase in right-of-use assets	1% of net assets
Increase in lease liabilities	1% of net assets

***Impact for Lessors***

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

***All other standards***

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

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**NOTES ON OUR PERFORMANCE AGAINST BUDGET**

**E1 Consolidated Statement of Comprehensive Income**

	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Variance favourable /(unfavourable) \$'000
<b>Income from Continuing Operations</b>				
User charges and fees	1	88,280	96,037	7,757
Interest		525	1,002	477
<b>Gains</b>				
Gain on revaluation of investment property	2	6,500	2,808	(3,692)
<b>Total Income from Continuing Operations</b>		<b>95,305</b>	<b>99,847</b>	<b>4,542</b>
<b>Expenses from Continuing Operations</b>				
Employee expenses		5,140	4,950	190
Supplies and services	3	66,398	68,241	(1,843)
Depreciation		21,000	22,720	(1,720)
Other expenses		8,808	9,507	(699)
<b>Total Expenses from Continuing Operations</b>		<b>101,346</b>	<b>105,418</b>	<b>(4,072)</b>
<b>Operating Result from Continuing Operations</b>		<b>(6,041)</b>	<b>(5,571)</b>	<b>470</b>



**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**E2 Consolidated Balance Sheet**

	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Variance favourable /(unfavourable) \$'000
<b>Current assets</b>				
Cash and cash equivalents	4	18,598	54,064	35,466
Receivables		1,218	2,210	992
Inventories		404	448	44
Other		455	192	(263)
<b>Total current assets</b>		<b>20,675</b>	<b>56,914</b>	<b>36,239</b>
<b>Non-current assets</b>				
Property, plant and equipment	5	778,553	753,442	(25,511)
<b>Total non-current assets</b>		<b>778,553</b>	<b>753,442</b>	<b>(25,511)</b>
<b>Total assets</b>		<b>799,228</b>	<b>810,356</b>	<b>11,128</b>
<b>Current liabilities</b>				
Payables	6	10,894	13,894	(3,000)
Accrued employee benefits		600	468	132
Other		7,492	8,809	(1,317)
<b>Total current liabilities</b>		<b>18,986</b>	<b>23,171</b>	<b>(4,185)</b>
<b>Non-current liabilities</b>				
Payables		855	761	94
Accrued employee benefits		73	195	(122)
<b>Total non-current liabilities</b>		<b>928</b>	<b>956</b>	<b>(28)</b>
<b>Total liabilities</b>		<b>19,914</b>	<b>24,127</b>	<b>(4,213)</b>
<b>Net assets</b>		<b>779,314</b>	<b>786,229</b>	<b>6,915</b>
<b>Total equity</b>		<b>779,314</b>	<b>786,229</b>	<b>6,915</b>

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**E3 Consolidated Statement of Cash Flows**

	Notes	Budget 2019 \$'000	Actual 2019 \$'000	Variance favourable /(unfavourable) \$'000
<b>Cash flows from operating activities</b>				
<i>Inflows:</i>				
User charges and fees		88,280	93,952	5,672
Interest received		525	1,002	477
Other		4,000	10,822	6,822
<i>Outflows:</i>				
Employee expenses		(5,140)	(4,859)	281
Supplies and services		(66,398)	(74,913)	(8,515)
Other		(12,808)	(10,718)	2,090
<b>Net cash provided by or used in operating activities</b>		<b>8,459</b>	<b>15,286</b>	<b>6,827</b>
<b>Cash flows from investing activities</b>				
<i>Inflows:</i>				
Proceeds on sale of plant and equipment		-	10	10
<i>Outflows:</i>				
Payments for non-financial assets		(24,131)	(7,719)	16,412
<b>Net cash provided by or used in investing activities</b>		<b>(24,131)</b>	<b>(7,709)</b>	<b>16,422</b>
Net increase (decrease) in cash and cash equivalents		(15,672)	7,577	23,249
Cash and cash equivalents – opening balance		34,270	46,487	12,217
<b>Cash and cash equivalents – closing balance</b>		<b>18,598</b>	<b>54,064</b>	<b>35,466</b>

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**E4 Explanations of Major Variations**

1. The increase is mainly due to higher than forecast commercial turnover by the Brisbane Convention and Exhibition Centre.
2. The lower than anticipated gains on revaluation of investment properties were mainly driven by changes in the broader market for investment properties, rather than any changes in the operations of the properties owned by the Corporation.
3. The increase in supplies and services expenditure is a result higher than forecast commercial turnover by the BCEC.
4. The increase in cash and cash equivalents is due to a better than budgeted operating result and deferred capital expenditure.
5. The lower than forecast property, plant and equipment is due to the deferral of major capital works.
6. The increase in payables is a normal fluctuation in payments.

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**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 2018-19 financial year were:

Position	Responsibilities	Date of initial appointment	Date of resignation or cessation
Board Chair, Ian O'Connor AC	Strategic management	March 2019	-
Board Chair, Catherin Bull AM		March 2016	February 2019
Board Members:			
• Nigel Chamier AM		June 2016	February 2019
• Kerry Doss		October 2017	February 2019
• Susan Forrester AM		March 2016	February 2019
• Richard Kirk		March 2016	-
• Matthew Miller		March 2016	February 2019
• Kyl Murphy		March 2019	-
• Michael Power AM		February 1997	-
• Toni Power		March 2019	-
• Kieron (Tim) Quinn		March 2016	-
• Caroline Stalker		March 2019	-
• Marina Vit		March 2019	-
• Margaret de Wit OAM		March 2019	-
• Stephanie Wyeth	March 2016	-	
Chief Executive Officer, William Delves	Strategic planning, development, and the efficient and effective management of the Corporation.	October 2017	-

**Remuneration 2018-19**

Position	Short Term Employee Base Benefits \$'000	Post Employment Benefits \$'000	Total Remuneration \$'000
Board Chair:			
March to June 2019			
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
<b>Total</b>	<b>480</b>	<b>45</b>	<b>525</b>

**South Bank Corporation**  
**Notes to and forming part of the consolidated financial statements**  
**for the year ended 30 June 2019**

**Remuneration 2017-18**

Position	Short Term Employee Base Benefits	Post Employment Benefits	Total Remuneration
	\$'000	\$'000	\$'000
Board Chair: Catherin Bull AM	46	4	50
Board Members:			
Nigel Chamier AM	14	1	15
Susan Forrester	14	1	15
Stephanie Wyeth	14	1	15
Matthew Miller	14	1	15
Michael Power AM	14	1	15
Tim Quinn	14	1	15
Richard Kirk	14	1	15
Board Member employed by Queensland Government, Kerry Doss	-	-	-
Board Member employed by Brisbane City Council, Andrea Kenafake	-	-	-
Chief Executive Officer, David Lynch July 2017	11	1	12
Chief Executive Officer, Jemina Dunn July to October 2017	81	10	91
Chief Executive Officer, William Delves October 2017 to June 2018	194	25	219
<b>Total</b>	<b>431</b>	<b>49</b>	<b>480</b>

**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

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 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; 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 the South Bank Corporation for the financial year ended 30 June 2019 and of the financial position of the Corporation at the end of that year; and

We acknowledge responsibility under s.8 and s.15 of the *Financial and Performance Management Standard 2009* 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.



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Ian O'Connor AC  
Chair



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William Delves  
Chief Executive Officer



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Trevor Marsden  
Chief Financial Officer

Date: 21 August 2019

## INDEPENDENT AUDITOR'S REPORT

To the Board of South Bank Corporation

### Report on the audit of the financial report

#### Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2019, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the consolidated balance sheet as at 30 June 2019, 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.

#### Other information

Other information comprises the information included in the group's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

The Board is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Responsibilities of the entity for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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, but not for expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.



- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2019:

- 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.



23 August 2019

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	p.4
Accessibility	Table of contents Glossary	ARRs – section 9.1	p.7
	Public availability	ARRs – section 9.2	p.6
	Interpreter service statement	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	p.6
	Copyright notice	<i>Copyright Act 1968</i> ARRs – section 9.4	p.6
	Information Licensing	Queensland Government Enterprise Architecture- Information Licensing ARRs – section 9.5	p.6
General information	Introductory Information	ARRs – section 10.1	p.8
	Agency role and main functions	ARRs – section 10.2	p.11
	Machinery of Government changes	ARRs – section 31 and 32	n/a
	Operating environment	ARRs – section 10.3	p.14
Non-financial performance	Government objectives for the community	ARRs – section 11.1	p.28
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	p.29
	Agency objectives and performance indicators	ARRs – section 11.3	p.29
	Agency service areas and service standards	ARRs – section 11.4	p.29
Financial performance	Summary of financial performance	ARRs – section 12.1	p.32
Governance – management and structure	Organisational structure	ARRs – section 13.1	p.33
	Related entities	ARRs – section 13.3	p.33
	Executive management	ARRs – section 13.2	p.36
	Public Sector Ethics Act 1994	Public Sector Ethics Act 1994 ARRs – section 13.4	p.38
	Queensland public service values	ARRs – section 13.5	p.11

## Compliance checklist

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Audit and Risk Committee	ARRs – section 14.2	p.37
	Risk management	ARRs – section 14.1	p.38
	External scrutiny	ARRs – section 14.4	p.38
	Internal Audit	ARRs – section 14.3	p.39
	Information systems and recordkeeping	ARRs – section 14.5	p.39
Governance – human resources	Strategic workforce, planning and performance	ARRs – section 15.1	p.39
	Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	p.39
Open Data	Statement advising publication of information	ARRs – section 16	p.40
	Consultants	ARRs – section 33.1	p.40
	Overseas travel	ARRs – section 33.2	p.40
	Queensland Language Services Policy	ARRs – section 33.3	p.40
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	p.70
	Independent Auditor’s Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	p.71

ARRs *Annual report requirements for Queensland Government agencies*

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*



**south bank**  
corporation

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