



**Government  
of South Australia**

# ADELAIDE FESTIVAL CORPORATION

## **2019-20 Annual Report**

ADELAIDE FESTIVAL CORPORATION  
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Date presented to Minister: 30 September 2020

To:  
Hon Steven Marshall MP  
Premier of South Australia

Dear Premier,

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Adelaide Festival Corporation Act 1998* and the requirements of Premier and Cabinet Circular PC013 Annual Reporting.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Adelaide Festival Corporation by:



Elaine Chia  
Executive Director  
Adelaide Festival Corporation

31 August 2020

## From the Executive Director

The 2020 Adelaide Festival marked the festival's 60<sup>th</sup> anniversary, and was one of the most successful in its distinguished history, achieving artistic acclaim through an outstanding mix of local, national and international productions experienced by 396,253 attendees, an increase in total audience by 24.8%, generating the second highest box office in the event's history.

This was the fourth Festival presented by Joint Artistic Directors Neil Armfield AO and Rachel Healy. Their resoundingly successful programming saw 19 Adelaide exclusive events, met with standing ovations and critical acclaim.

The 2020 Adelaide Festival offered 73 events across opera, music, dance, theatre, literature and visual arts, encompassing festivals-within-the-Festival: Adelaide Writers' Week, Chamber Landscapes at UKARIA and WOMADelaide.

Sold out events included The Doctor, The Sound of History: Beethoven, Napoleon and Revolution, Aleppo. A Portrait of Absence, The Lighthouse, Dimanche, three of the twelve 150 Psalms concert series: Gratitude, Power and Oppression and Celebration of Life and Sunset: A Guided Experience at UKARIA. At The Workshop, The Only Constant (Adelaide Writers' Week Opening Event), Lisa Gerrard & Paul Grabowsky, Clare Bowditch, Vince Jones & The Heavy Hitters, Weyes Blood and The Parov Stelar Band.

The Festival sold 91,315 tickets, a 21% increase on 2019.

Audiences of more than 114,000 attended visual art exhibitions at the Art Gallery of South Australia for *Monster Theatres*, which marked the 30<sup>th</sup> anniversary of the Adelaide Biennial of Australian Art, the *150 Psalms* exhibition at the Adelaide Festival Centre and *Adelaide//International* at Anne & Gordon Samstag Museum of Art. Thousands also flocked to Japanese artist Tatzu Nishi's *A Doll's House* in Rundle Mall, the 60<sup>th</sup> Birthday Concert with Tim Minchin in Elder Park, as well as Breakfast with Papers and Festival Forums the Festival Centre's Star Kitchen & Bar. All were free events.

The Adelaide Festival schools program was the biggest in the Festival's history with a 143% increase in ticket sales compared with 2019. 4,806 tickets sold to a total of 77 different schools across South Australia including four Aboriginal and Torres Strait Islander schools and two tertiary institutions (NIDA students from Sydney and The University of Adelaide Creative Arts students). The most popular shows were *The Lighthouse* by Patch Theatre (1,113 tickets sold), *Bungul* (581 tickets sold) and *The Doctor* (552 tickets sold).

Corporate partnerships and philanthropic support have again significantly contributed to the success of the Festival, making up 16% of total revenue. Through the generosity of The Balnaves Foundation, the Open House program meant that over 1,000 people who are at an economic disadvantage had the opportunity to attend Adelaide Festival flagship productions.

The 2020 Adelaide Festival again proved its importance to the South Australian economy, generating an estimated gross expenditure of \$70.2 million.

Over 17,105 visitors came from interstate or overseas for the Festival resulting in 132,058 visitor nights. Total new expenditure in South Australia related to the Festival was \$24.8 million (increase from \$20 million in 2019) while net impact or newly created incomes on the Gross State Product is estimated at \$30 million (up from \$23 million in 2019) including the creation of the equivalent of 286 full time jobs (increase from 216 in 2019).

The 2020 results are especially significant given the challenges and uncertainty that unfolded in the final week of the Festival due to COVID-19, so it is with great pride and satisfaction to see the Festival's economic and cultural contribution to South Australia.



Elaine Chia  
Executive Director  
Adelaide Festival

## Contents

<b>Contents.....</b>	<b>5</b>
<b>Overview: about the agency.....</b>	<b>7</b>
Our strategic focus.....	7
Our organisational structure.....	8
Changes to the agency .....	8
Our Minister .....	8
Our Executive team .....	9
Legislation administered by the agency.....	9
<i>Adelaide Festival Corporation Act 1998</i> .....	9
<b>The agency's performance.....</b>	<b>10</b>
Performance at a glance .....	10
Agency contribution to whole of Government objectives.....	11
Agency specific objectives and performance .....	12
Corporate performance summary .....	14
Employment opportunity programs .....	14
Agency performance management and development systems.....	15
Work health, safety and return to work programs .....	15
Executive employment in the agency.....	16
<b>Financial performance .....</b>	<b>17</b>
Financial performance at a glance .....	17
Consultants disclosure.....	17
Contractors disclosure .....	18
<b>Risk management.....</b>	<b>20</b>
Risk and audit at a glance.....	20
Fraud detected in the agency.....	20
Strategies implemented to control and prevent fraud.....	20
Public interest disclosure .....	21
<b>Reporting required under any other act or regulation.....</b>	<b>22</b>
Reporting required under the <i>Carers' Recognition Act 2005</i> .....	22
<b>Public complaints.....</b>	<b>23</b>
Number of public complaints reported .....	23

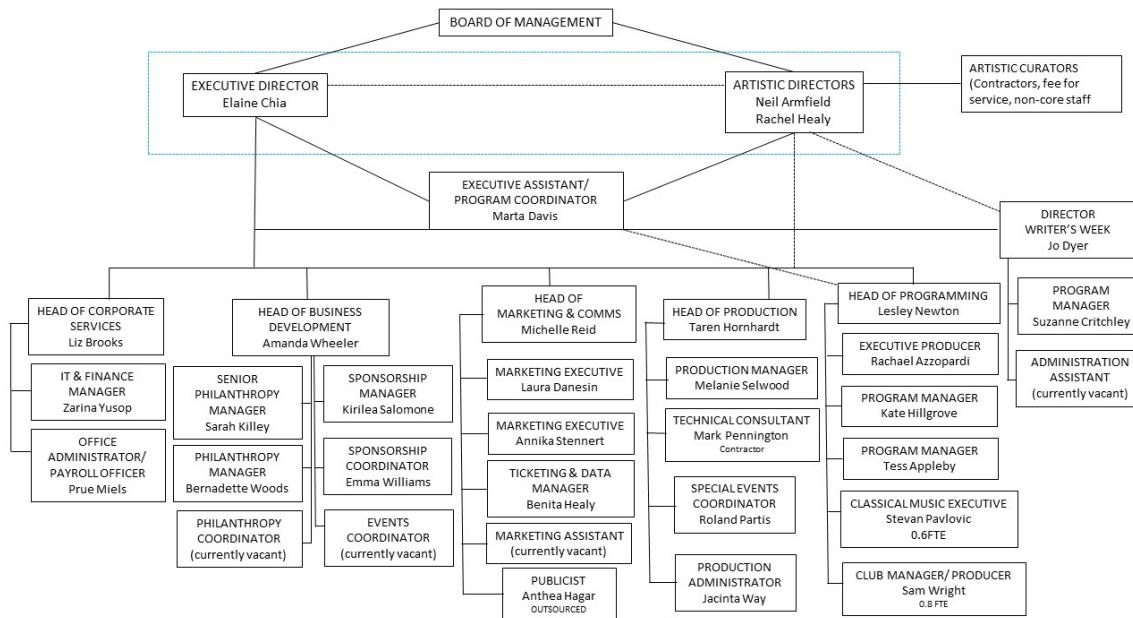
<b>Service Improvements resulting from complaints or consumer suggestions over 2019-20 .....</b>	<b>25</b>
<b>Appendix: Audited financial statements 2019-20.....</b>	<b>26</b>

## Overview: about the agency

### Our strategic focus

<b>Our Purpose</b>	The Adelaide Festival of Arts aims to be recognised as one of the world's most prestigious large-scale, multi-arts festivals. Since 1960, its aim has been to create and present a Festival program 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.
<b>Our Vision</b>	To be an internationally celebrated arts festival that pursues new and unexpected horizons, enthrals audiences, and places Adelaide at the centre of Australia's cultural life.
<b>Our Values</b>	Our culture is driven by: <ul style="list-style-type: none"> <li>• Passion</li> <li>• Courage</li> <li>• Integrity</li> <li>• Rigour</li> <li>• Creativity</li> <li>• Collaboration</li> </ul>
<b>Our functions, objectives and deliverables</b>	<p><b>1. Artistic Energy</b>  Goal: To make Adelaide Festival the flagship cultural event for Adelaide, South Australia and Australia, and an exemplar of excellence in the arts.</p> <p><b>2. Financial Sustainability</b>  Goal: To be a financially stable and sustainable organisation.</p> <p><b>3. Stakeholders</b>  Goal: Increase engagement and support from stakeholders.</p> <p><b>4. People &amp; Culture</b>  Goal: To be an organisation full of passion, integrity and creativity, where people aspire to work.</p> <p><b>5. Branding and Communication</b>  Goal: To create a premium brand that is instantly recognisable, respected and synonymous with excellence.</p>

## Our organisational structure



## Changes to the agency

During 2019-20 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- Adelaide Festival Executive Director Rob Brookman retired and was succeeded by Elaine Chia in April 2020.
- Rachael Azzopardi has stepped down from her position as Deputy Executive Director in May 2020, transferring to the role of Executive Producer – Theatre, Dance and Special Projects until August 2020.
- With a full-time Executive Director, the Deputy Executive Director role is no longer required.

## Our Minister

The Hon Steven Marshall MP is the Premier of South Australia. The Minister oversees:

Aboriginal Affairs and Reconciliation

Defence and Space Industries

Tourism

The Arts

Veterans' Affairs

Multicultural Affairs

## **Our Executive team**

Neil Armfield AO – Joint Artistic Director responsible for developing annual Festival program.

Rachel Healy - Joint Artistic Director responsible for developing annual Festival program.

Elaine Chia – Executive Director responsible for managing the Corporation.

## **Legislation administered by the agency**

*Adelaide Festival Corporation Act 1998*

## The agency's performance

### Performance at a glance

The 2020 Adelaide Festival curated by Artistic Directors Neil Armfield AO and Rachel Healy has seen a triumphant 17 day event unfold with sold out shows, the biggest schools program in Festival history and box-office success. The Festival saw total audience attendance increase by 24.8%, box office target of \$4.7 million exceeded, achieving a total box office income in excess of \$5.3 million.

The 2020 Festival offered 73 events in theatre, music, opera, and dance, writing and visual arts – along with its festivals-within-the-Festival: Adelaide Writers' Week, Chamber Landscapes at UKARIA and WOMADelaide.

A total audience of 396,253 have attended Adelaide Festival events (including WOMADelaide). The Festival has sold 91,315 tickets, across 73 events, a 21% increase on 2019.

The Youth & Education program saw a 148% increase in ticket sales compared to 2019.

### The 2020 Adelaide Festival by numbers:

\$70.2 million gross expenditure generated for SA  
\$24.8 million new expenditure in SA (+24% on 2019)  
\$30 million net impact on the Gross State Product (+30% on 2019)  
17,105 visitors to the state  
132,058 visitor bed nights  
286 jobs (full time equivalent) (+32% on 2019)  
73 ticketed events  
1205 performances (includes 109 Writers' Week sessions + Kids' day +YA day and 140 WOMADelaide performances)  
7 world premieres and 16 Australian premieres  
19 events exclusive to Adelaide  
951 artists from 39 countries

## Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>The Festival has a core staff of 28 and for six months of the year it employs a further 30 employees. For three months of the year and during the Festival event we employ up to a further 145 staff. The highest point in this financial year was 203 staff all processed in-house. The Economic Impact Study commissioned by the Festival shows that the Festival created the equivalent of 286 full time jobs (increase from 216 in 2019) in the South Australian economy in 2019/20.</p>
Lower costs	<p>The Festival has a rigorous procurement system that is constantly monitored with regular forecast of expenditure reported against budget and presented to the Audit and Risk Committee. The purchase order system allows managers of budgets to monitor actual spend against budget prior to approval.</p>
Better Services	<p>The Festival obtained support to provide live streaming services for Adelaide Writers Week into South Australian libraries, nursing homes and schools, providing access for the aged, the infirm and young people to live sessions and Q&amp;A times.</p> <p>The Festival updated its website to provide a better experience and optimised user functions on mobile phones and tablets.</p> <p>Program information was distributed by text and emails to provide festival goers with exact times and venue information and daybills.</p> <p>70,000 Adelaide Festival booking guides distributed across Adelaide, Sydney and Melbourne</p> <p>35,000 Adelaide Writers' Week programs distributed across Adelaide</p> <p>15,000 Requiem A5 flyers distributed across Adelaide, Sydney and Melbourne</p> <p>10,000 Hot Picks booklets distributed across Adelaide plus key venues</p>

## Agency specific objectives and performance

Agency objectives	Indicators	Performance
Position Adelaide Festival as the leading Festival in Australia and in the Top ten internationally	Minimum of two state, national or international collaborative partnerships.	<p>In 2020 Festival presented:</p> <p>73 shows &amp; events</p> <p>1,205 performances</p> <p>7 world premieres</p> <p>16 Australian premieres</p> <p>19 Adelaide exclusives</p> <p>396,253 attendees</p> <p>91,315 tickets sold</p>
Attracted and presented highest quality artists and attended by top end industry professionals.	Festival attendance at a minimum of five international festivals/ arts markets.	<p>Co-Artistic Directors Rachel Healy and Neil Armfield travelled extensively on behalf of the festival attending dozens of international markets and festivals. The resulting program was rich in exclusives and top quality events.</p> <ul style="list-style-type: none"> <li>• The stand-out event amongst the Festival was Mozart's <i>Requiem</i> with 7,111-strong audience drawn from local, interstate and overseas.</li> <li>• Other festival highlights include: The Australian Premiere and Australian Exclusive of <i>The Doctor</i> starring Juliet Stevenson</li> <li>• The Australian Premiere of <i>The Sound of History: Beethoven, Napoleon and Revolution</i></li> <li>• <i>Aleppo. A Portrait of Absence</i>, an extraordinary project from Syria making its Australian Premiere</li> <li>• The world premiere of <i>The Lighthouse</i> by local company Patch Theatre</li> <li>• <i>Dimanche</i> from Belgium – a collaboration between Cie Chaliwaté &amp; Cie Focus making their Australian Premiere</li> </ul>
Adelaide Festival recognised as most innovative and	Vibrant program of new	<b>Commissioned works:</b>

dynamic festival in Australia	and commissioned works	<p><i>Two Crews &amp; Between Tiny Cities</i> by Nick Power, commissioned by Adelaide Festival, Brisbane Festival and Sydney Festival. It has also been supported by The Australia Council for the Arts; Bundanon Trust and the Australian Government's Department of Communications &amp; the Arts; and Initiatives d'Artistes en Danses Urbaines – Fondation de France – La Villette.</p> <p><i>Bungul</i> commissioned by Perth Festival, Darwin Festival, Adelaide Festival, Melbourne International Arts Festival, Sydney Festival and Brisbane Festival.</p> <p><i>Requiem</i> directed by Romeo Castelucci – a production of Festival d'Aix-en-Provence, in co-production with Adelaide Festival, Theater Basel, Wiener Festwochen, and Palau de les Arts Reina Sofia.</p> <p><i>Dimanche</i> - Co-produced by Le Théâtre des Tanneurs, Le Théâtre de Namur, La Maison de la Culture de Tournai, Théâtre de l'Ancre à Charleroi, Le Sablier – Ifs, Arts and Ideas New Haven, Adelaide Festival and Auckland Arts Festival</p> <p><i>Enter Achilles</i> - A work by Lloyd Newson (DV8 Physical Theatre), co-commissioned with Rambert and Sadlers Wells.</p>
A high level of community engagement and participation. Build sense of South Australia as a great place to live.	Create significant low cost or free events for the public	<p>Adelaide Writers' Week</p> <p>Free 60<sup>th</sup> Anniversary Concert with 16,000 attendees</p> <p>Exhibitions Program</p> <p>Forums</p> <p>Breakfast With Papers</p> <p>Education Program</p> <p>Workshops and Masterclasses</p>
Destination of choice. South Australia – a growing destination choice for	Achieve high levels of interstate/international visitation	<p>High level of cultural tourism:</p> <p>17,105 visitors to the state</p> <p>132,058 visitor nights generated</p>

international and domestic travellers.		
Engage South Australia's young audiences, developing connection to culture.	Increase attendances of school students and young people.	The Adelaide Festival schools program was the biggest in the Festival's history with a 143% increase in ticket sales compared with 2019. 4,806 tickets sold to a total of 77 different schools across South Australia including four Aboriginal and Torres Strait Islander schools and two tertiary institutions

## Corporate performance summary

In 2020, the Festival achieved a total box office income of over \$5.3 million. Festival events attracted 396,523 attendances (including Festival Shows, and un-ticketed events such as Writers Week). The program included inputs from some 1,400 artists.

The Government percentage contribution to the Festival income continues to drop below 50% and the SA Government's overall contribution to the Festival Program remains as 47.9% of total income.

## Employment opportunity programs

Program name	Performance
Aboriginal ArtsReady Traineeship Program	The 2019 traineeship was extended by a further year.
Adelaide University Internships	As part of the partnership with The University of Adelaide, five internship opportunities for The University of Adelaide students were offered for the 2020 Adelaide Festival. The internships were undertaken across Business Development, Sustainability, Classical Music, Breakfast with Papers and Adelaide Writers' Week teams.
Nida secondments	We hosted two secondments from NIDA in the Festival production department. Secondments practically support NIDA students to transition into their respective industry.

## **Agency performance management and development systems**

<b>Performance management and development system</b>	<b>Performance</b>
Six Monthly Review	Adelaide Festival is 100% compliant for FTE staff.
Post-performance review training plans	Through the review process all staff have the opportunity to discuss future training prospects and access to job improvement programs.

## **Work health, safety and return to work programs**

<b>Program name</b>	<b>Performance</b>
I-Learn Training	All staff are inducted with workplace WH&S and government requirements.
First Aid	There are 3 First Aiders and well as 4 Mental Health First Aiders in the organisation.
DPC Committee	The Head of Corporate Services is a member of the DPC WHS Committee Arts Sector, looking at exposure to risks from an arts industry perspective to identify and document risks that Government would not normally be exposed to.

<b>Workplace injury claims</b>	<b>Current year 2019-20</b>	<b>Past year 2018-19</b>	<b>% Change (+ / -)</b>
Total new workplace injury claims	6 Minor	11 Minor	-54%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

<b>Work health and safety regulations</b>	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	Number 0	Number 0	+/-Xx% 0%

<b>Return to work costs**</b>	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	Number	0%

\*\*before third party recovery

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

### Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
Non Public Service executives	3
Heads of Departments	5

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-20 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2019-20 Budget \$000s</b>	<b>2019-20 Actual \$000s</b>	<b>Variation \$000s</b>	<b>Past year 2019 Actual \$000s</b>
Total Income	<b>18,821</b>	<b>18,913</b>	<b>92</b>	<b>19,189</b>
Total Expenses	<b>18,821</b>	<b>18,836</b>	<b>(15)</b>	<b>18,778</b>
<b>Net Result</b>	<b>0</b>	<b>77</b>	<b>77</b>	<b>411</b>
<b>Total Comprehensive Result</b>	<b>0</b>	<b>77</b>	<b>77</b>	<b>411</b>

<b>Statement of Financial Position</b>	<b>2019-20 Budget \$000s</b>	<b>2019-20 Actual \$000s</b>	<b>Variation \$000s</b>	<b>Past year 2019 Actual \$000s</b>
Current assets	2,448	2,213	(235)	2,229
Non-current assets	345	681	336	317
<b>Total assets</b>	<b>2,793</b>	<b>2,894</b>	<b>101</b>	<b>2,546</b>
Current liabilities	610	585	25	569
Non-current liabilities	124	373	(249)	118
<b>Total liabilities</b>	<b>734</b>	<b>958</b>	<b>(224)</b>	<b>687</b>
<b>Net assets</b>	<b>2,059</b>	<b>1,936</b>	<b>(123)</b>	<b>1,859</b>
<b>Equity</b>	<b>2,059</b>	<b>1,936</b>	<b>(123)</b>	<b>1,859</b>

### Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

#### Consultancies with a contract value below \$10,000 each

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All consultancies below \$10,000 each - combined	None	\$0

**Consultancies with a contract value above \$10,000 each**

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Trellis Technologies P/L	Carbon Neutral accreditation	\$ 13,490
	Total	\$ 13,490

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

**Contractors disclosure**

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

**Contractors with a contract value below \$10,000**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All contractors below \$10,000 each - combined	Various	\$0

**Contractors with a contract value above \$10,000 each**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Anthea Hagar	Publicity	\$ 55,000
Petrina Egan	Publicity	\$ 35,450
Model Box	Technical Design	\$ 74,065
Lee Francis	Risk Management	\$ 20,000
Softread Enterprises	Writers Week Director	\$100,000
Imprints	Book Tent Managers	\$40,000
Mary Vallentine	Classical Music Adviser	\$23,500
Robert Cousins	Graphic Designer	\$25,000

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Adelaide Festival Centre/Town Hall	Bar/Front of House Management	\$487,279
	Total	\$ 860,294

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts](#).

## Risk management

### Risk and audit at a glance

The Audit and Risk Committee met seven times in the financial year and the Committee are satisfied that all reporting and statutory requirements of the Festival have been met.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
None detected	0

*NB: Fraud reported includes actual and reasonably suspected incidents of fraud.*

### Strategies implemented to control and prevent fraud

The Fraud and Corruption Policy was reviewed and adopted by the Board in June 2019 and 2020. The Adelaide Festival Corporation has in place internal control procedures to minimise the risk of fraud, corruption and other criminal conduct, misconduct and maladministration. The objectives of this policy are to:

- demonstrate that the Adelaide Festival Corporation has a zero tolerance to fraud and corruption;
- ensure management, employees, contractors, volunteers, and suppliers of goods and services to the Adelaide Festival Corporation understand their responsibilities to mitigate against fraud and corruption;
- ensure there is a clear process for management, employees and other stakeholders to follow when fraud or corruption is suspected or detected; and
- assist the South Australian Police in the investigation and prosecution of suspected fraudsters.

The Adelaide Festival Corporation requires that all staff at all times act with honesty and integrity and to safeguard the public resources for which they are responsible.

All Adelaide Festival Corporation employees are required to understand and adhere to the *Code of Conduct for South Australian Public Sector Employees* and the *South Australian Public Sector Fraud and Corruption Control Policy*.

The Code of Conduct outlines the underlying principles of respect, integrity, accountability and ethical decision making that is expected from Adelaide Festival Corporation employees.

The Policy is designed to assist public sector agencies in the prevention, detection and response to activities labelled or defined as fraud or corruption, other criminal conduct, misconduct and maladministration within the sector.

As a part of its responsibility for ensuring the values of integrity and honesty are upheld, the Adelaide Festival Corporation is committed to the prevention, detection and reduction of fraud and corruption by establishing a fraud and corruption prevention culture throughout all levels of the Organisation.

The Adelaide Festival Corporation will pursue all suspected acts of fraud, corrupt practices or other similar malpractices and report to the police as required by State Government policy and the law.

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

### **Public interest disclosure**

There were no occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Treasury Laws Amendment (Whistleblowers Protections) Act 2019*:

0

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

Reporting required under any other act or regulation

N/A

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

## Reporting required under any other act or regulation

Act or Regulation	Requirement
N/A	N/A

*Adelaide Festival Corporation Act 1998*

## Reporting required under the *Carers' Recognition Act 2005*

The organisation is aware of its obligations under section 6 of the *Carers Recognition Act 2005*. For the period of the 2019-2020 financial year there was no person or body contracted with the organisation to provide relevant services under the Act.

The organisation continues to support Companion Card to allow cardholders companion free entry into participating venues and events.

## Public complaints

### Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	7
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2019-20</b>
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	11
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	20
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	10
		<b>Total</b>	<b>48</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	473
Number of negative feedback comments	48
Total number of feedback comments	521
% complaints resolved within policy timeframes	100

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

**Service Improvements resulting from complaints or consumer suggestions over 2019-20**

During 2020 Festival we dedicated our marketing executive social media to respond to complaints in real time.

We introduced in-house front of house staff where possible to provide better service to our audiences.

We are continuously working on improving our accessibility program: AUSLAN interpretations, audio description, surtitles where possible and making the festival program available in other formats such as large text, braille and audio versions.

## **Appendix: Audited financial statements 2019-20**



Level 9  
State Administration Centre  
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[www.audit.sa.gov.au](http://www.audit.sa.gov.au)

**To the Chair  
Adelaide Festival Corporation**

**Opinion**

I have audited the financial report of the Adelaide Festival Corporation for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Festival Corporation as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Executive Director and the Head of Corporate Services.

**Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Adelaide Festival Corporation. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

## **Responsibilities of the Executive Director and members of the Board for the financial report**

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

The members of the Board are responsible for overseeing the entity's financial reporting process.

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

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Adelaide Festival Corporation for the financial year ended 30 June 2020.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Adelaide Festival Corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

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



Andrew Richardson

**Auditor-General**

18 September 2020

## 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 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 2020 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.



Elaine Chia  
Executive Director



Elizabeth Brooks  
Head of Corporate Services



Judy Potter  
Chair



Date

**Adelaide Festival Corporation**  
**Financial Statements For the year ended 30 June 2020**

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
<b>Income</b>			
Revenue from SA Government	4.1	9,077	9,146
Revenues from Non-SA Governments	4.1	109	147
Box Office sales		5,152	4,744
Other sales		495	545
Interest revenues	4.2	70	109
Other income	4.3	1,967	2,219
Sponsorship	4.4	2,043	2,279
<b>Total income</b>		<b>18,913</b>	<b>19,189</b>
<b>Expenses</b>			
Employee benefits expense	2.3	4,129	3,814
Supplies and services	3.1	14,418	14,470
Depreciation and amortisation	3.2	284	494
Borrowing costs	3.3	5	-
<b>Total expenses</b>		<b>18,836</b>	<b>18,778</b>
<b>Net result</b>		<b>77</b>	<b>411</b>
<b>Total comprehensive result</b>		<b>77</b>	<b>411</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Adelaide Festival Corporation**  
**Financial Statements For the year ended 30 June 2020**

**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	1,886	1,905
Receivables	6.3	327	324
<b>Total current assets</b>		<b>2,213</b>	<b>2,229</b>
<b>Non-current assets</b>			
Property, Plant and equipment	5.1	582	204
Intangible Assets	5.3	99	113
<b>Total non-current assets</b>		<b>681</b>	<b>317</b>
<b>Total assets</b>		<b>2,894</b>	<b>2,546</b>
<b>Current liabilities</b>			
Payables	7.1	253	346
Financial liabilities	7.2	151	-
Employee benefits	2.4	74	219
Provisions	7.3	4	4
Contract Liabilities	7.4	103	-
<b>Total current liabilities</b>		<b>585</b>	<b>569</b>
<b>Non-current liabilities</b>			
Payables	7.1	14	5
Financial liabilities	7.2	214	-
Employee benefits	2.4	139	109
Provisions	7.3	6	4
<b>Total non-current liabilities</b>		<b>373</b>	<b>118</b>
<b>Total liabilities</b>		<b>958</b>	<b>687</b>
<b>Net Assets</b>		<b>1,936</b>	<b>1,859</b>
<b>Equity</b>			
Retained earnings		1,936	1,859
<b>Total Equity</b>		<b>1,936</b>	<b>1,859</b>

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

**Adelaide Festival Corporation**  
**Financial Statements For the year ended 30 June 2020**

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2020

	Retained earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2018</b>	<b>1,448</b>	<b>1,448</b>
Net Result for 2018-19	411	411
<b>Total Comprehensive Result for 2018-19</b>	<b>411</b>	<b>411</b>
<b>Balance at 30 June 2019</b>	<b>1,859</b>	<b>1,859</b>
Net Result for 2019-20	77	77
<b>Total Comprehensive Result for 2019-20</b>	<b>77</b>	<b>77</b>
<b>Balance at 30 June 2020</b>	<b>1,936</b>	<b>1,936</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**Adelaide Festival Corporation**  
**Financial Statements For the year ended 30 June 2020**

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2020

	Note No.	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from SA Government		9,077	9,146
Receipts from customers, sponsors, donors and others		8,924	9,109
Receipts from Commonwealth		40	29
Receipts from Overseas Governments		69	127
Interest received		70	109
GST recovered from the ATO		716	693
<b>Cash generated from operations</b>		<b>18,896</b>	<b>19,213</b>
<b>Cash outflows</b>			
Employee benefit payments		(4,245)	(3,759)
Payments for supplies and services		(14,383)	(14,514)
Interest paid		(5)	-
<b>Cash used in operations</b>		<b>(18,633)</b>	<b>(18,273)</b>
<b>Net cash provided by operating activities</b>		<b>263</b>	<b>940</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of plant and equipment		(124)	(42)
Purchase of Intangibles		(18)	(73)
<b>Net cash used in investing activities</b>		<b>(142)</b>	<b>(115)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(140)	-
<b>Net cash used in financing activities</b>		<b>(140)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(19)</b>	<b>825</b>
Cash and cash equivalents at the beginning of the period		1,905	1,080
<b>Cash and cash equivalents at the end of the period</b>	6.1	<b>1,886</b>	<b>1,905</b>

The accompanying notes form part of these financial statements.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

## **1. About the Adelaide Festival Corporation**

The Adelaide Festival Corporation (the Corporation) was established pursuant to the *Adelaide Festival Corporation Act 1998*. Our vision is to be recognised nationally and internationally, as one of the world's greatest large-scale, multi-arts festivals that:

- brings to its audience the power of great art;
- pursues new creative horizons;
- places Adelaide at the centre of Australia's cultural life;
- creates a transformational impact on our city, making art central to the culture of our society.

The Corporation does not control any other entity and has no interest in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Corporation.

### **1.1. Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurers Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the 2019-2020 financial statements the Corporation adopted *AASB 15 – Revenue from contracts with Customers*, *AASB 16 Leases* and *AASB1058 Income of Not-for-Profit Entities*. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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 (ATO), 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.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

### **1.2. Objectives**

The functions of the 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;

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

- (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.

## **2. Board, committees and employees**

### **2.1. Key management personnel**

Key management personnel of the Corporation include the Minister, the Executive Director and the Board who have responsibility for the strategic direction and management of the Corporation.

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

Total compensation for key management personnel was \$267,000 (2019:\$227,000).

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

### **2.2. Board and committee members**

Members during the 2020 financial year were:

<b>Board</b>	<b>Audit and Risk Committee</b>
Ms Judy Potter (Chair)	Mr Mark Roderick (Chair)
Ms Ulrike Klein (completed term December 2019)	Ms Judy Potter
Mr David Knox	Mr Alan James Whalley
Mr Mark Roderick	Ms Megan Hender
Mr Alan James Whalley	
Hon. Amanda Vanstone	
Mr Ian McRae	
Right Hon. The Lord Mayor of Adelaide Sandy Verschoor	
Ms Alison Beare (appointed December 2019)	

### **Board and committee remuneration**

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

	<b>2020</b>	<b>2019</b>
\$0 - \$19,999	9	8
<b>Total number of members</b>	<b>9</b>	<b>8</b>

The total remuneration received or receivable by members was \$46,000 (2019: \$40,000). From which \$19,000 was donated back to the Corporation. Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

From time to time, Board members will receive complimentary tickets to shows or events conducted by the 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.

**2.3. Employee benefits expense**

	2020 \$'000	2019 \$'000
Salaries and wages	3,537	3,305
Employment on-costs - superannuation	359	318
Employment on-costs - other	187	151
Board fees	46	40
<b>Total employee benefits expense</b>	<b>4,129</b>	<b>3,814</b>

**Employment on-costs - superannuation**

The superannuation employment on-cost charge represents the Corporation's contributions to superannuation plans in respect of current services of current employees.

**Executive remuneration**

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

	2020 No	2019 No
\$154 001 to \$174 000	1	1
\$174 001 to \$194 000	1	1
\$194 001 to \$214 000	1	-
\$214 001 to \$234 000	-	1
<b>Total</b>	<b>3</b>	<b>3</b>

The total remuneration received by these employees for the year was \$552,000 (2019: \$571,000).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

**2.4. Employee benefits liability**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Accrued Salaries and Wages	28	103
Annual Leave	27	81
Long Service Leave	19	35
<b>Total current employee benefits</b>	<b>74</b>	<b>219</b>

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

**Non-Current**

Long Service Leave	139	109
<i>Total non-current employee benefits</i>	<b>139</b>	<b>109</b>
<b>Total employee benefits</b>	<b>213</b>	<b>328</b>

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

**Salaries and wages, annual leave and sick leave**

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick-leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability are provided as note 11.1.

**3. Expenses**

The current breakdown of expenditure for the 2020 Festival shows that 70% went towards the presentation of the Festival, 13% went to the promotion of the Festival, 5% went to servicing our corporate sponsorship and philanthropy programs and 12% went to corporate governance and artistic direction.

Employee benefits expenses are disclosed in note 2.3.

**3.1. Supplies and services**

	2020 \$'000	2019 \$'000
Artist fees and payments	4,246	4,193
Artist travel and accommodation	1,502	1,720
Royalty and license fees	149	99
Event staging and contracts	4,234	4,050
Marketing, advertising and media	1,413	1,306
Design, printing and distribution costs	384	423
Hospitality, sponsorship and ticketing	600	527
Cost of goods for sale	743	693
Operating lease payments	59	204
Communications and information technology	262	208
Insurance	89	47
Other expenditure	737	1,000
<b>Total supplies and services</b>	<b>14,418</b>	<b>14,470</b>

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

### Consultants

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

	No 2020 \$'000	No 2019 \$'000
\$10,000 or above	1 14	1 29
<b>Total</b>	<b>1 14</b>	<b>1 29</b>

### 3.2. Depreciation and amortisation

	2020 \$'000	2019 \$'000
Right-of-use assets	173	3
Office equipment, furniture and fittings	79	68
Computer software	32	22
Palais Club	-	401
<b>Total depreciation and amortisation</b>	<b>284</b>	<b>494</b>

All non-current assets, with a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. During the 2020 financial year the Palais Club structure was demolished.

### Useful life

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

Class of Asset	Useful life (years)
Office equipment	5-10
Furniture and fittings	3-10
Computer software	4-5
Right-of-use assets	4

### Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

### 3.3. Borrowing costs

	2020 \$'000	2019 \$'000
Interest expense on lease liabilities	5	-
<b>Total borrowing costs</b>	<b>5</b>	<b>-</b>

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

#### 4. Income

The 2020 Festival program achieved increases in box office 3 years in a row with an increase of 8.64% on what was previously a record level of sales in 2019. The level of funding from SA Government remained at a similar level as 2019 and the SA Government's overall contribution to the Festival Program remains as 47.9% (2019: 47.6%) of total income.

##### 4.1. Revenues from Governments

	2020 \$'000	2019 \$'000
Revenue from SA Government	9,077	9,146
Revenue from Commonwealth	40	20
Revenues from Overseas Governments	69	127
<i>Revenues from Non-SA Governments</i>	<i>109</i>	<i>147</i>
<b>Total revenues from Governments</b>	<b>9,186</b>	<b>9,293</b>

##### 4.2. Interest

	2020 \$'000	2019 \$'000
Investment with SAFA – amortised cost	70	109
<b>Total interest</b>	<b>70</b>	<b>109</b>

##### 4.3. Other income

	2020 \$'000	2019 \$'000
Sundry	531	923
Friends membership	110	108
Donations	1,326	1,188
<b>Total other income</b>	<b>1,967</b>	<b>2,219</b>

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

##### 4.4. Sponsorship

	2020 \$'000	2019 \$'000
Sponsorship – Cash	1,212	1,341
Sponsorship – In-kind	831	938
<b>Total sponsorship</b>	<b>2,043</b>	<b>2,279</b>

The sponsorship received as resources in-kind has been valued at fair value.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

**5. Non-financial assets**

The Festival has continued to invest in improvement to software, databases and website design.

**5.1. Property, plant and equipment by asset class**

	2020 \$'000	2019 \$'000
Office equipment, furniture and fittings at cost (deemed Fair Value)	1,145	1,020
Less: Accumulated depreciation	(904)	(824)
<i>Total office equipment, furniture and fittings</i>	<b>241</b>	<b>196</b>
Right-of-use assets	519	14
Less: Accumulated depreciation	(178)	(6)
<i>Total Right-of-use assets</i>	<b>341</b>	<b>8</b>
<b>Total Property, plant and equipment</b>	<b>582</b>	<b>204</b>

**5.2. Property, plant and equipment owned by the Corporation**

Property, plant and equipment owned by the Corporation with a value equal to or in excess of \$1,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Corporation is recorded at fair value. Details about the Corporation's approach to fair value are set out in note 11.2.

**Impairment**

Property, plant and equipment owned by the Corporation has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular stocktake and visual inspection.

**Reconciliation 2019-2020**

	Office Equipment, Furniture and Fittings	Right-of-use assets	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	196	8	204
Changes in accounting policy on adoption of AASB 16	-	506	506
Additions	124	-	124
Less: depreciation	(79)	(173)	(252)
<i>Carrying amount at 30 June 2020</i>	<b>241</b>	<b>341</b>	<b>582</b>

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

**5.3. Property, plant and equipment leased by the Corporation**

Property, plant and equipment leased by the Corporation is recorded at cost. There were no additions to leased property, plant and equipment during 2019-20.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 3.1.

The Corporation's right-of-use assets mainly relate to a lease of 605.5m<sup>2</sup> floor of a building in the Adelaide CBD. The floor houses the registered office of the Corporation.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2.

**Impairment**

Property, plant and equipment leased by the Corporation has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

**5.4. Intangible assets**

	2020 \$'000	2019 \$'000
Computer software	158	140
Less: accumulated amortisation	<u>(59)</u>	<u>(27)</u>
<b>Total intangible assets</b>	<b>99</b>	<b>113</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$1,000.

**Reconciliation 2019-2020**

	Computer software \$'000	Total \$'000
Carrying amount at 1 July 2019	113	113
Additions	18	18
Less: amortisation	<u>(32)</u>	<u>(32)</u>
<b>Carrying amount at 30 June 2020</b>	<b>99</b>	<b>99</b>

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

**6. Financial Assets**

**6.1. Cash and cash equivalents**

	2020 \$'000	2019 \$'000
Cash at bank	551	158
Cash at hand	1	1
Short term deposits with SAFA	1,334	1,746
<b>Total cash and cash equivalents</b>	<b>1,886</b>	<b>1905</b>

**6.2. Deposits with SAFA**

Short term deposits are made on an at-call basis with funds transferred within 24 hours upon request. The deposits are lodged with SAFA and earn interest at the respective short term deposit rate on a monthly basis.

**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 rate at the date of 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.

**6.3. Receivables**

	2020 \$'000	2019 \$'000
Trade debtors	111	59
Prepayments	1	12
Accrued revenue	59	31
GST input tax recoverable	156	222
<b>Total receivables</b>	<b>327</b>	<b>324</b>

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the receipt of an invoice or the goods/services have been provided under contractual agreement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

The Corporation has assessed the collectability of its trade receivables and does not believe that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

## 7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

### 7.1. Payables

	2020 \$'000	2019 \$'000
<b>Current</b>		
Accrued expenses	249	330
Employment on-costs	4	16
<i>Total current payables</i>	<u>253</u>	<u>346</u>
 <b>Non-Current</b>		
Employment on-costs	14	5
<i>Total non-current payables</i>	<u>14</u>	<u>5</u>
 <b>Total payables</b>	<b>267</b>	<b>351</b>

Accruals are raised for all amounts owing but unpaid. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short term nature.

The net amount of GST recoverable from the ATO is included as part of accrued expenses.

#### Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained at 42% and the average factor for the calculation of employer superannuation on-costs has not changed from the 2019 rate of 9.8%. These rates are used in the employment on-cost calculation.

### 7.2. Financial Liabilities

	2020 \$'000	2019 \$'000
<b>Current</b>		
Lease Liabilities	151	-
<i>Total current payables</i>	<u>151</u>	<u>-</u>
 <b>Non-Current</b>		
Lease Liabilities	214	-
<i>Total non-current payables</i>	<u>214</u>	<u>-</u>
 <b>Total financial liabilities</b>	<b>365</b>	<b>-</b>

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

All material cash outflows relating to leases are disclosed in note 8.1. For 2018-19 the Corporation did not have any finance lease recognised under AASB 117.

**7.3. Provisions**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Provision for workers compensation (self-insurance)	4	4
<i>Total current provisions</i>	<u>4</u>	<u>4</u>
<b>Non-current</b>		
Provision for workers compensation (self-insurance)	6	4
<i>Total non-current provisions</i>	<u>6</u>	<u>4</u>
<b>Total provisions</b>	<b>10</b>	<b>8</b>

**Movement in provisions**

	2020 \$'000	2019 \$'000
<b>Carrying amount at beginning of the period</b>	8	234
Additional provisions recognised	2	-
Reductions resulting from re-measurement	-	(1)
Reductions arising from payments	-	(225)
<b>Carrying amount at end of the period</b>	<u>10</u>	<u>8</u>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under the current legislations.

The Corporation is responsible for the payment of workers compensation claims.

**7.4 Contract Liabilities**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Contract liabilities	103	-
<b>Total contract liabilities</b>	<b>103</b>	<b>-</b>

Contract liabilities relate to sponsorship received in advance with performance obligations to be fulfilled in 2020-2021.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

**8. Other disclosures**

**8.1. Cash flow**

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 ATO is classified as part of the operating cash flows.

Leases	2020 \$'000	2019 \$'000
Leased assets (repayment component)	140	3
Leased assets (interest component)	5	-
Operating Lease	59	42
<b>Total cash outflow for leases</b>	<b>204</b>	<b>45</b>

**9. Changes in accounting policy**

**9.1. AASB 16 – Leases**

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. *AASB16 Leases* replaces *AASB117 Leases* and related interpretations.

The adoption of AASB 16 *Leases* from 1 July 2019 resulted adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 *Leases* only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 *Leases* applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having a right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position.
- AASB 117 *Leases* resulted in operation lease payments being recognised as an expense under Supplies and Services. AASB 16 *Leases* largely replaces this with the depreciation expenses that represent the use of right-of-use assets and borrowing costs that represent the cost associated with financing the right-of-use asset.

**Impact on retained earnings**

The total impact on the Corporation's retained earnings as at 1 July 2019 is as follows:

	\$'000
<b>Closing retained earnings 30 June 2019 - AASB 117</b>	1,859
<b>Assets</b>	
Property, Plant and Equipment	506
<b>Liabilities</b>	
Financial liabilities	(506)
<b>Opening retained earnings 1 July 2019 – AASB 16</b>	<b>1,859</b>

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

The Corporation disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$529,000 under AASB 117.

The Corporation has accommodation services provided by the Department of Planning, Transport and Infrastructure (DPTI) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. The MoAA relates to two storage facilities located at Netley and Richmond.

The MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB117.

#### **Accounting policies on transition**

AASB 16 sets out accounting policies on transition in its transitional provisions. The *Treasurer's Instructions (Accounting policy statements)* require certain choices in those transitional provisions to be taken. The Corporation has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.43%.
- the initial measurement of right-of-use has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.

#### **Ongoing accounting policies**

The *Treasurer's Instructions (Accounting Policy Statements)* specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Corporation's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15,000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Corporation, in the capacity of a lessee, does not include non-lease components in lease amounts.  
(dot point deleted)
- right-of-use assets are subsequently measured applying a cost model.

#### **9.2. AASB 15 Revenue from Contracts with Customers**

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

AASB 15 supersedes AASB 11 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and applies to all revenue arising contracts with customers.

#### **Accounting policies on transition**

The Corporation has adopted AASB 15 on 1 July 2019. The *Treasurer's Instructions (Accounting Policy Statements)* require certain choices in those transactional provisions to be taken. The Corporation has on transition:

- not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former revenue and income accounting standards
- elected not to restate retrospectively contracts for modifications that occurred before 1 July 2019. Such contract modifications were minor so this is expected to have little impact on the financial statements.

Impacts on the financial statements are explained below together with impacts from adoption of AASB 1058 *Income for Not-for-Profit Entities*.

#### **Ongoing accounting policies**

The *Treasurer's Instructions (Accounting Policy Statements)* specify requirements for public authorities in applying AASB 15. These requirements are reflected in the Corporations accounting policies as follows:

- for sponsorship/grant agreements with specified performance obligations, revenue is recognised over time by measuring the progress towards complete satisfaction of that performance obligation.
- box office sales during the Festival are recognised as revenue upon completion of the ticketed performance.

#### **9.3. AASB 1058 Income for Not-for-Profit Entities**

AASB 1058 *Income for Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and ASB 111 *Construction Contracts*. However, elements of AASC 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

#### **Accounting policies on transition**

On transition, there was no impact on retained earnings.

#### **9.4. Effects on financial statements from AASB 15**

	As reported	Adjustments AASB 15	Balances without adoption of AASB 15
<b>Income</b> Sponsorship	2,043	(103)	2,146

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

**Current Liabilities**

Contract liabilities	103	103	-
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On adoption of AASB 15, sponsorship received in advance is classified as a Contract liability. In the prior year, they were recognised as sponsorship income.

**9.5. Presentation of Financial Statements**

Changes made to Treasurer's Instructions (Accounting Policy Statement) effective from 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenue from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Corporation. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

**10. Outlook**

**10.1. Accommodation expenditure commitments**

The Corporation's accommodation expenditure commitments relate to leases for storage and workshop facilities, through DPTI. The leases were effective from 1 July 2019 for 3 years with a fixed 2.5% per annum increase. Rent is payable in advance.

	2020 \$'000	2019 \$'000
Within one year	46	45
Later than one year but not longer than two years	47	93
<b>Total operating lease commitments</b>	<b>93</b>	<b>138</b>

**10.2. Contingent assets and liabilities**

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

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

**10.3. Impact of Covid-19 pandemic on the Corporation**

As the March 2020 Festival of Arts completed successfully on 15 March, just prior to the SA Government lock-down rules to prevent the spread of COVID19, there was no financial impact on the Corporation in the current financial year.

By 31 March 2020, the core staff had been reduced to 26 FTEs as planned and all were successfully

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

set up to work from home until 1 July 2020 with no lost hours. With the office floor locked off to the public, only essential staff remained working at the office on a flexible basis and all staff were encouraged to utilise all their accrued leave during this period.

Due to future uncertainties the Management and Board continue to monitor the progress of the pandemic so as to minimise any impact on the Corporation.

#### **10.4. Events after reporting period**

No events have occurred after balance date that would affect the Corporation's financial statements as at 20 June 2020.

### **11. Measurement and Risk**

#### **11.1. Long service leave liability – measurement**

AASB 119 *Employee benefits* contain the calculations methodology for long service leave.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB119 *Employee benefits* requires the use of yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 1.25% to 0.5%. In addition, the salary inflation rate has been reduced from 4% to 2.5%.

The net financial effect of the changes to actuarial assumptions in the current financial year is a increase in the long service leave liability of \$14,000 and employment benefits expense of \$14,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long term discount rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience and known applications for leave.

#### **11.2. Fair Value**

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

##### **Initial recognition**

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

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

##### **Plant and equipment**

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life of less than 3 years. Plant and equipment has not been revalued in accordance with APS 116D. The carrying value of these items are deemed to approximate fair value.

### 11.3. Financial instruments

#### Financial risk management

Risk management is managed by the Corporation's corporate services section. The Corporation's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standards *Risk Management Principles and Guidelines*.

The Corporation's exposure to financial risk (liquidity, credit and market) is low due to the nature of financial instruments held.

#### Liquidity risk

The Corporation is funded principally from the SA Government via Department of Premier and Cabinet. The Corporation works with the Department of Treasury and Finance and Arts SA to determine the cash flows associated with its approved program of work and to ensure funding is provided through the Government's budgetary processes to meet expected cash flows.

The State Government has funded the Adelaide Festival biennially from 1960 and annually since 2012.

#### 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 asset, financial liability and equity instruments are disclosed in the respective financial asset/financial liability note.

#### *Classification of Financial Instruments:*

The Corporation measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	Carrying Value/Fair Value	
		2020 \$'000	2019 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	6.1	1,886	1,905
<b>Financial assets at amortised cost</b>			
Receivables	6.3	170	90
<b>Total financial assets</b>		<b>2,056</b>	<b>1,995</b>
<b>Financial liabilities</b>			
<b>Financial liabilities at amortised cost</b>			
Payables	7.1	131	245
Financial liabilities	7.2	365	-
<b>Total financial liabilities</b>		<b>496</b>	<b>245</b>

Receivable and payable amounts disclosed here 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

**Adelaide Festival Corporation**  
**Notes to the Financial Statements For the year ended 30 June 2020**

source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

Receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in Note 6.3.

