

A D E L A I D E  F E S T I V A L

# ANNUAL REPORT

for the Year Ended  
30 June 2016

## Adelaide Festival Corporation

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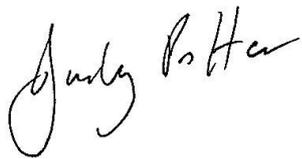
A D E L A I D E  F E S T I V A L

2 September 2016

The Hon Jack Snelling MP  
Minister for the Arts  
GPO Box 2555  
ADELAIDE SA 5001

Dear Minister

I have the honour to transmit to you the report of the Adelaide Festival Corporation for the period 1 July 2015 to 30 June 2016, furnished in compliance with section 20 of the Adelaide Festival Corporation Act 1998.



Judy Potter  
Chair

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## CHAIR'S REPORT

I joined the Adelaide Festival Board in May 2015, and one of my first roles was as a member of the selection panel for the Artistic Director for the 2017 – 2019 Festivals. We were very pleased to appoint Neil Armfield AO and Rachel Healy to build on the significant legacy of South Australia's much loved Festival.

This year has been a year of change for the Festival. Richard Ryan completed his term as Chair in April 2016, at which time I took over as Chair. Having the opportunity of being on the board as Chair-elect was very valuable. 2016 was also David Sefton's fourth and final Festival.

The 2016 Festival was a great success, recording the largest ticketed attendances in its history, and some truly unforgettable experiences including the opening night performance from French masters of fire and light Groupe F at the wonderful Adelaide Oval, the epic historical trilogy *The James Plays* from the National Theatre of Scotland, and the return of Pina Bausch's famous Tanztheater Wuppertal to Adelaide with their celebrated *Nelken*. It was a great result for David Sefton for his last Festival.

I would like to acknowledge Graham Walters AM, Christie Anthony and Amanda Duthie, whose Board terms finished during the reporting period.

Richard Ryan and the board delivered a strong financial result for the 2016 Festival, leaving the business in a good financial position for future years.

During the year I was joined on the board by Ulrike Klein, Mark Roderick and David Knox, and in June 2016 Sandy Verschoor commenced as Chief Executive Officer. The expertise of the new board members and Chief Executive will be a great asset to the organisation going forward.

I am very confident that the Adelaide Festival Corporation has the skills, expertise and passion to provide the oversight and support to the Artistic Directors and Chief Executive that is necessary to ensure that we continue to present one of the world's great multi-arts festivals.



Judy Potter  
Chair

## CHIEF EXECUTIVE OFFICER'S REPORT

My appointment as Chief Executive Officer of the Adelaide Festival has brought full circle a journey that began when I first joined the Festival team for Barrie Kosky's 1996 Festival, a journey that continued through Robyn Archer's Festivals in 1998 and 2000, then with Arts Projects Australia who produce WOMADelaide, the Adelaide Fringe, the Adelaide City Council and Windmill Theatre.

I have returned to the Festival with a brief to provide leadership at a time of considerable change within the organisation, and to deliver the first of the festivals with new Artistic Directors Neil Armfield and Rachel Healy.

The year under review was remarkable in many respects. The preparations for David Sefton's final Festival energised the organisation, with a program that included events like the spectacular opening night performance at Adelaide oval that saw a record audience of nearly 26,000 attend a single Festival event.

The coming year will be a time of reassessing our strategic and operational plans, ensuring that the proper resources—both capital and people—are in place, making all the necessary decisions, and driving our performance to ensure that the Festival grows and prospers while maintaining its proud legacy of programming that thrills, inspires, challenges and delights local, national and international audiences, involves local artists, stimulates community involvement, and attracts artists and visitors from around the world.

Adelaide Festival is one of the world's great Festivals that pursues new and unexpected horizons, enthral audiences, and places Adelaide at the centre of Australia's cultural life. I know that our Joint Artistic Directors Neil Armfield and Rachel Healy, and our outstanding Board, led by Judy Potter, share that vision and the determination to see it realised.



Sandy Verschoor  
Chief Executive Officer

## 2. Plans and Objectives

The **vision** of the Adelaide Festival is to present a unique multi arts festival experience of the highest international calibre that consistently demonstrates artistic integrity and leadership and is Australia's premier cultural destination.

### Core Values

- to ensure that vision and purpose guide the organisation's and the event's direction;
- to ensure that artistic endeavour and the integrity of the artistic program remains the primary driver of the Festival;
- to maintain organisational processes that are transparent and equitable;
- a commitment to achieve and sustain excellence in every area of operation;
- a commitment to Festival events and experiences that include a sense of celebration.

### Strategic Goals (2013 to 2018)

#### 1. To be broadly recognised as the premiere national festival at a local, national and international level

To re-activate and re-energise the Festival's artistic position as the major nexus for arts and culture on a state, national and international basis through the highest level of curatorial and artistic leadership for the Festival (both main festival program and Writers' Week), with annual outcomes recognised at the very highest international standard. Subsequently, to maintain and further develop a high level of interstate and overseas visitation, significant national and international profile and a strong sense of local South Australian and national pride.

- Cultural leadership through adventurous, bold and dynamic artistic vision that inspires and captures people's imaginations;
- Promote and deliver 'Exceptional Quality'. The importance of premium status rather than quantity of offerings;
- The highest standard of artistic practice in the country with a program of the most exciting productions and events from around the world;
- A high representation of world premiere and Australian premieres (exclusivity) that attract visitation;
- Maximised engagement with the community through a wide range of events and initiatives (including a component of free events);
- Successful international and national recognition.

#### 2. To maximise positioning as a unique, leading arts organisation

- Identify points of difference and areas in which leadership across all areas of the organisation can be further developed, promoted and utilised;
- To broaden and deepen engagement with all stakeholder groups;
- Identify and develop strong relationships with people of influence across all sectors and activate these as advocates;
- Ensure we maintain innovative high profile marketing / PR campaigns of the highest quality across a wide range of communication platforms;
- Ensure the highest level of corporate governance and risk management to support the artistic objectives of the festival.

### 3. To broaden our audience reach

- Achieve a long term trend to increase overall audience numbers (both ticketed and overall attendance numbers) whilst ensuring that artistic quality (and uniqueness) is not compromised;
- Attract and maintain new audiences (including niche markets and younger audiences).

### 4. To develop stronger, more effective partnerships across government, tourism, media and the corporate sector to maximise outcomes for the Festival and for the state of SA

- Deepen engagement with sponsors with an innovative and high quality benefits package;
- Develop and deliver a comprehensive communications strategy that more proactively tells 'the Festival's story'.

### 5. To develop a more sustainable financial model for the future ensuring ongoing maximum support for the cultural objectives of the Festival at the highest level

- Develop a three year financial model that ensures increased financial security;
- Continue to improve the cash position of the Adelaide Festival Corporation;
- Develop income streams to maximise financial flexibility;
- Achieve a reserve strategy to enable ambitious artistic risk taking in the future;
- Invest appropriately in development of a long term philanthropic strategy;
- Develop ability to invest in world-class commissions to ensure access to premieres of the highest quality new work;
- Ensure that the Festival operates within its available resources.

## South Australia's Strategic Plan

The Adelaide Festival's Strategic Overview and associated cultural and business outcomes connect with objectives of the South Australia's Strategic Plan (SASP) with a special focus on the Vision **Our Communities are vibrant places to live, work, play and visit**. The Festival contributes directly to the following SASP objectives and targets:

- *SASP Goal: We are committed to our towns and cities being well designed, generating great experiences and a sense of belonging.*

*SASP Target 1: Urban spaces. Increase the use of public spaces by the community.*

Activating community spaces is a high priority for the Adelaide Festival and the Festival prides itself on continually providing a leadership role in 'Place making', with a strong history of community place-making through using open and underutilised public spaces.

The Adelaide Festival engages the community through utilising traditional, alternative and public performance and visual arts spaces.

As always, the Adelaide Festival's Writers' Week filled the Pioneer Womens' Memorial Garden with record attendances.

- *SASP Goal: We are the Festival State; our Festivals, cultural venues and events create a vibrant and energetic atmosphere, generating excitement.*

*SASP Target 3: Cultural Vibrancy – arts activities. Increase the vibrancy of the SA arts industry by increasing attendances at selected arts activities by 150% by 2020.*

The 2016 Adelaide Festival of Arts attracted the largest ticketed attendance numbers seen at an Adelaide Festival, with the opening night presentation by Groupe F attracting an audience in excess of 25,000 for the single event.

The Adelaide Festival maintained a strategic focus on the identification and attraction of support through programming designed to attract first time Festival audiences and younger audiences, and sustain their attendances for future years. The ongoing success of the *Tectonics* and *Unsound Adelaide*, which has transferred to consistently larger venues over the course of four years, is an indicator of the return on investment in such strategies by developing long-term audience growth for the arts in South Australia.

- The volume of individual tickets sold rose by an astonishing 234% from 2015. Even discounting the special Groupe F performance at Adelaide Oval (25,500 patrons), ticket sales increased by 43%.
  - 29% of the audience was visiting South Australia from interstate or overseas.
  - 30% of visitors audiences were attending their first ever Adelaide Festival.
  - 95% of visitors said they were very satisfied or satisfied with their visit.
- *SASP Goal: We are known world-wide as a great place to visit.*

*SASP Target 4: Increase visitor expenditure in South Australia's total tourism industry to \$8 billion.*

The Adelaide Festival attracts a higher proportion of interstate and overseas visitors than other multi-arts festivals held in other States and Territories. Visitors to South Australia constituted some 29% of ticketed attendances, while the Festival was directly associated with approximately 19,800 visitors to South Australia in 2016, an increase of 7.3% on the 2015.

Visitors to South Australia associated the Adelaide Festival make a significant economic contribution which grew from \$74.7 million in 2015 to an estimated \$78.3 million in respect of the 2016 Festival. This included the generation in 2016 of 133,321 bed nights for local accommodation providers, an increase of 9.2% on 2015.

- *SASP Goal: We are proud of South Australia and celebrate our diverse culture and people.*

*SASP Target 5: Multiculturalism. Maintain the high rate of South Australians who believe cultural diversity is a positive influence in the community.*

South Australia is a significant contributor in the area of multi-arts Festivals with a specific cultural remit, including WOMADelaide and the OzAsia Festival. The popularity of these festivals and the attraction by them of significant public and private funding means that the promotion of cultural diversity in more general multi-arts festivals has declined in strategic importance, though it remains an underpinning principle in broad-based programming, and the Festival continues to attract large representation from broad multicultural communities represented in its international programming.

The 2016 Adelaide Festival presented artists from Canada, France, Germany, Israel, the UK and the USA, while the Writers' Week program featured authors from the Canada, France, Germany, Israel, Mexico, New Zealand, Russia, South Africa, South Korea, Spain, Thailand, the UK and the USA.

Through presentations from all around the globe the Adelaide Festival engages the community and showcases rich cultures and personal multicultural stories from many parts of the world.

- *SASP Goal: We have a sense of place, identity and belonging and we value Australian culture and respect diversity.*

*Target 6: Aboriginal wellbeing.*

*Target 27: Understanding of Aboriginal Culture.*

The Adelaide Festival continues to advocate on behalf of indigenous performing and visual artists and writers throughout its programming. The most significant event in the 2016 Festival was a major curated visual art exhibition, *Boo! Aboriginal Ghost Stories and Other Scary Matter* held at the Tandanya National Aboriginal Cultural Institute, featuring indigenous artists Bronwyn Bancroft, Joel Birnie, Destiny Deacon, Nura Rupert and Jacob Stengle. The exhibition was accompanied by an illustrated book with an introduction by curator and indigenous multi-arts practitioner Troy-Anthony Baylis.

The Artists Welcome for international and interstate artists was held on the opening day of the Festival, and attracted a large audience. A special Welcome to Country ceremony was held for the creatives in the Groupe F company.

Writers' Week consistently includes a range of both established and emerging indigenous writers, with the lead author presented in 2016 being Tony Birch, a leading Koori writer who introduced his new novel, *Ghost River*, about two young boys in the slums of Collingwood.

All public presentations and speeches by the Artistic Director and executives, during the Festival and at other times throughout the year, commence with acknowledgement of the traditional owners of the land on which the event takes place.

- *SASP Goal: Families are the centre of learning life skills; together we grow.*

*SASP Target 12: Early childhood. Increase the proportion of children developing well.*

A number of events in the 2016 Adelaide Festival were actively promoted to children and young people, and attractive family ticket pricing put in place to act as an incentive.

The opening night Groupe F performance had the widest audience appeal, and attracted an audience in excess of 25,000 to Adelaide Oval.

The Festival also featured the Australian premiere of two new productions from the acclaimed Erth Visual and Physical Theatre, *Erth's Dinosaur Zoo* and *Erth's Prehistoric Aquarium*. These productions featured a number of associated free events and were presented in a variety of accessible formats, including Relaxed Performances.

The world premiere of *The Young King* from South Australian theatre company Slingsby was also promoted for children and young people, and was an outstanding success, selling out an extended season of 33 performances, performing to 35 school groups and reaching 168% of its box office target. On the strength of its success in Adelaide, *The Young King* will tour to Sydney and Melbourne in 2016 and be showcased at international performing arts markets in early 2017.

The Adelaide Writers' Week *Kids Weekend* was held over two full days and featured a number of new and returning artists, performers, story-tellers and a wide range of children's activities.

- *SASP Goal: We spend quality time with our families.*

*SASP Target 13: Work life balance.*

As noted above, a number of events in the 2016 Adelaide Festival were actively promoted as being suitable for families, and were very well patronised. Programming for each Festival takes consciously into account the need to include activities designed specifically to encourage families to participate and share experiences.

The Adelaide Writers' Week *Kids Weekend* was attracted many children, parents and grandparents sharing experiences together. The inter-generational nature of many of the activities associated with this event is a significant and much-loved characteristic of the program.

The Festival is also committed as an organisation to flexible work arrangements and actively supports family friendly employment practises.

- *SASP Goal: We are safe and protected at work and on the roads.*

*SASP Target 21: Greater safety at work. Achieve 40% reduction by 2012 and a further 50% reduction by 2022.*

The Festival is committed to establishing and maintaining a best practise benchmark for work safety for arts organisations and festivals across Australia.

The Adelaide Festival has worked with risk management expert Bill Coleby (Coleby Consulting) since 2008 – this long standing relationship has proven to ensure all WHS procedures are regularly reviewed with a very high level of safety adhered to at all Adelaide Festival sites and venues.

Festival induction procedures are constantly being developed and refined within a proactive learning environment.

All staff employed in relevant production positions must have a White Card or equivalent, undertake a detailed general induction, and additional site specific or task specific induction having regard to the requirements of a job.

Production staff are routinely trained in First Aid, Test and Tagging, High Risk Work, Dogging and preparation of Safe Work Method Statements. *Provide First Aid* training is available on request to all members of staff.

The engagement of suppliers and contractors takes into account their safe work procedures. All suppliers and contractors must provide a Certificate of Currency in respect of relevant insurance cover, all relevant licenses and permissions, and demonstrate their safe working procedures – these could include company safe work policies, safe work method statements, staff licenses and records of training, risk assessments and more.

A crew briefing is held ahead of the commencement of Festival events, and a new online induction program was introduced in 2016 for completion by all contractors (including returning contractors) and staff not present at (or engaged after) the crew briefing.

In response to an increase in injuries arising from inattention, induction in respect of repetitive tasks, manual handling and the correct use of tools has been modified, with a reduction in reported incidents arising from inattention from 6 in 2015 to 2 in 2016.

The Adelaide Festival has maintained an outstanding record of Workplace Safety, with a total of 5 minor incidents reported, and no time lost due to injury in 2016.

- *SASP Goal: We value and support our volunteers and carers.*

*SASP Target 24: Maintain a high level of formal and informal volunteering in South Australia at 70% participation rate or higher.*

The Festival actively promotes volunteering, and our volunteers are a vital part of the Festival community. Without their support and involvement the Festival simply could not deliver at the high standard that it does each year. Volunteers are used in large numbers in Writers' Week, representing some 297 volunteers in 2016, and were also used in a variety of general roles including events, marketing, and philanthropy, and in the Groupe F performance at Adelaide Oval.

An experienced Volunteer Coordinator / Support Worker is employed over the festival period to ensure that all volunteers are provided with adequate skill development, support and recognition; before during and after each Festival. The Festival had 384 volunteers in 2016 who worked 1,217 hours in the course of delivering the Adelaide Festival, representing an economic value of at least \$72,840.

- *SASP Goal: All South Australians have job opportunities.*

*SASP Target 47: Jobs. Increase employment by 2% a year from 2010 to 2016*

The Adelaide Festival is a significant employer of arts workers in South Australia, providing valuable employment and development opportunities across a range of areas.

Independent modeling also identified that the impact of the 2016 Adelaide Festival on the South Australian economy included the creation of an estimated **314** full time equivalent jobs across a range of sectors.

### 3. Operations and Initiatives

Since 1960 the Adelaide Festival has always been about bringing the very best of the world's art to Adelaide and increasingly it is also about taking Adelaide to the world; shining a bright spotlight on the City of Adelaide as a destination for cultural tourism.

The Adelaide Festival plays a major role in maintaining South Australia's reputation as a cultural leader and is respected internationally for its excellence, innovation and artistic leadership.

All events in the Adelaide Festival program are carefully handpicked as the very best that can be brought to Adelaide each year, with a curatorial approach that attracts interest and attendances from all over Australia and overseas. It remains recognised as one of the most prestigious multi-arts festivals and certainly one of the most adventurous and inspirational.

The Festival maintains a competitive edge against other Australian festivals through the presentation of a large portion of exclusive events of significance and an overall curatorial approach that is of the highest international standard.

The high regard with which the Festival is viewed nationally and internationally is evident by the large number of visitors that travel to the Festival each year in increasing numbers from all around Australia and overseas. The Festival plays a vital role in marketing the State as a tourist destination, promoting a positive and forward-looking creative image of South Australia, enhancing this State's reputation and creating a flourishing environment of vibrancy, and creativity.

The Adelaide Festival has long been associated with our State's creative identity on the international stage. The Adelaide Festival continues to invest significantly in interstate and international promotion to maximise the further opportunities that exist for growth in cultural tourism in March every year.

#### 2016 Adelaide Festival

The 2016 Adelaide Festival was highly successful, with the fastest selling shows ever, record book sales at Writers' Week and some of the highest critical acclaim nationally of recent years. With a curated program of 34 world class events, the 2016 festival reached its box office target prior to opening.

The strongest-selling shows were a mixture of Australian and international works. The Festival opened with the largest ticketed show in its history, Groupe F's dazzling light and fire spectacle *À Fleur de Peau*, which played to a sold out audience of nearly 26,000 at Adelaide Oval.

The National Theatre of Scotland's *The James Plays* headlined a theatre program described as "one of the strongest theatre programs of any major festival in recent memory" (*The Age*) which included Romeo Castellucci's provocative *Go Down, Moses*.

Pina Bausch's dream-like masterpiece *Nelken* and State Theatre's extraordinary production *The Events* all played to capacity houses.

David Sefton's final program firmly put the spotlight on local South Australian companies, including Tiny Bricks' *Deluge* and Stone/Castro's *The Country* which attracted full houses and critical acclaim. The world premiere of Slingsby Theatre's *The Young King* was so popular the company increased capacity and added 12 extra performances to satisfy audience demand.

Erth's immersive and enlightening theatre experiences *Dinosaur Zoo* and *Prehistoric Aquarium* captured the imaginations of children and adults alike.

The *Unsound Adelaide* contemporary music initiative which featured in each of David Sefton's Festivals included a collaboration with Grammy Award-winning Icelandic composer Johann Johannsson and Adelaide's Zephyr Quartet – also a constant presence in each of Sefton's music programs – which featured in its own sold-out show with the premiere of *Exquisite Corpse*.

The free Adelaide Writers' Week again attracted record crowds and went digital to remote audiences across South Australia. Conversations in the garden were live streamed to hundreds of people in 32 libraries.

The second week of the festival featured Canada's iconic dance company The Holy Body Tattoo and post-rock collective Godspeed You! Black Emperor in a revival of their iconic work *monumental*. Ten years in the planning, initiated by Sefton and co-produced by Adelaide Festival, *monumental* debuted in Adelaide immediately prior to an international tour. Godspeed You! Black Emperor also featured in a solo show at Thebarton Theatre, which was also the venue for the critically acclaimed sound-art celebration *Tectonics*.

Visual art played a strong role in the wide appeal of the festival program, with the success of *Boo!*, a series of ghost stories and other scary matter depicted by local Indigenous artists; and *Heart Beat*, an immersive 4D video installation by Melbourne artist Lisa Roet.

Lisa Slade's 2016 Adelaide Biennial of Australian Art: *Magic Object* was presented across six locations with its curious, colourful, ambitious exhibitions and installations, and remained on display until May 15.

World music fiesta WOMADelaide brought global artists like Angélique Kidjo, De La Soul and Asian Dub Foundation to the serene surroundings of Botanic Park for four days of song, dance, food, talks and more.

### **Summary of Key 2016 Adelaide Festival of Arts in numbers:**

- 134 performances and 37 separate events
- 7 world premieres and 20 Australian premieres
- 20 events exclusive to Adelaide
- 9 specially commissioned events and 3 co-commissioned events
- Highest ticketed attendance in the history of the Festival

### **Adelaide Writers' Week**

Australia's oldest and largest free literary festival, Adelaide Writers' Week again enjoyed enormous crowds within the beautiful outdoor setting of the Pioneer Women's Memorial Gardens.

Adelaide Writers' Week is the only literary festival in Australia where all events that take taking place in its historic home, the Pioneer Women's Memorial Garden, are free. Open access and thoughtful programming ensures that Writers' Week is a community event that caters to readers of all ages and across socio-economic groups.

This year's event was, once again, a multi-generational event that caters to large segments of the community, including those with Access needs. The event attracted an estimated 130,000 attendees over six days, including the dedicated children's program that runs over the opening weekend.

New this year was a regional program that saw the opening weekend of the event live-streamed into 32 individual libraries and across 25 library networks.

Writers' Week 2016 was Director Laura Kroetsch's fifth festival, and her program once again provided local and interstate audiences with the opportunity to share discussions with some

of contemporary literature's most thoughtful writers and thinkers from around Australia and the world.

A total of 89 writers (37 international, 52 Australian writers) took part in Writers' Week. Writers from the following countries participated:

- Australia
- Canada
- France
- Israel
- Korea
- Mexico
- New Zealand
- Russia
- South Africa
- Spain
- United Kingdom
- United States of America

Adelaide Writers' Week relies on book sales as a key part of its funding. Book sales are also a key means of supporting the participating writers and helping them to develop an ongoing readership. The festival, writers and the local publishing industry have seen an increase in book sales over the past three festivals, and Adelaide Writers' Week is now the most successful of the Australian festivals in terms of book sales relative to its size.

Year	\$ of retail book sales
2012	241 124
2013	198 004
2014	265 267
2015	305 720
2016	315 416

### **Economic Impact**

Independent research on the impact of the Adelaide Festival on the economy and tourism was commissioned from Harrison Research and The Economic Research Consultants.

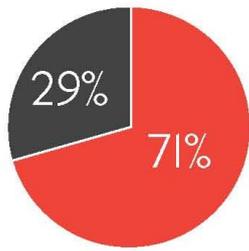
The 2016 Adelaide Festival generated an estimated gross expenditure of \$78.3 million for the state – an increase of 22% in just two years, the highest result in the Festival's history.

19,800 visitors - almost 30% of total attendees - came from interstate or overseas with visitor bed nights increasing to 133,321. Visitor related expenditure was up 24% to a record \$28.2 million – a 94% increase on 2014's figures.

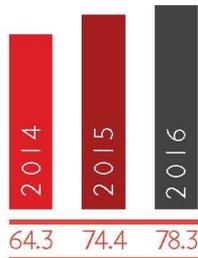
Adelaide Festival's economic impact continues to grow year on year, providing a vital injection to the state's economy. It has unique status in Australia as a destination event, and it is encouraging in the current economic climate to see visitor related expenditure increase at such a significant rate.

The 2016 festival broke a number of records – largest ever ticketed event (Groupe F, *À Fleur de Peau*), fastest selling dance show (Tanztheater Wuppertal Pina Bausch, *Nelken*), and the highest ever book sales at Adelaide Writers' Week.

The independent survey found that the importance of the festival resonated with audiences too, with 98% of those surveyed stating they consider events such as Adelaide Festival to be important in profiling the city and state.



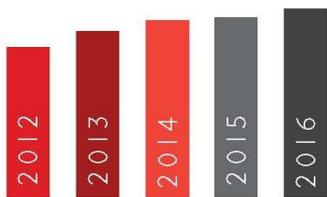
OUR AUDIENCE  
INTERSTATE/OVERSEAS  
SOUTH AUSTRALIAN



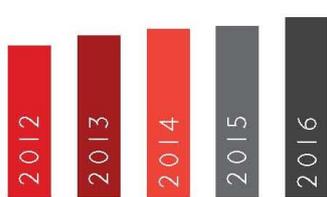
GROSS EXPENDITURE (\$MILLION)  
5% INCREASE IN OVERALL EXPENDITURE AS A RESULT OF THE FESTIVAL



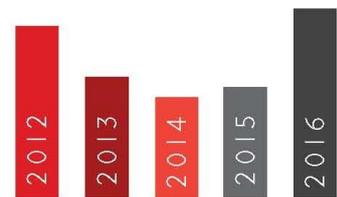
VISITOR RELATED EXPENDITURE (\$MILLION)  
24% INCREASE IN VISITOR EXPENDITURE AS A RESULT OF THE FESTIVAL



VISITOR BED NIGHTS  
9% INCREASE IN VISITOR NIGHTS GENERATED BY THE FESTIVAL



VISITORS TO THE STATE  
7% INCREASE IN VISITORS TO THE STATE GENERATED BY THE FESTIVAL



IMPACT ON EMPLOYMENT  
5% INCREASE IN NUMBER OF FULL-TIME EQUIVALENT JOBS CREATED BY THE FESTIVAL

95%

OF VISITORS SAID THEY WERE VERY SATISFIED OR SATISFIED WITH THEIR VISIT TO THE FESTIVAL

70%

OF VISITORS SAID THEY WOULD BE LIKELY TO ATTEND THE FESTIVAL AGAIN

99%

OF VISITORS INDICATED THEY WERE SATISFIED WITH THEIR VISIT TO SOUTH AUSTRALIA

98%

OF VISITORS CONSIDER EVENTS SUCH AS THE FESTIVAL TO BE IMPORTANT IN PROFILING THE CITY AND STATE

30%

OF VISITORS SAID THIS WAS THEIR FIRST TIME ATTENDING THE FESTIVAL

38%

OF VISITORS TRAVELLED TO REGIONAL SA ON THEIR VISIT

#### 4. Role, Legislation and Structure

Section 5 of the *Adelaide Festival Corporation Act 1998* provides that the functions of the Corporation are—

- a) to conduct in Adelaide and other parts of the State the multifaceted arts event that is known as the Adelaide Festival of Arts;
- b) to continue and further develop the Adelaide Festival of Arts as an event of international standing and excellence;
- c) to conduct or promote other events and activities;
- d) to provide advisory, consultative, managerial or support services within areas of the Corporation's expertise;
- e) to undertake other activities that promote the arts or public interest in the arts, or that otherwise involve an appropriate use of its resources;
- f) to carry out other functions assigned to the Corporation by or under this or any other Act, or by the Minister.

In carrying out its functions, the Corporation engages in activity described in Section 6 of the Act, namely:

- a) engage agents, consultants or other contractors;
- b) enter into contracts or agreements with artists, performers, entertainers and other persons involved in the arts, or employ such persons;
- c) enter into other contracts, agreements or arrangements;
- d) acquire, hold, take on hire, lend, exchange or dispose of objects, works or collections of artistic, historical or cultural interest;
- e) acquire, hold, deal with or dispose of—
  - (i) licences; or
  - (ii) intellectual property (including patents and copyright); or
  - (iii) any other property (whether real or personal); or
  - (iv) any interest in such property;
- f) accept grants or obtain financial sponsorship from any person or body;
- g) carry on any advertising and promotional activities;
- h) conduct events and establish, operate, manage or make available venues and other facilities (including facilities for food and liquor) on premises of the Corporation;
- i) regulate and control admission to any venue for any events or activities conducted or promoted by the Corporation, and charge and collect fees for admission to any such venue;
- j) grant for fee or other consideration advertising or sponsorship rights or other rights, licences or concessions in connection with events or activities conducted or promoted by the Corporation;

- k) publish or produce books, programs, brochures, films, souvenirs and other information or things relating to events or activities conducted or promoted by the Corporation;
- l) sell or supply food and drink (including liquor), books, programs, brochures, films, souvenirs and other things in connection with events or activities conducted or promoted by the Corporation;
- m) grant or dispose of rights to televise, broadcast or record any events or activities conducted or promoted by the Corporation;
- n) restrict, control and make charges for the use of official insignia;
- o) take out policies of insurance in its own right or on behalf of the State;
- p) participate (whether as a member or otherwise) in, or otherwise be involved in the activities of, national or international organisations or associations involved in the arts, or the promotion of the arts;
- q) give or contribute towards prizes in competitions designed to encourage artistic or cultural or performing arts activity within the State or make grants and give other assistance for such purposes;
- r) enter into any partnership or joint venture arrangement;
- s) form, or acquire, hold, deal with and dispose of shares or other interests in, or securities issued by, bodies corporate, whether within or outside of the State (though this power has not been exercised during the reporting period);
- t) borrow money and obtain other forms of financial accommodation (though this power has not been exercised during the reporting period);
- u) act as trustee on behalf of another person in connection with the performance of its functions under this Act.

### **Legislation**

The Adelaide Festival Corporation administers the legislation detailed in the *Adelaide Festival Corporation Act 1998*.

### **Structure**

The governing authority of the Adelaide Festival Corporation is a Board comprising up to eight members appointed in accordance with the provisions of the *Adelaide Festival Corporation Act 1998*, including an appointee chosen from nominated representatives from the City of Adelaide. The Board is subject to the control and direction of the Minister for the Arts except in relation to the artistic content and the manner of dealing with a testamentary or other gift.

## Adelaide Festival Corporation Board

<i>Chair</i>	Richard Vincent Ryan AO (to 25 April 2016) * Judith Potter (from 26 April 2016)
<i>Members</i>	Christabel Lucy (Christie) Anthony (to 29 May 2016) Amanda Jane Duthie (to 24 June 2016) * Peter John Dunstone Goërs OAM * Megan Hender <sup>†</sup> * Ulrike Klein (from 3 December 2015) * David John Wissler Knox (from 30 May 2016) * Judith Potter * Mark John Roderick (from 28 April 2016) Richard Vincent Ryan AO (to 25 April 2016) * Allan James (Jim) Whalley  * <i>Members as at 30 June 2016</i> <sup>†</sup> <i>Nominee of The Corporation of the City of Adelaide pursuant to s. 8(1)(a) of the Adelaide Festival Corporation Act 1998.</i>
<i>Observers</i>	Tammie Pribanic (Government Observer) Jodi Glass (Friends' Representative)

The Board has the power to establish subcommittees as it thinks fit. There were two subcommittees overseen by the Board during the reporting period; being the Finance Committee (subsequently the Audit and Risk Committee) and the Adelaide Writers' Week Advisory Committee.

### Finance Committee

The Membership of the Finance Committee, which functioned until 12 May 2016, was identical to the Board.

### Audit and Risk Committee

The Board established the Audit and Risk Committee on 12 May 2016.

<i>Chair</i>	Mark Roderick
<i>Members</i>	Megan Hender Judith Potter Mark Roderick Jim Whalley
<i>In Attendance</i>	Chief Executive Officer Finance and Administration Director (as required)

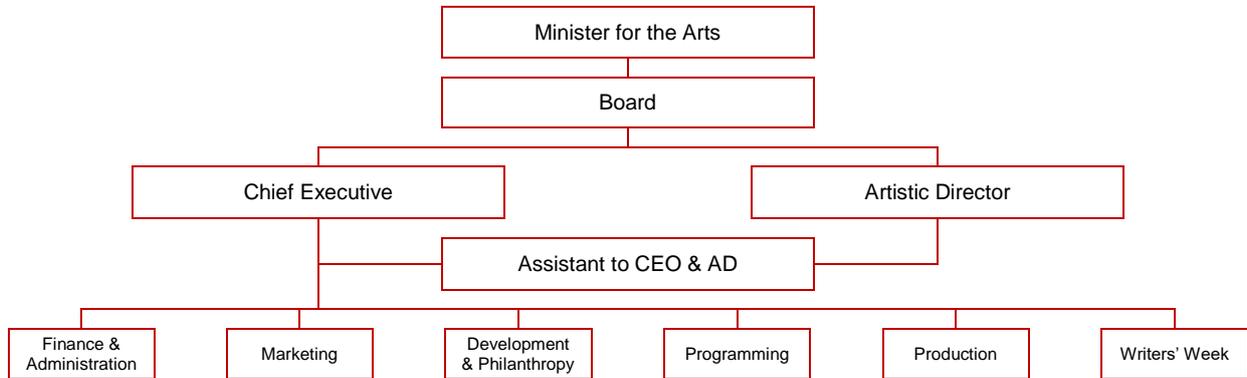
### Adelaide Writers' Week Committee

<i>Chair</i>	Dr Peter Goldsworthy AM
<i>Members</i>	Jason Lake Amanda Duthie (Board Member) Peter Goërs OAM (Board Member) Dyan Blacklock Professor Nicholas Jose Sean Williams Professor Brian Castro
<i>In Attendance:</i>	Karen Bryant (CEO) Laura Kroestch (Director, Writers' Week)

The Board employs the Chief Executive Officer to manage the agency. The present Chief Executive Officer is Sandy Verschoor, who commenced on 20 June 2016, following the resignation of Karen Bryant in May 2016.

The Chief Executive Officer is responsible for employing and engaging staff to perform all the necessary functions in connection with the operations and activities of the Corporation.

A core staff is responsible for the day to day management of the agency.



### **Staff** (at 30 June 2016)

Co-Artistic Directors 2017–19

Neil Armfield AO  
Rachel Healy

Chief Executive Officer

Sandy Verschoor

Jordan Archer – Marketing Executive  
 Wendy Bennett – Senior Finance Assistant  
 Grace Coy – Event Sales Coordinator  
 Kate Donnelly – Program Administrator  
 Meredith Holden – Finance Assistant  
 Adam Hornhardt – Production Manager  
 Taren Hornhardt – Production Director  
 Trevor Horskins – Finance and Administration Director  
 Anna Hughes – Program Manager, Writers' Week  
 Laura Kroetsch – Director, Writers' Week  
 Jacquie Lee – Marketing Coordinator  
 Ali Mitchell – Philanthropy Specialist  
 Lesley Newton – Program Director  
 Maggie Oster – Production Administrator  
 Mark Pennington – Technical Manager  
 Jane Pentland – Program Executive  
 Michelle Reid – Marketing and Communications Director  
 Amanda Wheeler – Manager, Business Development & Philanthropy  
 Anne Wiberg – Associate Producer

## 5. Management of Human Resources Information

The reporting period covers the presentation of the 2016 Adelaide Festival.

At 30 June 2016 the Festival held a base level of staffing, which reflects the fact the Adelaide Festival Corporation is in the preparatory stages of the 2017 Festival. The Corporation recruits a significant number of contract and casual employees for limited terms in connection with the delivery of the Adelaide Festival.

The Corporation has no employees employed under the *Public Sector Act 2009*.

The Adelaide Festival Corporation is an Equal Employment Opportunity (EEO) Employer.

### Employee Numbers, Gender and Status (as at 30 June 2016)

Total Number of Employees	
Persons	21
FTEs	19.4

### Status of Employees in Current Position

Gender	% Persons	% FTEs
Male	24%	24%
Female	76%	76%

Number of Persons during the 2015-16 Financial Year	
Separated from the agency	99
Recruited to the agency	94

Number of Persons at 30 June 2016	
On Leave without Pay	0

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	0	1.0	3.7	0	4.7
Female	0	1.0	13.7	0	14.7
<b>TOTAL</b>	<b>0</b>	<b>2.0</b>	<b>17.4</b>	<b>0</b>	<b>19.4</b>

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	0	1	4	0	5
Female	0	1	15	0	16
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>19</b>	<b>0</b>	<b>21</b>

## 6. Workforce Diversity (30 June 2016)

The Adelaide Festival Corporation is committed to promoting equal opportunities in all aspects of its work.

### Aboriginal and/or Torres Strait Islander Employees

Male	Female	Total	% of Agency
0	0	0	0%

### Cultural and Linguistic Diversity

	Male	Female	Total	% of Agency
Number of employees born overseas	0	1	1	5%
Number of employees who speak language(s) other than English at home	0	0	0	0%

### Total Number of Employees with Disabilities (Commonwealth DDA Definition)

Male	Female	Total	% of Agency
0	0	0	0%

### Voluntary Flexible Working Arrangements by Gender

	Male	Female	Total
Part-time	1	2	3
Job Share	0	0	0
Working from Home	0	1	1

### Number of Employees by Age Bracket

Age Bracket	Male	Female	Total	% of Total	Benchmark *
15-19	0	0	0	0%	5.5%
20-24	0	0	0	0%	9.7%
25-29	1	1	2	9.5%	11.2%
30-34	1	1	2	9.5%	10.7%
35-39	0	4	4	19.0%	9.6%
40-44	0	0	0	0%	11.4%
45-49	2	2	4	19.0%	11.1%
50-54	0	2	2	9.5%	11.4%
55-59	0	5	5	24.0%	9.1%
60-64	1	1	2	9.5%	6.7%
65+	0	0	0	0%	3.6%
<b>TOTAL</b>	<b>5</b>	<b>16</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>

\*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at November 2013

## 7. Executives

**Executives by Gender and Contract Status** (included in numbers above)

<b>PERSONS</b>	<b>Ongoing</b>	<b>Term Tenured</b>	<b>Term Untenured</b>	<b>Other (Casual)</b>	<b>Total</b>
Male	0	1	0	0	1
Female	0	2	0	0	2
<b>Total</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>

**8. Leave Management****Average Days Leave per Full Time Equivalent**

<b>Employee Leave Type</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
Sick Leave	5.3	5.4	7.0	3.8
Family Carer's Leave	1.6	1.9	2.9	2.2

## 9. Performance Development

### Documented Review of Individual Performance Management

A review within the past 6 months	52%
A review older than 6 months	18%
No review	30%

The “No review” figure above covers members of staff who commenced employment with the Corporation within the reporting period (ie between 1 January and 30 June 2016).

## 10. Leadership Management and Development

The Adelaide Festival Corporation encourages employees to undertake professional development training in areas that will benefit both the staff member and the organisation.

<b>Training and Development</b>	<b>Total Cost</b>	<b>% of Total Salary Expenditure</b>
Total training and development expenditure	\$10 642	0.3%
Total leadership and management development expenditure	0	0

The Artistic Directors and executives of the Adelaide Festival are appointed having regard to their experience and expertise in the planning and delivery of multi-arts festivals of an international calibre, and are expected as part of their employment to maintain a constant engagement with current and emerging trends and varieties of creative activity in the performing and visual arts and literature in Australia and overseas. They experience significant ongoing training and development in the course of this activity, the costs of which are incorporated into programming budget.

## 11. Employment Opportunity Programs

The Adelaide Festival Corporation does not manage any employment opportunity programs established by the minister under section 65 of the *Public Sector Act 2009* or other public sector wide opportunity employment programs.

## 12. Work Health and Safety and Injury Management

In accordance with the Corporation's workers' compensation responsibilities as directed by Department of Premier and Cabinet, the Corporation has in place a formal Occupational Health and Safety Management System for staff and volunteers.

Regular Occupational Health and Safety committee meetings were held with staff representatives on the committee.

In recognition of the public nature of its activities, the Corporation engages specialist staff in event-specific risk management, encompassing all aspects of events from planning and construction to delivery and conclusion.

During the period there were no reported workplace accidents requiring medical attention.

**Table 1 - Work Health and Safety Prosecutions, Notices and Corrective Actions taken**

Number of notifiable occurrences pursuant to WHS Act Part 3	Nil
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices).	Nil
Number of prosecutions pursuant to WHS Act Part 2 Division 5	Nil
Number of enforceable undertakings pursuant to WHS Act Part II	Nil

**Table 2 - Gross workers compensation expenditure for 2015-16 compared with 2014-15**

EXPENDITURE	2015-16 (\$m)	2014-15 (\$m)	Variation (\$m) + (-)	% Change + (-)
Income Maintenance	0	0	0	0
Lump Sum Settlements	0	0	0	0
Hospital	0	0	0	0
Registered Medical expenses	0	0	0	0
Legal Expenses	0	0	0	0
Investigations	0	0	0	0
Other	0	0	0	0
<b>Total Claims Expenditure</b>	0	0	0	0

### **13. Carers Recognition Act 2005**

The *Carers Recognition Act 2005* acknowledges the valuable role of carers in supporting those they care for in the community. The Carers Charter is enshrined within the Act and sets out principles to guide services for carers.

Adelaide Festival firmly believes that accessibility is a vital aspect of a vibrant community and is committed to providing best practice inclusive accessibility to all available events.

The Adelaide Festival is a Companion Card affiliate. A companion card ensures that people who are unable to attend the festival without a companion to provide attendant care support are provided access to concession price tickets as well as a second ticket at no cost for their companion.

## 14. Disability Access and Inclusion Plans

The Adelaide Festival has a strong ongoing commitment to encouraging, facilitating and increasing participation in the arts for patrons with disabilities. This commitment to providing industry and national leadership in this area has now been in place for a number of years and the Festival annually reviews all plans and outcomes to ensure that a culture of continual improvement is not only in place but implemented across all areas of the Festival's operations.

The 2016 Adelaide Festival saw the provision of new levels of access to its programs.

Adelaide Festival marketing and communications included comprehensive information regarding accessibility to all Festival venues and events.

In addition, the Corporation adopted initiatives to provide access to specific Festival venues and events as a priority. Access and inclusion initiatives in 2016 included:

- Redesigning the website to be as accessible as possible for all users, including a range of audio functions and an easy zoom function to increase the font size of the website.
- Audio versions of event information for the blind/vision impaired for all Festival events and every Writers' Week author, and programs for events in the performing arts program.
- Interpreted events, assisted hearing events, and other events suitable for the blind/visually impaired and/or deaf/hard of hearing identified on the website both in print and in audio recordings.
- Full wheelchair access at all venues, and a battery charging point for powered wheelchairs was available at the Pioneer Women's Memorial Gardens for use during Writers' Week.
- Personal assistance in making bookings by telephoning the Festival office directly.
- The Adelaide Festival of Arts is a Companion Card Affiliate. Companion Card holders qualify for concession price tickets and a second ticket at no cost for their companion.

The Festival continued the presentation of selected Relaxed Performances specifically designed for people who benefit from a more relaxed environment. There is a relaxed attitude to noise and movement among the audience and some small changes made to light and sound effects. Audience members can enter and exit the venue throughout the show.

## 15. Freedom of Information Statement

### Structure and functions

It is the primary function of the Adelaide Festival Corporation to conduct in Adelaide and other parts of the state of South Australia the multifaceted arts event known as the Adelaide Festival.

Further detail of the structure and functions of the Adelaide Festival Corporation are referred to in section 1.0 of this report and also form a note to the audited accounts included in section 11.

A copy of the relevant legislation (*Adelaide Festival Corporation Act 1998*) is available from Service SA, North Terrace Adelaide. (<http://shop.service.sa.gov.au>)

### Effect of the Adelaide Festival Corporation on members of the public

Adelaide Festival Corporation's core values are vision, integrity, transparency, excellence and celebration.

Adelaide Festival Corporation's vision is to present a unique international arts festival experience that consistently demonstrates artistic integrity and leadership and is Australia's premier cultural destination.

The Adelaide Festival Corporation affects the cultural life of the State in significant ways, encouraging a culturally rich society, providing employment; stimulating South Australian based audiences and artists, and fostering cultural tourism to and within the State.

### Arrangements enabling members of the public to participate in formulation of the agency's policy and the exercise of the agency's functions.

Members of the public are encouraged to participate in the Adelaide Festival at all levels, formally and informally, for example:

- Attendance at Adelaide Festival events. Many of these events were free to the public.
- Members of the public are welcome to join the Friends of the Adelaide Festival Inc. and can do so through the website [www.adelaidefestival.com.au](http://www.adelaidefestival.com.au) or by contacting the Adelaide Festival office at Level 9, 33 King William Street, Adelaide telephone 08 8216 4444 or via BASS.
- The Adelaide Festival invites members of the public to participate in its volunteer program which enlists the help of approximately 150 volunteers to perform various duties at various Festival events, for example marshalling, staffing information booths and invigilating at the various art galleries.

### Types of documents held by Adelaide Festival Corporation

The various kinds of documents that are usually held by the agency are described below. The bulk is in hard copy form, although some are stored electronically. The listing of these documents does not necessarily mean that all documents falling into the categories are accessible in full or in part under the Act.

- Corporate files containing correspondence, memorandum, minutes etc on all aspects of the Adelaide Festival Corporation's operations;
- Policies, procedures and guidelines prescribing the way various activities are performed;
- Personnel files relating to Adelaide Festival Corporation employees;
- Plans and drawings related to the production of the biennial Adelaide Festival;
- Asset management agreements and related records;
- Application details related to the Friends of the Adelaide Festival Inc;

- Accounting and financial records relating to the running of the Adelaide Festival;
- Commercial in confidence records relating to the running of the Adelaide Festival;
- Contracts.

**Arrangements are in place to enable members of the public to obtain access to the agency's documents and to seek amendments of the agency's records concerning their personal affairs.**

Applications under the *Freedom of Information Act 1991* for access to documents in the possession of Adelaide Festival Corporation should be made in writing, be accompanied by a \$33.00 application fee and directed to:

Freedom of Information Officer  
Adelaide Festival Corporation  
PO Box 8221 Station Arcade  
Adelaide SA 5000

Telephone 08 8216 4444

## 16. Whistleblowers Protection Act 1993

The Adelaide Festival Corporation has appointed a responsible officer for the purposes of the *Whistleblowers Protection Act 1993* pursuant to Section 7 of the *Public Sector Act 2009*.

There have been no instances of disclosure of public interest information to a responsible officer of the organisation under the *Whistleblowers Protection Act 1993*.

## 17. Public Complaints

During the 2015-16 year the Adelaide Festival received 34 written complaints.

All written complaints are documented and responded to.

In responding, Festival staff seek to address the primary concerns of those engaged with the Festival experience and ensure those concerns are used to inform future events.

<b>Category of Complaints by subject 2015-2016</b>	<b>Number</b>
Issues identified with Festival venues	11
Festival Program	10
Writers' Week	6
Ticketing agent	3
Program guide (hard copy)	1
Other patrons	1
Event information	1
Volunteer process	1
<b>Total Complaints</b>	<b>34</b>

## 18. Sustainability Reporting

The Adelaide Festival Corporation rents office and space and hires venues on a commercial basis, and accordingly has no direct control over key sustainability indicators including energy consumption in its places of business.

In respect of day-to-day operations, the Corporation aims to ensure that its procurement and sourcing practices include sustainability performance, by measures including:

- sourcing equipment having regard to energy requirements
- preferring enhanced sustainability credentials or certifications
- ensuring fair labour practices
- reusing, recycling and repurposing materials, and promoting a wide-ranging recycling program including furniture and electronic equipment
- sourcing locally wherever possible

The Corporation acknowledges that it is not able to respond positively in respect of significant sustainability indicators including the modes of transport taken by artists.

The Festival takes every care to ensure that the environmental impact of its public events is minimised where minimisation is within its control, especially in major outdoor events and during Writers' Week, which is held in an iconic and tranquil location.

## **19. Financial Performance**

The following documents outline the financial performance of the Corporation:

- Financial Statements prepared in accordance with the Treasurer's Instructions and the report of the Auditor-General on the financial statements.
- Independent Auditor's Report

## Certification of the Financial Statements

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

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

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



Ms Judy Potter  
Chair  
9 September 2016



Ms Sandy Verschoor  
Chief Executive Officer  
9 September 2016



Trevor Horskens  
Finance and Administration Director  
9 September 2016

**Adelaide Festival Corporation**  
**Financial Statements for the year ended 30 June 2016**

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Expenses</b>			
Staff benefit expense	4	3,632	3,570
Supplies and services	5	8,836	9,228
Depreciation expense		89	88
<b>Total expenses</b>		<b>12,557</b>	12,886
<b>Income</b>			
Grants from Non SA Government	6	353	56
Box Office sales		2,435	1,784
Other sales		315	436
Interest revenues		80	88
Sponsorship	7	1,230	1,577
Other income	8	676	373
<b>Total income</b>		<b>5,089</b>	4,314
<b>Net cost of providing services</b>		<b>(7,468)</b>	(8,572)
<b>Revenue from SA Government</b>			
Revenue from SA Government	6	8,417	8,257
<b>Net result</b>		<b>949</b>	(315)
<b>Total comprehensive result</b>		<b>949</b>	(315)

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

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

**Adelaide Festival Corporation**  
**Financial Statements for the year ended 30 June 2016**

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Current assets</b>			
Cash and cash equivalents	9	1,539	285
Receivables	10	203	79
<b>Total current assets</b>		<b>1,742</b>	364
<b>Non-current assets</b>			
Plant and equipment	11	200	206
<b>Total non-current assets</b>		<b>200</b>	206
<b>Total assets</b>		<b>1,942</b>	570
<b>Current liabilities</b>			
Payables	12	584	158
Staff benefits	13	284	283
Provisions	14	3	2
<b>Total current liabilities</b>		<b>871</b>	443
<b>Non-current liabilities</b>			
Payables	12	5	5
Staff benefits	13	53	57
Provisions	14	5	6
<b>Total non-current liabilities</b>		<b>63</b>	68
<b>Total liabilities</b>		<b>934</b>	511
<b>Net Assets</b>		<b>1,008</b>	59
<b>Equity</b>			
Retained earnings		1,008	59
<b>Total Equity</b>		<b>1,008</b>	59

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments	15	
Contingent assets and liabilities	17	

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

**Adelaide Festival Corporation**  
**Financial Statements for the year ended 30 June 2016**

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2016

	Retained earnings \$'000	Total Equity \$'000
<b>Balance at 30 June 2014</b>	<b>374</b>	<b>374</b>
Net Result for 2014-15	(315)	(315)
Total Comprehensive Result for 2014-15	(315)	(315)
<b>Balance at 30 June 2015</b>	<b>59</b>	<b>59</b>
Net Result for 2015-16	949	949
Total Comprehensive Result for 2015-16	949	949
<b>Balance at 30 June 2015</b>	<b>1,008</b>	<b>1,008</b>

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

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

**Adelaide Festival Corporation**  
**Financial Statements for the year ended 30 June 2016**

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Staff benefit payments		(3,509)	(3,617)
Payments for supplies and services		(8,470)	(9,131)
Payments for paid parental leave scheme		(4)	(19)
<b>Cash used in operations</b>		<b>(11,983)</b>	<b>(12,767)</b>
<b>Cash inflows</b>			
Receipts from patrons, sponsors, donors and others		4,082	3,660
Receipts from Commonwealth		325	25
Interest received		77	88
Receipts for paid parental leave scheme		4	22
GST recovered from the ATO		415	589
<b>Cash generated from operations</b>		<b>4,903</b>	<b>4,384</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		8,417	8,257
<b>Net cash provided by/(used in) operating activities</b>		<b>1,337</b>	<b>(126)</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(83)	(58)
<b>Cash used in investing activities</b>		<b>(83)</b>	<b>(58)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,254</b>	<b>(184)</b>
Cash and cash equivalents at the beginning of the period		285	469
<b>Cash and cash equivalents at the end of the period</b>	9	<b>1,539</b>	<b>285</b>

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

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 1 Functions of the Adelaide Festival Corporation**

The functions of the Adelaide Festival Corporation, as prescribed under the Adelaide Festival Corporation Act 1998, are to:

- (a) Conduct in Adelaide and other parts of the State the multifaceted arts event that is known as the Adelaide Festival of Arts;
- (b) Continue and further develop the Adelaide Festival of Arts as an event of international standing and excellence;
- (c) Conduct or promote other events and activities;
- (d) Provide advisory, consultative, managerial or support services within areas of the Corporation's expertise;
- (e) Undertake other activities that promote the arts or public interest in the arts, or that otherwise involve an appropriate use of its resources; and
- (f) Carry out other functions assigned to the Corporation by or under the Adelaide Festival Corporation Act 1998 or any other Act, or by the Minister.

**Note 2 Statement of Significant Accounting Policies**

**2.1 Statement of compliance**

The Adelaide Festival Corporation has prepared these financial statements in compliance with section 23 of the Public Finance and Audit Act 1987.

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

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

**2.2 Basis of Preparation**

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
  - a) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
  - b) employee targeted voluntary separation package information;

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

- c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
- d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket expense reimbursement.

The Corporation's Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention. The Statement of Cash Flows has been prepared on a cash basis.

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

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

### **2.3 Rounding**

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

### **2.4 Taxation**

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

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

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

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

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

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

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

## **2.5 Events after the reporting period**

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

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

## **2.6 Income**

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

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

The following are specific recognition criteria:

### *Operating and Performing Arts Grants*

In accordance with Department of Treasury and Finance Accounting Policy Framework V, 'Income', all grants are recognised as revenue when received.

### *Sponsorship, Sundry Income and Interest*

All income of this nature is recognised as revenue as it accrues. Some sponsorship is received as resources in kind which is valued at fair value.

The Adelaide Festival Corporation has a sponsorship arrangement with the Australian Broadcasting Corporation (ABC) that is not recognised in the financial statements. Given the non-commercial status of the ABC network, the capacity to document a reliable measurement of the relationship for the purposes of inclusion in the financial statements has proven problematic.

### *Box Office*

All Box Office income is recognised as revenue when received.

### *Donations*

All income of this nature is recognised as revenue when received.

## **2.7 Expenses**

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

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

The following are specific recognition criteria:

### *Staff benefits expenses*

The employment provisions of the Adelaide Festival Corporation Act 1998 provide that the Chief Executive of the Department of State Development is to be the employing authority of all staff of the Corporation.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

Consistent with the Public Sector Act 2009, the Chief Executive of the Department of State Development has delegated all of his powers and functions relating to the employment of staff to the Corporation. The Treasurer, pursuant to the Public Sector Act, has also issued a direction to the Corporation to make payments with respect to any matter arising in connection with the employment of a person under the Adelaide Festival Corporation Act 1998.

*Salaries, Wages and Compensated Absences*

Liabilities for staff entitlements to salaries, wages and compensated absences owed at reporting date (including payroll based on-costs) are measured in accordance with AASB 119.

*Superannuation*

Contributions are made by the Corporation to a number of State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the superannuation schemes. The only liability outstanding at balance date relates to any contributions due but not yet paid to the superannuation schemes.

*Depreciation*

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Depreciation of office furniture and equipment is calculated using the straight line method of allocation over a useful life of four to five years. Telephone infrastructure is calculated using the straight line method of allocation over a useful life of ten years. All assets are recognised from the date of acquisition.

**2.8 Foreign Exchange**

All transactions undertaken in a foreign currency are translated into the functional currency of the Corporation. Foreign Exchange transactions are recorded on initial recognition by applying the foreign currency amount at the spot exchange rate at the date of the transaction. The date of transaction is the date on which the transaction first qualifies for recognition. Gains or losses arising from translation are taken directly to revenues or expenses.

**2.9 Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

**2.10 Assets**

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

*Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

*Receivables*

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

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

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

*Plant and Equipment*

Office furniture and equipment is valued at cost (deemed fair value). Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. All non-current tangible assets with a value equal to or in excess of \$1 000 are capitalised.

*Leasehold Improvements*

Leasehold Improvements have been valued at cost and were amortised over the length of the initial lease term. These improvements have now been fully amortised.

**2.11 Liabilities**

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

*Payables*

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

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

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

*Staff Benefits*

Liabilities for staff entitlements to salaries, wages and compensated absences owed at reporting date (including payroll based on-costs) are measured in accordance with AASB 119.

Annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

Long service leave is measured at the present value of the estimated future cash outflows (including payroll based on-costs) to be made in respect of services provided by staff up to the reporting date. This calculation is consistent with the Corporation's experience of employee retention and leave taken. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No provision has been made in respect of sick leave. As sick leave taken by staff is considered to be taken from the current year's accrual, no liability is recognised.

The paid parental leave scheme payable represents amounts which the Corporation has received from the Commonwealth Government to forward to eligible employees via the Corporation's standard payroll processes. That is, the Corporation is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

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

Staff benefit on-costs include payroll tax and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave and annual leave

### **2.12 Workers Compensation**

The Corporation is self-insured for Workers Compensation purposes. The Corporation is responsible for the payment of workers compensation claims.

For the period 1 July 2015 to 30 June 2016, the Corporation processed two (2015: three) workers compensation claims.

A provision for workers compensation liabilities has been included as at 30 June 2016 (Note 14) and is an actuarial estimate of the outstanding liability as at 30 June 2016 provided by a consulting actuary engaged through the Officer for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

### **2.13 Economic Dependency**

The normal business activity of the Adelaide Festival Corporation is dependent on the contribution of grants from the State Government at the appropriate levels. The ongoing support of the State Government for the presentation of the Adelaide Festival biennially from 1960 and annually since 2012 underpins the decision to prepare this financial report on a going concern basis.

In October 2014 the Premier released a report reflecting its intended reform of government boards and committees, which included the Board of the Adelaide Festival Corporation.

This report advised that a merger between the Boards of the Adelaide Festival Corporation and the Adelaide Festival Centre Trust requires further consultation with key stakeholders.

A report of findings or recommendations based on the consultation has not been released.

However, the proposal has not been pursued and was not included within the *Statutes Amendment (Boards and Committees - Abolition and Reform) Bill 2015* which gave effect to other recommendations of the Government's Board and Committee review.

### **2.14 Comparative Figures**

Where presentation or classification of items in the financial statements have been amended, comparative amounts have been adjusted to conform to changes in presentation and classification in the current financial year.

### **Note 3 New and Revised Accounting Standards and Policies**

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

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 4 Staff Benefits Expense**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Salaries and Wages	<b>3,181</b>	3,137
Workers compensation	-	(32)
Staff on-costs Superannuation	<b>288</b>	295
Staff on-costs Other	<b>128</b>	142
Board Fees	<b>35</b>	28
	<b>3,632</b>	3,570

**Remuneration of Staff**

The number of staff whose remuneration received or receivable fell within the following bands:

	<b>2016</b>	2015
	<b>Number of staff</b>	Number of staff
\$145 001 to \$155 000	<b>1</b>	-
\$185 001 to \$195 000	<b>1</b>	-
\$205 001 to \$215 000	-	1
\$225 001 to \$235 000	-	1
\$285 001 to \$295 000	<b>1</b>	-
\$325 001 to \$335 000	<b>1</b>	-
<b>Total</b>	<b>4</b>	<b>2</b>

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these staff for the year was \$944 000 (2015: \$435 000).

The increase in the number of staff in this category is reflective of the planned changeover of Artistic Director from David Sefton (2013 to 2016 Festivals) to the joint Artistic Directors appointed for the 2017 to 2019 Festivals, Rachel Healy and Neil Armfield.

David Sefton received a lump sum backpay in the 2015/16 year for previously unpaid annual executive remuneration increases approved since the commencement of his term as Artistic Director (2011).

There was a termination payment included in the salary total of the former Chief Executive.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Remuneration of Board Members**

The Board members are appointed by the Governor in accordance with the Adelaide Festival Corporation Act 1998.

Members during the 2016 financial year were:

Mr Richard Ryan AO (Chair term expired April 2016)  
 Ms Judy Potter (commenced as Chair April 2016)  
 Ms Christie Anthoney (term expired May 2016)  
 Ms Amanda Duthie (term expired June 2016)  
 Mr Peter Goers  
 Ms Megan Hender  
 Ms Ulrike Klein (term commenced December 2015)  
 Mr David Knox (term commenced May 2016)  
 Mr Mark Roderick (term commenced April 2016)  
 Mr Graham Walters AM (term expired October 2015)  
 Mr Jim Whalley

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

	<b>2016</b>	2015
Nil - \$9 999	<b>11</b>	9
<i>Total number of members</i>	<b>11</b>	9

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The aggregate remuneration referred to in the above table for Board Members is \$35 000 (2015: \$31 000).

The aggregate superannuation paid on behalf of the Board Members included in the above was \$3 000 (2015: \$3 000).

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

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

From time to time, Board Members will receive complimentary tickets to shows or events conducted by the Adelaide Festival Corporation. These benefits are provided to attend Festival events solely for the purpose of the execution of duties of office and direct hosting of guests, sponsors and donors.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 5 Supplies and Services**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Artist Fees & Payments	<b>1,946</b>	1,699
Artist Travel & Accommodation	<b>964</b>	1,125
Royalty & License Fees	<b>137</b>	32
Event Staging & Contracts	<b>2,575</b>	3,173
Marketing, Advertising & Media	<b>1,088</b>	1,288
Design, Printing and Distribution costs	<b>408</b>	374
Hospitality, Sponsorship & Ticketing	<b>310</b>	332
Cost of goods for sale	<b>421</b>	317
Property Costs	<b>229</b>	225
Communications and IT	<b>89</b>	119
Insurance	<b>99</b>	99
Other expenditure	<b>570</b>	445
	<b>8,836</b>	9,228
<i>Total Supplies and Services</i>		

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

	<b>2016</b>		2015
	<b>No.</b>	<b>\$'000</b>	No.
		<b>\$'000</b>	<b>\$'000</b>
Above \$10 000	<b>1</b>	<b>38</b>	-
<b>Total paid/payable to consultants</b>	<b>1</b>	<b>38</b>	-

**Note 6 Grants from Government**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<i>Grants from SA Government</i>	<b>8,417</b>	8,257
Commonwealth Grants	<b>325</b>	25
Grants from Overseas Governments	<b>28</b>	31
<i>Grants from Non-SA Governments</i>	<b>353</b>	56
	<b>8,770</b>	8,313
<i>Total Grants from Government</i>		

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 7 Sponsorship**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Sponsorship – Cash	<b>726</b>	893
Sponsorship – In-kind	<b>504</b>	684
<i>Total Sponsorship</i>	<b>1,230</b>	1,577

**Note 8 Other Income**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Sundry	<b>410</b>	231
Friends Membership	<b>37</b>	35
Donations	<b>229</b>	107
<i>Total Other Income</i>	<b>676</b>	373

**Note 9 Cash and Cash Equivalents**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Cash on hand	<b>1</b>	1
Cash at bank	<b>415</b>	283
Short-term deposits with SAFA	<b>1,123</b>	1
	<b>1,539</b>	285

Deposits are recognised at their nominal amounts. All deposited funds attract interest. Interest is credited to revenue as it accrues. Rates are determined by the bank and SAFA. Interest is received monthly.

**Note 10 Receivables**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
Trade debtors	<b>119</b>	22
Prepayments and accrued revenue	<b>55</b>	21
Other receivables (GST)	<b>29</b>	36
	<b>203</b>	79

Standard credit terms are 30 days.

Receivables are recognised at their nominal amounts and is non-interest bearing. Amounts are recognised when services are provided.

Collectability of debts is assessed at balance date with any bad debts being written off prior to balance date.

No receivables are impaired.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 11 Plant and Equipment**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<b>Plant and Equipment</b>		
Office equipment and furniture at cost (deemed Fair Value)	<b>832</b>	749
Less: Accumulated depreciation	<b>632</b>	543
<i>Written Down Value</i>	<b>200</b>	206
<b>Leasehold Improvements</b>		
Leasehold Improvements at cost (deemed Fair Value)	<b>334</b>	334
Less: Accumulated depreciation	<b>334</b>	334
<i>Written Down Value</i>	<b>-</b>	-
<i>Total Plant and Equipment Written Down Value</i>	<b>200</b>	206

Reconciliation of carrying amounts of plant & equipment:

	<b>2016</b>
	<b>\$'000</b>
	<b>1,083</b>
Balance as at 1 <sup>st</sup> July	<b>83</b>
Plus: Additions (Plant and Equipment)	<b>83</b>
<i>Balance as at 30<sup>th</sup> June</i>	<b>1,166</b>
Accumulated Depreciation/Amortisation	
Balance as at 1 <sup>st</sup> July	<b>877</b>
Plus: Depreciation expense (P&E)	<b>89</b>
<i>Balance as at 30<sup>th</sup> June</i>	<b>966</b>
<i>Net Book Value</i>	<b>200</b>

**Carrying amount of plant and equipment**

All items of plant and equipment had a 'fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years', and have not been revalued in accordance with APF III. The carrying value of these items is deemed to approximate fair value.

**Impairment**

There were no indications of impairment of plant and equipment at 30 June 2016.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 12 Payables**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<b>Current</b>		
Trade creditors and accruals	<b>549</b>	124
Staff on-costs	<b>35</b>	34
	<b>584</b>	158
<b>Non-Current</b>		
Staff on-costs	<b>5</b>	5
	<b>5</b>	5

Creditors are generally paid within 30 days.

Creditors are recognised at their nominal amounts and are non-interest bearing. Liabilities are recognised once the goods or services have been received.

**Note 13 Staff Benefits**

	<b>2016</b>	2015
	<b>\$'000</b>	\$'000
<b>Current</b>		
Accrued Salaries and Wages	<b>66</b>	46
Annual Leave	<b>104</b>	107
Long Service Leave	<b>114</b>	130
	<b>284</b>	283
<b>Non-Current</b>		
Long Service Leave	<b>53</b>	57
	<b>53</b>	57

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 14 Provisions**

	2016 \$'000	2015 \$'000
<b>Current</b>		
Provision for workers compensation (self-insurance)	3	2
	<u>3</u>	<u>2</u>
<b>Non-current</b>		
Provision for workers compensation (self-insurance)	5	6
	<u>5</u>	<u>6</u>

**Note 15 Unrecognised Contractual Commitments**

## Operating Lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2016 \$'000	2015 \$'000
Not later than one year	232	69
Later than one year and not later than five years	822	-
<i>Total operating lease commitments</i>	<u>1,054</u>	<u>69</u>
Representing:		
Non-cancellable operating leases	310	69
<i>Total operating lease commitments</i>	<u>310</u>	<u>69</u>

The Corporation's operating lease is for office accommodation. Office accommodation is leased from Shahin Holdings Pty Ltd. The lease was renewed in 2015 and expires in October 2020 with an option for the Festival to cease the lease in October 2017 with a minimum notice period. Rent is payable in advance.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements for the year ended 30 June 2016**

**Note 16 Financial Instruments / Financial Risk Management**

Table 16.1 Categorisation of Financial Instruments

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

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying Amount	
			2016 \$'000	2015 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	Cash and cash equivalents	9	<b>1,539</b>	285
Receivables	Receivables <sup>(1)</sup> <sup>(2)</sup>	10	<b>119</b>	22
<b>Total financial assets</b>			<b>1,658</b>	307
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	12	<b>462</b>	101
<b>Total financial liabilities</b>			<b>462</b>	101

(1) Receivable and payable amounts disclosed above exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax, etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 10 as Receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

**Note 17 Contingent Assets and Liabilities**

The Board is not aware of any contingent assets and liabilities.



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## To the Chair of the Board Adelaide Festival Corporation

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19(3) of the *Adelaide Festival Corporation Act 1998*, I have audited the accompanying financial report of the Adelaide Festival Corporation for the financial year ended 30 June 2016. The financial report comprises:

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

### The Board's responsibility for the financial report

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

### Auditor's responsibility

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

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

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

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

### **Opinion**

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



Andrew Richardson

**Auditor-General**

20 September 2016

## 20. Fraud

There have been no instances of fraud during the 2015-16 financial year.

The Adelaide Festival Corporation has a comprehensive suite of policies and procedures in place that have each been established to promote appropriate corporate behaviour and governance on a day-to-day basis and ensures controls are systemically in place to minimise the opportunity for fraud to be undertaken and/or to detect and investigate any irregularity in a timely manner.

The Corporation's process for responding to fraud, once identified, is outlined in the Corporations Fraud and Corruption policy.

## 21. Consultants

One consultant was employed by the Corporation for the period 1 July 2015 to 30 June 2016.

<b>Value \$10 000 and above</b>	<b>Purpose of consultancy</b>	<b>Number</b>	<b>Total</b>
J Squared Advisory	Expert advice regarding Workforce review, workforce planning and strategic planning	1	\$37 720
<b>Total</b>		<b>1</b>	<b>\$37 720</b>