



DARWIN WATERFRONT
CORPORATION

Annual Report

2019–20



We live, work, rest and play on land and water
that is the home of the Larrakia people.

We acknowledge and pay our respects
to elders past, present and future.

Their culture and attachment to country
is recognised and respected.



Photo: <https://www.territorystories.nt.gov.au/jspui/handle/10070/269271>
"Northern Territory Library, Foelsche Photograph Album, PH1060/0055.
Foelsche, P. (Paul), 1831-1914"
Native Camp Port Darwin

The Hon. Michael Gunner
Chief Minister
Parliament House
DARWIN NT 0800

Dear Minister

I am pleased to present the 2019-20 annual report of the Darwin Waterfront Corporation.

The report details the activities and operations of the corporation for the year ending 30 June 2020 in accordance with Section 30 of the *Darwin Waterfront Corporation Act* (the Act).

There is no additional information included in the report required to be presented under Section 30 of the Act as there were no directions given under Section 20(1) of the Act during the reporting period.

The financial statements included in the report have been prepared from proper accounts and records and reflect obligations and relevant standards pursuant to Section 31 of the Act.

The Auditor-General has audited the corporation's financial statements for the year ending 30 June 2020, and her comments are contained in this report.

Yours faithfully



ALASTAIR SHIELDS

Chief Executive Officer

Darwin Waterfront Corporation
2 October 2020

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Overview

Purpose of this report

This report aims to inform interested stakeholders, government agencies and the Northern Territory community about our strategic focus, performance and future business direction. More information about the Darwin Waterfront Corporation is available at www.waterfront.nt.gov.au



2019–20 highlights

Patronage



The Waterfront attracted an estimated **1M** patrons resulting in a 4.36% increase in visitation to February 2020. The impact of COVID-19 resulted in a 56.64% decline in visitation for the remainder of the financial year.



The Wave Lagoon attracted a total of **71,102** patrons which is 30% less than the previous year due to the March to June closure.



The Waterfront hosted **194** public events that attracted an estimated 83,444 additional visitors to the precinct.



The Darwin Convention Centre hosted **90** events that attracted 51,000 people



There were **61** cruise ship visits to Fort Hill Wharf bringing approximately 38,706 passengers.



The two hotels had **75,803** in-house guests.

Local investments

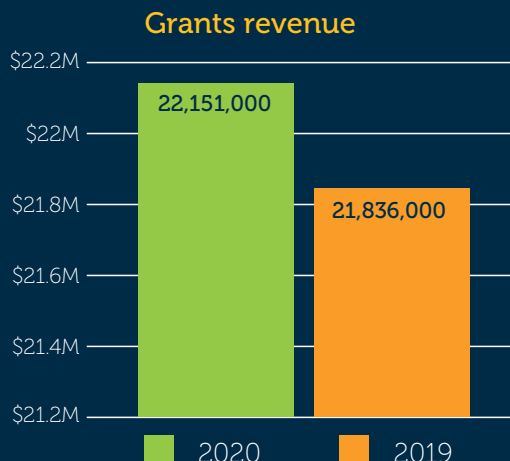


\$4.2M in payments were made to local contractors for maintenance and operational services at Darwin Waterfront.

Revenue



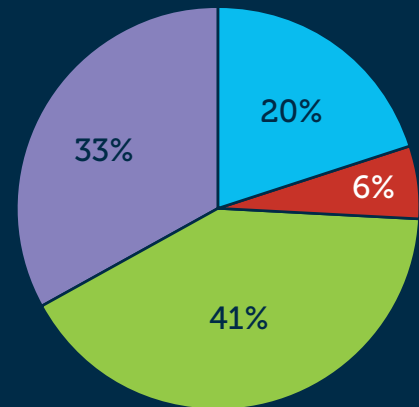
Rates revenue **\$937k** from 310 rateable properties



Financial

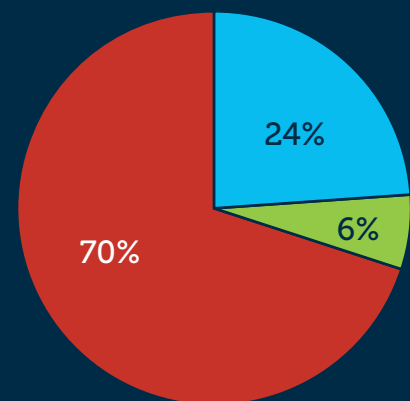
- COVID-19 economic support provided **\$345K**
- \$937K** rates revenue received from 310 rateable properties
- Total capital spend is **\$868K**
- Earnings before interest, tax, depreciation and amortization is **\$4.02M**
- Net Deficit of **\$2.9M**
- Non Restricted Profit **\$1.2M**

Fair value of assets under management



- Land **\$52.4M**
- Buildings **\$15M**
- Buildings under finance lease **\$104.5M**
- Infrastructure **\$84M**

Grant funding split



- Darwin Waterfront Corporation **\$5,303,000**
- Stokes Hill Wharf **\$1,384,000**
- Darwin Convention Centre **\$15,464,000**

From the Chair



It is with pleasure that I present the Darwin Waterfront Corporation Annual Report for 2019-20.

Despite the last quarter of the financial year being affected by the declaration of COVID-19 as a global pandemic, the corporation's overall performance for the financial year was successful.

COVID-19 put a pause on events, facilities and businesses from March 2020. The corporation supported businesses during restrictions with financial relief wherever possible and by establishing new precinct initiatives. Our support for businesses included establishing two 'grab & go'

drive-throughs, providing public spaces for business extensions, creating extra outdoor seating areas (including the Waterfront Beach Club), coordinating marketing campaigns, and offering rental relief for Stokes Hill Wharf food and beverage businesses and tourism operators.

We capitalised on the Wave Lagoon's closure due to COVID-19 by undertaking essential repairs and maintenance. The improved facility reopened in June 2020.

The Darwin Waterfront Corporation continued to work closely with our businesses during the year, and in November 2019, a new restaurant, 'Mad Cow', opened its doors.

Three new harbour cruise ticketing offices opened on Stokes Hill Wharf in July 2019, increasing opportunities for tourism operators to have a physical presence at the wharf. The corporation also supported two Stokes Hill Wharf businesses to renovate their interiors.



New and improved recreational facilities opened during the year, including Australia's first semi-permanent International Basketball Federation (FIBA) 3X3 basketball court in August 2019. An improved fishing platform reopened at Stokes Hill Wharf in June 2020, and 15 new artificial reefs were deployed by the Department of Primary Industry and Resources in time for the reopening.

A highlight of our events calendar was NT Major Events Company's Bruce Munro: Tropical Lights exhibition, with four of the eight illuminated sculptures displayed at the Darwin Waterfront Precinct from 1 November 2019 to 24 March 2020. Our New Year's Eve and Christmas lights celebrations continued to thrill young and old—now established as festive season must-visit for locals and visitors.

We improved connectivity with the Darwin CBD by introducing the new Neuron e-scooters in January 2020 as an extension of the City of Darwin's e-scooter trial.

Our new Darwin Waterfront website went live in February 2020 with a modernised look, improved technology

and a stronger focus on the precinct as a leisure and lifestyle destination.

Public amenity improvement continued at the precinct through replacing LED light signs on the sky bridge, upgrading the HV feeder cable on Stokes Hill Wharf, new closed-circuit television (CCTV) cameras and a new access point from the public domain space to Building 3 restaurants.

Looking forward to 2020–21, the corporation will continue work on developing a comprehensive master plan and supporting our businesses' recovery during and post COVID-19.

I would like to acknowledge and thank the corporation's staff and board members for their dedication and commitment in 2019–20 to the success of Darwin's premier lifestyle precinct as the jewel in Darwin's crown—a great place to live, learn, do business and visit.



TRACEY HAYES

Chair

About the Darwin Waterfront Corporation

About us

The Darwin Waterfront Corporation is a statutory authority established by the Northern Territory Government under the *Darwin Waterfront Corporation Act*. It is responsible for:

- developing, managing and servicing the Darwin Waterfront Precinct for the benefit of the community
- promoting the precinct as a place of residence and business, and a venue for public events and entertainment.

Our vision

The Darwin Waterfront Precinct is a premier lifestyle destination of choice where people want to live, learn, work and play.

Our mission

To develop, maintain and promote the Darwin Waterfront Precinct as a gathering place where meaningful lifestyle, business and learning experiences happen and are a key driver of the Territory's economic growth.

Our focus

Our key focus areas are:

Development and sustainable business growth

We work closely with government agencies and private investors on the development and master planning of

the precinct's remaining 10 hectares (approximately) of prime development sites. This includes exploring opportunities and encouraging new investment to ensure the precinct continues to be a significant contributor to the Territory's economy.

We establish and maintain effective lease and operational agreements with businesses to give certainty for future planning. We work with those businesses to revitalise existing products and activate new ones that give visitors and the community a diversified offering.

We also oversee the operation and performance of the Darwin Convention Centre. The centre was developed through a public private partnership between the NT Government and a private sector consortium, Darwin Cove Convention Centre Pty Ltd.

The consortium will run the centre for 25 years, until June 2033, at which time it will be handed back to the Territory. The corporation administers the contractual arrangements for the Darwin Convention Centre to ensure it is operated and marketed in accordance with the concession deed.

Property management, infrastructure and services

The Darwin Waterfront Corporation is responsible for the management, operation and maintenance of the precinct's public infrastructure, including incidents, risk management and emergency response.

We provide municipal services to the precinct and manage its civic amenities, including:

- capital works and minor new works
- sanitation, garbage collection and street cleaning
- roads, footpaths, parking and traffic control
- storm drainage and water quality in recreational aquatic facilities
- all public places, including parks, toilets, elevators, the sea wall, foot bridge, art and street lighting.

Place-making

Place-making is about transforming a public space into a destination that attracts people and activity, instils a sense of community pride and encourages development that leverages the location's physical, cultural and social attributes.

Community participation is at the centre of successful place-making, so we engage with our stakeholders to understand their needs and aspirations, involve them in our planning and collaborate on place-making activities to ensure the precinct is a vibrant place where people want to be.

We activate our place-making goals through a year-round program of events and by supporting third-party commercial operations that benefit the community—residents, businesses, learning institutions, property owners, vessel owners, students and visitors to the precinct.

Stakeholder and community engagement

The precinct has a number of stakeholders with diverse needs.

The corporation works with these stakeholders, taking a collaborative approach to developing and enhancing the precinct while balancing competing needs.

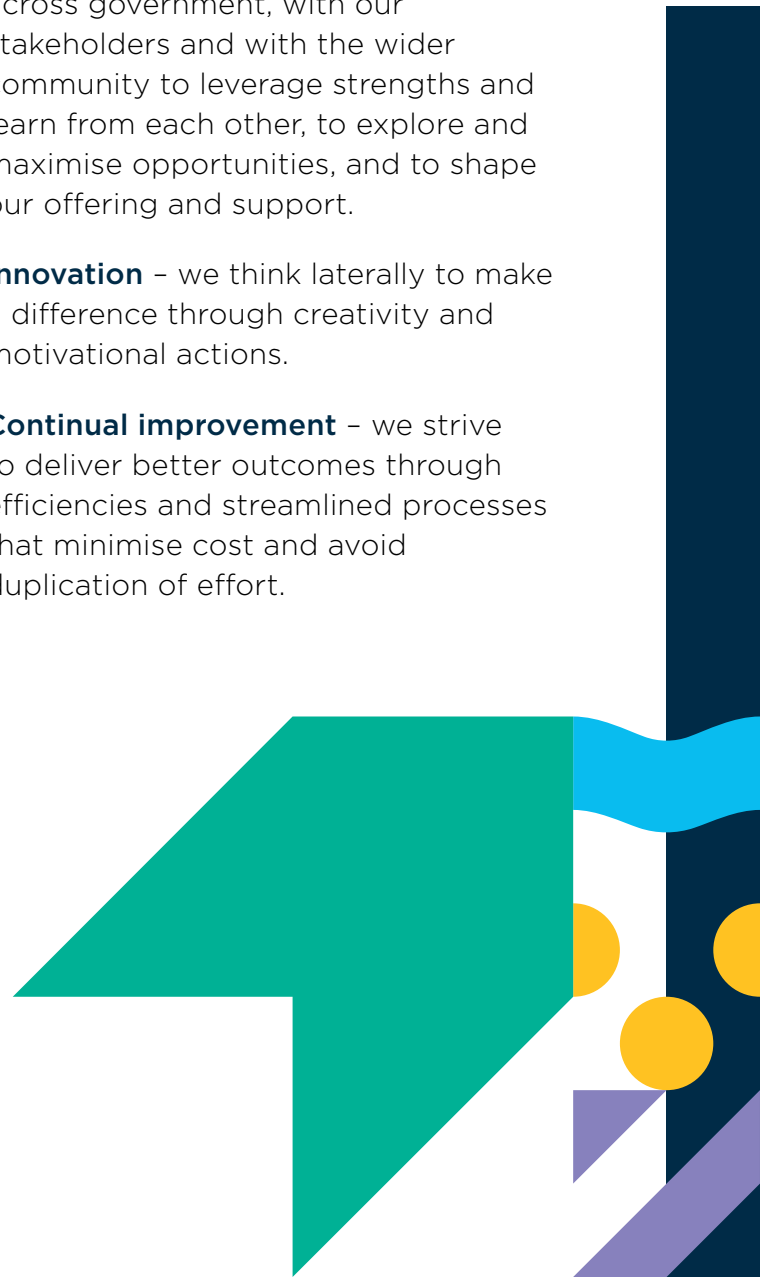
The views of our wider community are also important to us, particularly around their participation in the public events at the precinct and our place-making objectives.

Our values

Collaboration – we work in partnership across government, with our stakeholders and with the wider community to leverage strengths and learn from each other, to explore and maximise opportunities, and to shape our offering and support.

Innovation – we think laterally to make a difference through creativity and motivational actions.

Continual improvement – we strive to deliver better outcomes through efficiencies and streamlined processes that minimise cost and avoid duplication of effort.



Professionalism – we conduct our business to the highest commercial standards of ethical behaviour and transparency.

Responsibility – we are committed to safety, security and sound environmental practices and reflect best-practice principles in the conduct of all our activities.

Our team

Board members

Our board guides our strategic direction and the delivery of our outcomes.

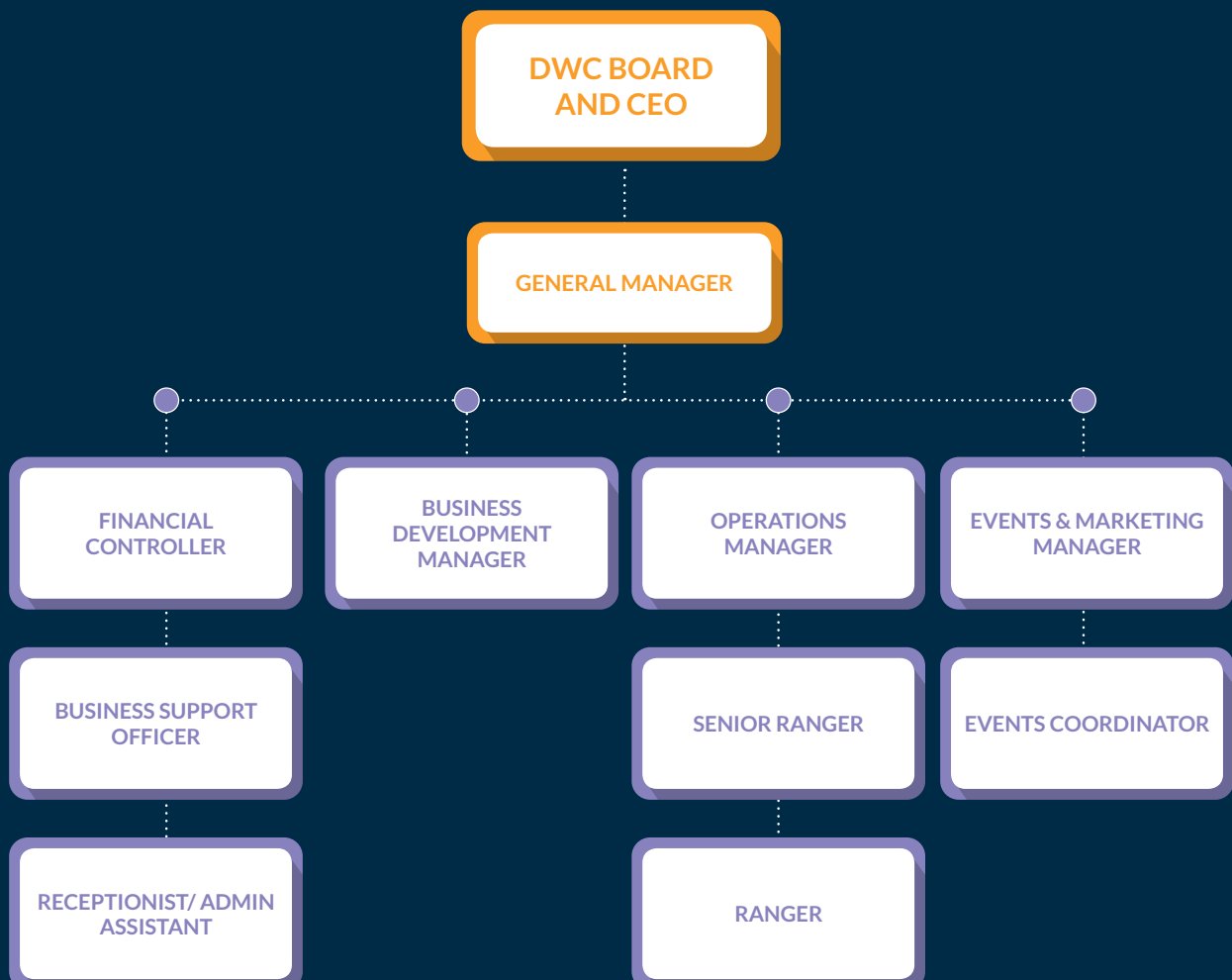
It provides stewardship and vision through strategy formulation and policy development, and it ensures legislative, financial and governance obligations are met.

The Chief Executive Officer oversees the implementation of the strategy set by the board and with the General Manager, manages the corporation’s day-to-day operational and administrative functions.

Our employees

In 2019-20, we employed 11 people in four operational areas: finance, projects and operations, events and marketing, and business development.

Darwin Waterfront Corporation organisational chart



Board members

2019–20 Darwin Waterfront Corporation Board members:



Ms Tracey Hayes (Chair)

Appointed 1 July 2018

Tracey Hayes is a senior leader in business and industry, with considerable experience as a Chief Executive Officer, board Chair, company director and board member. She is a strong business professional with substantial Asian engagement experience and is skilled in crisis management, public affairs, negotiation, corporate social responsibility and strategic development.

Tracey is a member of the Order of Australia Honours Council. She is on the boards of the Australia Indonesia Institute, the Cooperative Research Centre for Northern Australia, and the North Queensland Livestock Industry Recovery Agency.

A long-term Territorian, former pastoralist, pilot, Justice of the Peace and small business owner, Tracey was the first female Chief Executive Officer of the Northern Territory Cattlemen's Association and was tasked with leading the billion-dollar NT pastoral industry.

Tracey has a Global Executive Master of Business from the University of Sydney, studied business management and rangeland management with the University of Queensland and has continued her agribusiness studies with the Harvard Business School short course program.



Mr Alastair Shields
(Chief Executive Officer)

Appointed as CEO 30 March 2017

As well as Chief Executive Officer of the Darwin Waterfront Corporation, Alastair Shields chairs both the AustralAsia Railway Corporation and the Racing Commission (NT) and is the NT Government representative on the Joint Management Board for Kakadu National Park. Alastair also provides specialist consulting services.

From 2013 to 2017, Alastair held a number of Chief Executive Officer roles for Northern Territory Government agencies, including the Department of Tourism and Culture (from its establishment in September 2016 until December 2017), the Department of Land Resource Management (February 2015 until December 2016), the Department of Business (during 2014) and the Department of Children and Families (2013).

Alastair was born and raised in Darwin and has more than 35 years of public sector experience in the Northern Territory, most of it at the Northern Territory Department of the Attorney General and Justice and its predecessors. He has been involved in commercial negotiations for many major projects, including the AustralAsia Railway, the Darwin City Waterfront redevelopment (including the Darwin Convention and Exhibition Centre), the long-term lease of the East Arm Port and the Marine Supply Base.

Alastair has qualifications in law and accounting from Charles Darwin University and a Master in Public Administration from the Australia and New Zealand School of Government (ANZSOG). In 2007, Alastair was awarded Australian Government Lawyer of the Year by the Australian Corporate Lawyers Association.



Mr Kelvin Costello (member)

Appointed 1 July 2018

Kelvin Costello is a Larrakia man who has been involved in many major economic projects in Darwin over the last 20 years.

Kelvin has been CEO of a number of non-government organisations, such as Ironbark Aboriginal Corporation and Larrakia Nation Aboriginal Corporation.

He was also a non-executive director on the Larrakia Development Corporation (LDC), a committee member on the INPEX/Larrakia Advisory Committee and the Chairman of the ConocoPhillips/Northern Land Council/Larrakia – Wickham Point Liaison Committee during the construction phase of the Darwin LNG plant from 2003 to 2005.

Kelvin has been involved in the Ichthys project since 2008 through the LDC and worked with JKC Australia LNG during the construction phase of the Ichthys onshore LNG facilities project for more than six years.

Kelvin has been active in the Larrakia Kenbi land rights and the Larrakia native title claims.

Kelvin has a background in employment, training and business engagement and holds a Diploma of Business (Governance), a Diploma of Human Resources Management and a Diploma of Project Management.



Mr Andrew Kirkman (member)

Appointed as member 30 March 2017

Andrew Kirkman was appointed as the Chief Executive of the Department of Infrastructure, Planning and Logistics in September 2016.

With more than 20 years' experience in the Northern Territory Public Sector, Andrew has previously held positions as the Chief Executive of the Department of Transport and as Deputy Chief Executive and Executive Director in the Department of Housing.

In addition to key roles in the AustralAsia Railway Corporation, Department of the Chief Minister and NT Treasury, he has worked in finance and commercial roles in the private sector, locally in the mining industry and overseas on public private partnerships.

Andrew has tertiary qualifications in business and is a Certified Practicing Accountant.



Mr Charles Burkitt (member)

Appointed 1 July 2018

Charles Burkitt has extensive board experience, having been an active board member of numerous local and national organisations for more than 20 years. Current positions include non-executive director roles with Australian Red Cross and Power and Water Corporation, and Chair of the Community Benefit Fund Committee.

Charles is from Darwin and started his career as an investment adviser specialising in financial markets, an industry he worked in for more than 15 years. He then joined the commercial property sector for a number of years.

Charles is passionate about the future growth and development of the Northern Territory. He enjoys an active lifestyle with an interest in most sports, leisure and local community activities.



Ms Anne Tan (member)

Appointed 30 March 2017

Anne Tan is General Manager of Economic Innovation in the Department of Trade, Business and Innovation. She has held roles in a number of NT Government agencies, including the Department of the Chief Minister, Power and Water Corporation and the previous Northern Territory Treasury.

Anne has degrees in law and economics, and has an Executive Masters in Public Administration from the Australia and New Zealand School of Government (ANZSOG). Anne was awarded the Public Sector Medal in 2016.



Ms Jacqueline Jennings (member)

Appointed 1 July 2018

For the past decade, Jacqui Jennings has worked as a non-executive director on both government and non-government boards, including the health, education, finance and tourism sectors. Jacqui's focus is on accountability and risk, both operational and financial. She was previously the Vice President of Marketing and Business Development for BHP Steel, which ensures she brings a vision that is commercial, strategic and sustainable.

Jacqui started her career as a materials engineer with BHP, where she worked for 23 years in technical, production, and sales and marketing roles, both nationally and internationally. Jacqui is currently the Chair of the Mt Buller and Mt Stirling Alpine Resort Management Board and a non-executive director with Futurity Investment Group.

Jacqui has a doctorate in Management, a Masters degree in Management and a Bachelor degree in Metallurgy. She is also a Graduate of the Australian Institute of Company Directors' Company Directors Course.



Performance review

Business growth and development

Business support during COVID-19

The World Health Organization's declaration of the COVID-19 outbreak as a pandemic on 11 March 2020 changed the lifestyle and business landscape at the Darwin Waterfront for the fourth quarter of the financial year.

The change resulted in temporary closure of businesses and facilities. The corporation worked closely with retailers through the changing public safety measures put in place by the Australian and Northern Territory governments to provide support wherever possible.



Stokes Hill Wharf tenant and berthing relief

The corporation supported food and beverage tenants and tourism businesses operating at Stokes Hill Wharf during COVID-19 with:

- rapid financial support and assistance to reduce operating costs during shutdowns and restricted operations by minimising services like grease trap servicing and rubbish collection
- working with tenancies to ensure they complied with restrictions implemented by the Chief Health Officer
- coordinating and producing the 'evidence of meal' cards for businesses during the imposed two-hour maximum dining restrictions to ensure compliance while operating in a food court environment
- extra promotion and entertainment for re-openings to the public
- refreshed signage at key entry points and throughout the Wharf to improve public amenity.

Support for restaurants

Takeaway food and drinks support

When restaurants had to close their doors to dine-in customers on 23 March 2020, the corporation immediately coordinated support for takeaway food and drinks, including:

- a centralised 'grab & go' drive-through point on Kitchener Drive and at Stokes Hill Wharf
- a dedicated takeaway food web page
- promotions of takeaway food through live reads on local radio, NT News, Off the Leash magazine, social media and a digital advertising campaign.

On 25 March 2020 under 'emergency powers', the Director of Liquor

Licensing allowed licensed premises to sell takeaway alcohol with the purchase of takeaway food.

To support businesses and allow visitors to enjoy a meal and drinks in the precinct parklands, the corporation updated its 'liquor rules' under s200 of the *Liquor Act* to allow people to consume take-away alcohol they bought from licensed takeaway venues at the Darwin Waterfront Precinct.

From 19 March 2020 to the reopening of restaurants on 15 May 2020, the takeaway food web page had 7458 page views, accounting for 36 per cent of total traffic to the website. During that time, 64 per cent of total website visits were directed from social media posts and online platforms as part of our digital campaign.

'Welcome back to your Waterfront' campaign

When restrictions eased, restaurants could reopen for dining with social distancing on 15 May 2020.

To support this reopening, the corporation jointly funded a campaign called 'Welcome back to your Waterfront' with Toga, the precinct's commercial property owner.

The campaign included:

- a television commercial on all Darwin stations from 15 to 29 May 2020
- social media promotions including a digital component with Google search works and YouTube advertising
- NT News press advertisements
- billboard and posters at the Waterfront Precinct.

During this time, the corporation also allowed al fresco dining areas to be extended into public spaces at no site hire cost to businesses. Retailers including Chow, the Precinct Tavern, Bella and Snapper Rocks took the opportunity to extend their al fresco areas to provide extra, non-serviced seating for their customers.

The corporation also implemented a system for takeaway alcohol with food

in the parklands called 'Waterfront alcohol with meal permits'. This allowed for continued management of takeaway alcohol in the parklands.

'Your holiday at home' campaign

When restrictions eased further on 5 June 2020, the corporation launched the 'Your holiday at home' campaign to encourage locals to visit the Waterfront. As well as the new 'Waterfront Beach Club' launched on 1 June 2020, the campaign included:

- a radio campaign for the Beach Club
- social media and video
- website content
- posters
- Google search works
- Deckchair Cinema advertising.

Further advertising targeting locals is planned for 2020–21, including bus advertising.

All advertising was jointly funded by the corporation and Toga. The Beach Club also included a financial contribution from businesses.

From 1 to 30 June 2020, the Beach Club web pages attracted 4563 page visits, which accounted for 24 per cent of total website visitation.



New Beach Club at the Waterfront

The corporation met with precinct retailers on 20 May 2020 with a basic idea to create additional and unique outdoor dining experiences for visitors, with the aim to support Waterfront businesses during COVID-19. The idea was an extension of the success of the plastic deckchairs that had recently moved from the Wave Lagoon during its closure into the parklands. The deckchairs alone were well received by locals and created an instant 'resort-style' feel.

Within two weeks of meeting with retailers, the corporation launched the first Beach Club concept on 1 June 2020.

The Beach Club showcased the best of the Waterfront's food and drinks in a tropical beachside setting, with daybeds scattered around the lawns, family-sized outdoor lounges, ottomans, soft furnishings, festoon lighting and lounge music every Friday, Saturday and Sunday in June.

Beach Club goers could order food and drinks from a number of Waterfront retailers through a centralised webpage without leaving their sun lounge.

David Robinson, owner of the Hot Tamale, Snapper Rocks and Coffee Club restaurants at the Waterfront, was involved in the concept and naming this new outdoor space the 'Waterfront Beach Club'.

'Trade had been devastated by COVID-19, so there was a big need for something to generate activity and think outside the square a little', he said.

'The venues had already been given take-away liquor licences before the reopening on 15 May, and the sun lounges had been out on the lawns while the Wave Lagoon was being refurbished. That had started to generate a bit of activity already.

'With the international borders closed, we saw an opportunity to 'holiday at home'—to give locals an experience they weren't necessarily getting without being able to travel. And it really worked.'

David said the Beach Club was a successful initiative for businesses, allowing them to retain staff and for some to even employ more staff during the pandemic than they anticipated.

'One of the big things we saw from Hot Tamale was our sales from the local Darwin market grew exponentially—probably more so than most other businesses in town', he said. 'I'd dare say most other venues at the Waterfront experienced the same thing.

'We've always relied heavily on tourism down here, but to really penetrate with the local market—we weren't expecting

it. We were working very hard for it, but the level of support we received from locals was amazing.

'I attribute a lot of that to this initiative of the Darwin Waterfront Corporation. I think businesses worked very hard, but working with the corporation has been great during this period.

'When you're talking to staff at the time and they're concerned about their income, we were able to adapt with the corporation's assistance and offer new experiences, which created more hours for their employment. It all worked really well and made such a difference.

'And the Beach Club has created such a vibrancy down here. To see the families and people milling around—people are really enjoying the experience we've created. I've been at the Waterfront for 10 years, and it's probably the nicest feeling this environment's had in that time.'



Darwin Convention Centre

The Darwin Convention Centre was developed under a ‘public private partnership’ between the Northern Territory Government and the Darwin Cove Consortium. The centre is operated by ASM Global and maintained by Honeywell.

The COVID-19 pandemic has been challenging for every sector and region in the events industry. The Darwin Convention Centre was exceptionally affected with the cancellation or postponement of many local, national and international events.

Most scheduled events at the centre decided to postpone rather than cancel. However, the emerging challenges with changes to border restrictions and government health regulations and the subsequent impact on these events are yet to be determined.

Prior to COVID-19, the Darwin Convention Centre hosted 11 465 national and 2171 international visitors

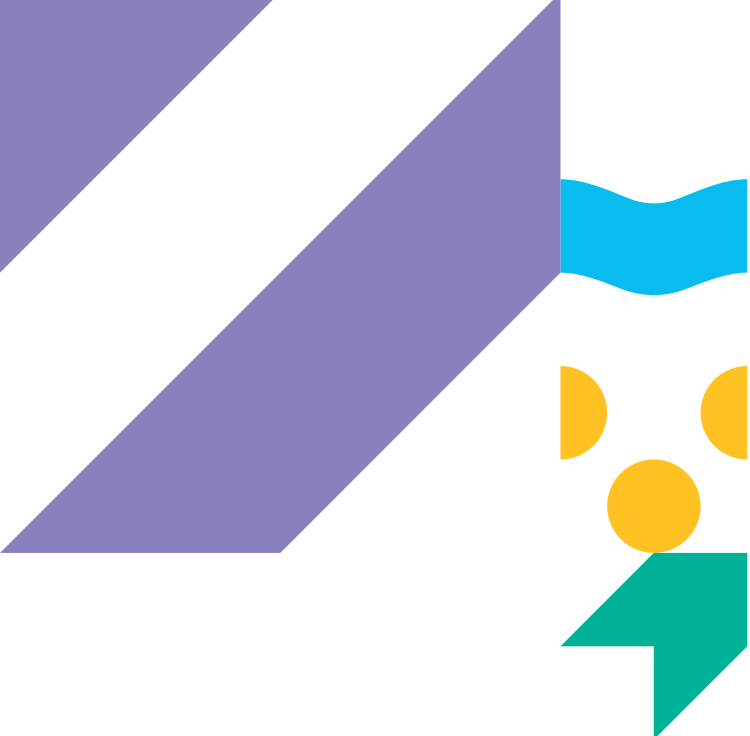
to Darwin. The estimated economic benefit generated by direct delegate expenditure of these events is \$46 million. Client satisfaction rankings

reached 96 per cent, and conferences continued to achieve record numbers.

The National Housing Conference (NHC) was held in Darwin for the first time in 2019, attracting the third-largest delegation in the conference’s history.

Growing from the seed of an idea planted eight years ago, Australian Housing and Urban Research Institute’s (AHURI) Head of Marketing and Communications, Anthony Smeaton, made the Darwin NHC a reality after touring the centre’s world-class facilities in 2016.

‘When I came on the ‘Meet Darwin’ familiarisation program in 2016, I fell in love with Darwin as a destination and knew it would deliver an amazing conference. But I was still concerned about delegates coming “all that way”,’ Anthony said.



The lure of the warm days and cool nights of Darwin’s dry season proved a big attraction for the conference, with nearly 1100 delegates flocking to the tropical city and smashing all expectations.

‘We were thrilled that our estimations were way off, with more than 1100 delegates attending—our third-largest audience in the conference’s history,’ he said.

A joint initiative between the Surveying and Spatial Sciences Institute (SSSI) and ASEAN Flag, the 15th South East Asia Survey Congress (SEASC) was held at the centre in August 2019.

‘The welcoming and informal nature of SEASC 2019, Darwin’s beautiful dry season weather and the stunning event location combined to create a sense of openness and friendliness where delegates felt comfortable sharing experiences and exchanging knowledge’, said Robert Sarib, Regional Chair of SSSI NT.

The venue was very well presented, facilities met all expectations and

staff were accommodating and polite. Our event coincided with the Darwin Festival, which also helped create a good atmosphere.’

‘Meet Darwin’ national familiarisation

The Darwin Convention Centre and NT Business Events hosted 20 business events planners considering Darwin and the Darwin Convention Centre for a future conference at the 2019 ‘Meet Darwin’ familiarisation program.

The event planners attending Meet Darwin represent more than 8800 potential national and international delegates across the health, education, environment and tourism industries.

The four-day program in August helped delegates understand Darwin has a growing reputation as an innovative and knowledge-rich regional hub. Delegates learned about the world-leading research, innovative developments and new major projects developing in many Top End industries.

Waterfront rooms’ refurbishment

At year end, work was being finalised on refurbishing the Darwin Convention Centre’s Waterfront rooms.

The refurbishment includes a contemporary design, state-of-the-art audio visual equipment, new LED lighting and operable walls.

Awards

The Darwin Convention Centre was announced NT winner and national finalist for the Meetings & Events Australia (MEA) industry awards in the category of ‘Event Venue - Capacity

more than 1500' at the MEALIVE 2019 Industry Awards.

The MEA Industry Awards recognise excellence and best business practice in the meetings and events industry. Finalists were assessed across a range of business criteria, including their impact on the meetings and events industry as a whole.

Another win for the night was Darwin Convention Centre's Business Development Executive, Emma Morriss, who was awarded the 2019

Northern Territory MEA/Ungerboeck Young Professional Scholarship. Emma will attend the next national MEA conference to develop skills, learn about industry trends and best practice, and connect with industry leaders, event professionals and suppliers.

The centre was also named a finalist in the 2020 AIPC Apex Award competition for 'Best Client-Rated Convention Centre'. In this award, competitors are rated entirely on the basis of client ratings. The final ranking will be announced in 2020-21.



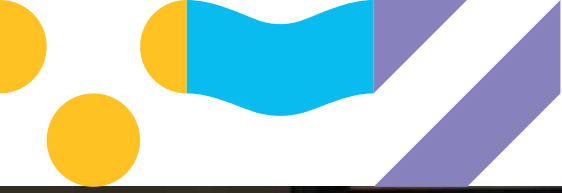


Image courtesy of CDU

Charles Darwin University's Asia Pacific College of Business and Law

Charles Darwin University's Asia Pacific College of Business and Law moved from strength to strength in 2019–20 as it intensified its focus on engagement domestically and internationally with communities, industries and other educational institutions.

The college has increased its efforts in providing high-quality educational opportunities to students and tailored qualifications to upskill and train the Northern Territory workforce. Activities included signing a memorandum of understanding with the NT Chamber of Commerce to provide training to

its members across the Territory along with a staff and student exchange agreement with the Universitas Indonesia.

The college continued to experience strong growth at the Waterfront campus in 2019–20, eclipsing its intake record in both the higher education and vocational education and training sectors.

The law faculty relocated from the Casuarina campus to the Waterfront campus in early 2020, which saw an extra 10 staff and 100 students at the Waterfront campus each week.



In late 2019, the university established the CDU International College at the Waterfront campus. This international pathway college equips international students with the skills, knowledge and confidence to progress into higher study with the college. The courses are delivered by CDU's partner UP Education and are an important component of the university's plan to grow its international student numbers.

The rapid arrival of COVID-19 earlier in 2020 resulted in most of the teaching delivery transitioning to online, with only essential activity continuing to be delivered on-campus.

The campus remained open to staff and students throughout this time, allowing them to access the resources they needed to continue their study. With the campus remaining open, the college community continued to support food businesses in the Waterfront Precinct with their takeaway service.

The college initiated its own activities to support Territorians affected by COVID-19 by rolling out 17 free short courses across business, accounting, project management and human

resource management. These short courses attracted significant interest in the community. Semester 2 will see the return of on-campus teaching with all the necessary COVID-19 protocols in place.

Hotels

The Darwin Waterfront Precinct has two hotels: Vibe Hotel Darwin Waterfront and the Adina Apartment Hotel Darwin Waterfront, which offer 120 hotel-style rooms and 121 self-serviced apartments, respectively.

The hotels share a restaurant, swimming pool, gym and common foyer.

New solar panels installed in December 2018 have reduced the hotels' total energy consumption by generating more than 30 per cent of power using solar energy.

Efforts to increase the hotels' Indigenous employment levels continued in 2019-20, with more than 33 per cent of total Indigenous employment in the hotels.

Hotel fast facts for 2019-20

Total guests:

75 803

Busiest months:

**July +
August**

Average length of stay:

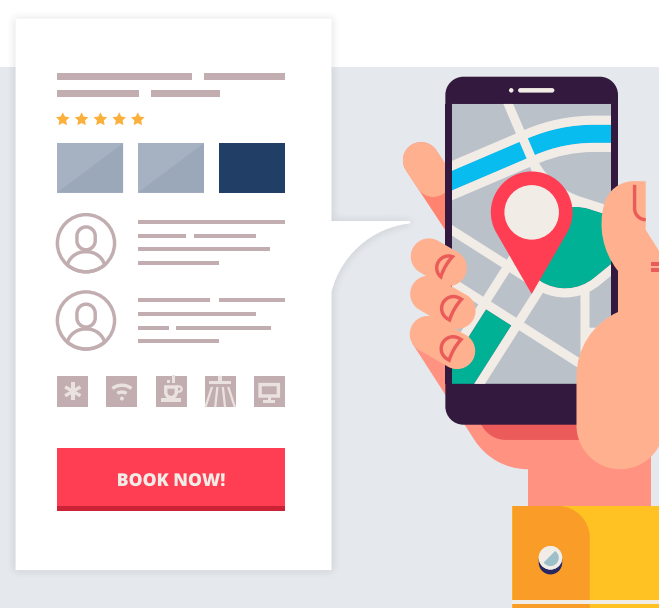
2.83 nights


Quietest months:

**January +
March**

Average occupancy level:

69.57 per cent





The year saw several challenges with the impact of COVID-19 from March 2020.

‘We adapted the way we work to ensure safety of team members, guests and all our partners with the launch of ‘Clean Touch’,’ said Sid Bhatia, General Manager of Vibe Hotel and Adina Apartment Hotel.

‘The Clean Touch program and brand identity was developed as TFE Hotels’ (the hotels’ operator) commitment to clean.’

‘In a world post COVID-19, we want to give every guest that stays with us the peace of mind to know their health and wellbeing is our very top priority.’

As part of the program, enhanced safety protocols around food service, safety and cleaning were designed to meet World Health Organization and Australian health department guidelines.

‘Looking ahead into 2021, we are ready and geared up for a busy dry season, welcoming back our interstate travellers into our tropical capital.’

Luxury hotel development

Due to COVID-19, the luxury hotel development was delayed for 12 months while the developer reviews the project. If the development does not recommence within that time, the Northern Territory Government will rescind the development agreements and return the land to general Waterfront development land.

While the project is delayed, the Waterfront Corporation will work to reopen foreshore access to the public through the development site.

Commercial retailers

In 2019–20, the Darwin Waterfront had 20 retailers, made up of 14 food outlets/restaurants and six shops/offices.

New businesses in 2019–20:

- Mad Cow restaurant – November 2019





Image courtesy of Resident Magazine

Stokes Hill Wharf

Leasing and licences

The Darwin Waterfront Corporation is responsible for the management of Stokes Hill Wharf on behalf of the Northern Territory Government under a head lease arrangement.

Three new harbour cruise ticketing offices opened on Stokes Hill Wharf in July 2019, providing increased opportunities for tourism operators to have a physical presence at the wharf. Businesses Sea Darwin, Darwin Harbour Cruises and Cape Adieu occupied the new offices since opening.

Long-term leases and vessel access licence arrangements for Stokes Hill Wharf during 2019-20:

Leasing tenants:

- food and beverage: 10 tenants (1 vacant tenancy)
- tourism and attraction: 4 tenants
- other: 2 tenants.

Permanent vessel access arrangements:

- tourist vessels: 8 businesses
- commercial vessels: 2 businesses.

Sea Darwin at the Waterfront

Sea Darwin is a marine tour operator in Darwin that started in 2006. It runs cruises and tours on Darwin Harbour and sea turtle experiences to nearby Bare Sand Island.

At the helm of the family-owned and run business is Jim Smith, who has a background in marine science. The business has been recognised for its tours and ecologically sustainable tourism with many awards over the years.

In August 2019, Sea Darwin secured a new office space at the Waterfront Precinct. 'We've been working on getting a presence at the Waterfront for a few years, and we were thrilled to move into the space', said Jim, who is well known for his local saltwater knowledge.

'We were doing really well last year and had big plans for 2020 before COVID-19 changed everything', he said.

Before the pandemic hit, Sea Darwin had bought a new bus to support its half-day World War II tour. 'It was a very popular tour, and we were using a contractor to pick passengers up and needed more flexibility', Jim said. 'So we bought a bus, similar to the Waterfront's, to help with that.'

The business also bought a brand new boat in 2019 for its diving tours, which it had to suspend at year end due to COVID-19. 'The boat's feature is its versatility', Jim said. 'It's a smaller boat for smaller groups, allowing us to offer personalised, interactive tours.'

Since the pandemic and its devastating effect on the tourism industry (and many others), Sea Darwin was running at a quarter of its usual dry season capacity at year end. The business responded to the 'new normal' with some innovative changes to its offering.

'We tweaked things to focus on the local market', Jim said. 'Locals have always strongly supported our fish and chips and turtle tours because they use us to showcase the harbour to visiting friends and family. So we shifted to focus on the local market and taking them out to the sandbar, which has been successful.'

During the financial year, Sea Darwin also developed three signature spirits and a new product called 'Spirits and Stories', which was put on hold because of COVID. Each spirit is attributed to a historic and unique Territory story.

'But we still have our gin and whiskey offer for our own spirits, which are collaborations with premium distillers in Tasmania and Victoria, designed to tell the stories of Darwin Harbour', Jim said.

'We're still having a lot of fun', Jim said. 'You have to. In a business sense, you've got to roll with it and surf the wave and hope it'll pick up soon. We're passionate about what we do, as are lots of operators, and that makes it worthwhile continuing.'





Shop renovations

The corporation supported two businesses while they completely refurbished their shops during the financial year.

Ice Cream Shop

Works commenced on 28 October 2019 to enclose the shop area with large windows and doors and keep everything cool inside. One local builder was engaged, who employed several local contractors to complete each stage of the works.

The shop was reopened on 7 December 2019, with six employees delighted to work among the bright new signage, new freezers and a more functional serving bench to customers.

Looking ahead, the owners are working towards including new things on their menu like hot dogs and fresh bakery items in the near future.

Portside Char Grill

Renovations commenced on 12 January 2020 to deliver a more inviting shopfront.

Behind-the-scenes improvements included a larger cool room, new equipment and more functional kitchen. A local builder was responsible for the entire renovation and coordinated some 20 local tradesmen throughout the works.

The shop reopened on 20 March 2020 but was unfortunately forced to close shortly after as a result of COVID-19. After reopening again, the owner plans to run a 'Sunday roasts' promotion and offer brunch to attract locals to enjoy a magical time of day by the Harbour on the weekends.

Royal Flying Doctor Service Tourist Facility

The Royal Flying Doctor Service (RFDS) Tourist Facility celebrated a successful fourth year of trade during 2019-20.

From July to September 2019, the facility had more than 22 000 visitors, with more than 400 visitors through the doors on the best trading days.

'Our visitors are holidaymakers, students and teachers, Defence personnel, corporates and function/event participants. Parents of children

describe the experience as education by stealth,' said Samantha Bennett, manager of the facility.

'The RFDS Tourist Facility partnered with like-minded tourism operators to jointly promote our experiences to locals and intra-territory visitors, particularly with those at the Darwin Waterfront Precinct.'

Samantha said 'around 16 per cent of the facility's visitation can be credited to these partnerships.'

The facility introduced a number of new products in 2019-20, including a new virtual reality experience called 'Flying with the Doctor'.

'This provides a real-life experience for our visitors as they travel in the plane watching and listening as our doctors, nurses and pilots provide life-saving services to residents of the outback.'

'The new experience has been an outstanding success with our visitors.'

During the year, the facility also upgraded the audio-visual and lighting equipment to the decommissioned 'Papa' PC12 aircraft display to make it more interesting and active.

RFDS continued to trade seven days a week from 5 June and looks forward to interstate visitation returning post COVID-19 into 2020-21.

'We sincerely appreciate the ongoing support of the Darwin Waterfront Corporation during these difficult times. Without the corporation's support, we would not have been able to complete projects and retain committed RFDS team members.'

Holidays of Australia – voucher scheme

In 2019-20, Holidays of Australia, in collaboration with the Darwin Waterfront Corporation, continued the Stokes Hill Wharf food voucher scheme for its clients.

When clients book a tour with Holidays of Australia, they are given a voucher to buy lunch or dinner at the wharf to the value of \$25.

Participating Stokes Hill Wharf businesses keep the voucher and redeem payment from the Darwin Waterfront Corporation after each visit.

At 30 June 2020, the initiative attracted an extra 464 patrons, generating an additional \$11 600 in revenue for food vendors.



Precinct management and infrastructure

Roads and car parks stats

The corporation manages and maintains the public roads and car parks at the Darwin Waterfront Precinct, including traffic control, street cleaning, landscaping and street lighting.

The roads in the precinct include Stokes Hill Road, Mavie Street, Kitchener Drive, Hughes Avenue, Jervois Road and Anchorage Court.

Two full-time rangers are employed to assist in parking and street management, security and by-law administration.

In August 2019, the Darwin Waterfront Corporation changed paid parking on Kitchener Drive from 8am to 9am to allow an additional hour of free parking to encourage morning trade for breakfast and coffee.

There is ample car parking capacity at the precinct to accommodate existing visitation, with more than 1000 car parking bays available across multiple locations:

On-street

- Kitchener Drive has 33 car parking bays and 14 free motorcycle bays
- Anchorage Court has 72 car parking bays.

Off-street

- Jervois Road has 114 car parking bays
- Darwin Convention Centre rear has 70 car parking bays and 4 motor bike bays
- Darwin Convention Centre basement has 227 car parking bays (and is managed by the Convention Centre)
- Stokes Hill Wharf has 149 car parking bays
- Stokes Hill Road has 93 car parking bays
- Kitchener Drive multi-storey car park has 501 car parking bays (with 365 available to the public).

Most on-street and off-street car parks operate with 'pay and display' parking meters that accept both credit cards, coin and payment using smartphone parking apps.

The Kitchener Drive multi-storey car park is boom-gated and operates via modern number plate recognition technology.

During 2019–20, there were 42 922 parking meter transactions for on-street and off-street parking, 11 991 PayStay sessions and 1466 EasyPark sessions for a total of 56 379 transactions—fewer than previous last year.

To lure visitors over the Christmas and school holiday period, the corporation introduced free on-street parking from 9 December 2019 to 5 January 2020.



In addition, the corporation did not charge for street parking from April to June 2020 as an incentive to attract visitation during the COVID-19 pandemic.

The above free parking periods was the main contributor in 23 554 fewer parking meter transactions compared to the previous financial year.

There was a total of 234 868 users of the Kitchener Drive multi-storey car park in 2019-20: an increase of 4664 on the prior year. Approximately 65 per cent of users used the car park for the free two-hour period, which makes it an effective tool to attract more visitors.

At 30 June 2020, 135 five-dollar all-day parking passes had been issued to NT Government employees for every business day. This is a 117 per cent increase (73 more passes) compared to the previous financial year.

Infringements

In 2020, the corporation upgraded its parking infringement systems to enable vehicle owners to view photographic evidence via an online portal. The portal was created by the corporation's infringement systems provider, Database Consultants Australia.

The corporation also reviewed its infringement appeal process. Since the new changes were implemented, the number of infringement appeals reduced significantly.

Contractors

The Darwin Waterfront Corporation engages a number of contractors for services throughout the precinct:

- Regional Asset Maintenance Services Pty Ltd (RAMS) for maintenance and gardening services

- Surf Lifesaving NT for lifeguard, kiosk and first aid services
- Territory Protective Services for security services
- C&G Management for cleaning and management of Stokes Hill Wharf.

RAMS resecures Waterfront maintenance contract

In January 2020, NT company Regional Asset Maintenance Services (RAMS) resecurd the annual \$2.3 million repairs, maintenance and cleaning contract at the Darwin Waterfront Precinct for the next three years.

RAMS has been the corporation's maintenance contractor since the Waterfront opened in 2009.

'RAMS is responsible for the maintenance of the whole precinct, including Jervois Park, Goyder Park, Hughes Avenue and Dolphin Park', said Garry Race, RAMS' Contract Supervisor for Darwin Waterfront.

The scope of RAMS' work at the precinct is significant.

With its team of 10 full-time maintenance staff and a large extended team of contractors—the same ones RAMS has used since it won the contract in 2009—RAMS manages all the cleaning, garden and grounds maintenance, irrigation, mowing, electrical and air conditioning work, plumbing work and maintaining firefighting equipment. It also looks after the Wave Lagoon.

A monthly programmed maintenance program keeps these many facets of the precinct's operation running smoothly and to Australian standards.

'Our team goes above and beyond the call of duty a lot of the time because they are very passionate about the Waterfront', Garry said. 'And we need to be. We need to take that extra step because it's a public place and the public can sometimes be critical if things aren't right.'

'We appreciate the consistently positive feedback on our work maintaining the precinct', Garry said. 'It's a very big area to look after, with a lot of lawns to mow and gardens to trim, but our team are experts and they do a terrific job.'

During the pandemic, RAMS increased its cleaning regime to a hard-surface clean twice a day. 'All the toilets, playground, park furniture, lifts all stainless steel railings are cleaned twice a day with a sanitising solution', Garry said. 'It's a big job but an important one.'

RAMS has been operating in the Territory for more than 20 years and employs all local Territorian contractors. 'We're very proud of the fact that we're local and use local contractors', said Garry. As well as the Waterfront Precinct, RAMS also has the facilities maintenance contracts for the INPEX and Santos projects in Darwin.

'We have a very professional and dedicated team who have really taken ownership of the Waterfront', Garry said. 'I started my tenure here in 2013 and have built a strong relationship with the Darwin Waterfront Corporation in that time.'

'The management and staff at the corporation are very passionate and proud of the precinct too. When you put all that together, it comes out the other end as clean and beautiful place where people feel safe and happy and flock to in droves.'

E-scooters trial to improve connectivity

In January 2020, 250 e-scooters were introduced to the Darwin city area to improve connectivity and provide another means of transport.

The City of Darwin commenced a 12-month trial with Neuron Mobility (the electric scooter operator) for the use of e-scooters. As part of this trial, the corporation agreed to the operator's use of shared pathways in the Darwin Waterfront's municipality.

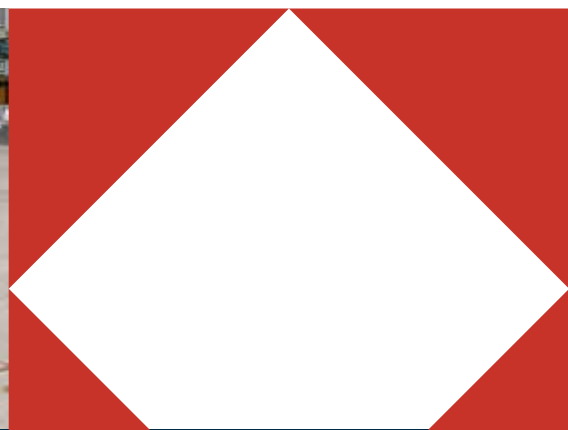
'We've seen that the e-scooters are bringing more people down to the precinct, and that's giving us all a boost to help the recovery process,' Waterfront restaurant owner Jason Hanna said.

'I'm always seeing e-scooters parked outside bars and restaurants, and even if someone is just using one to go for one drink, they are making an impact.'

'Tourists and locals alike can explore further, see more, do more and spend more, giving a boost to our businesses.'

Between March and September

- 28k trips started from Waterfront in the past 6 months (1st March --> 1st Sept)
- 25k trips ended at Waterfront in the past 6 months (1st March --> 1st Sept)



Improving amenity

LED lights

On 30 June 2020, seven new custom-built LED light digital signs on the sky bridge were turned on.

The new higher resolution signs replaced infrastructure originally installed in 2010 as part of the development. Content on the new high-definition screens can be updated remotely on web-based software and pre-programmed to upload automatically.

Stokes Hill Wharf maintenance and upgrades

To improve power supply reliability on Stokes Hill Wharf, the corporation upgraded the high-voltage power network between October 2019 and March 2020. The works were completed by local company, Molloy Electrical Contracting.

The project involved installing complete new high-voltage feeder cable and replacing the transformer located on the wharf.

The new cable extends from the Power and Water Corporation substation on Stokes Hill Road out to the substation located on the wharf. The scope of works was expanded to include replacing the transformer, which

was more than 50 years old, after testing indicated the transformer could fail at any time due to internal insulation degradation.

New access point to restaurants

In August 2019, new stairs were built to connect al fresco dining areas at the end of Wharf One, Building 3, to the public domain space.

The installation followed a request from restaurants and commercial property owners to improve public access to al fresco dining areas.

The corporation supported construction and installation of the new access point on corporation land, and costs were covered by the commercial property owner, Toga.

New CCTV cameras

Several new CCTV cameras were installed during 2019-20 to improve the corporation's precinct CCTV monitoring capability. This was mainly in response to several serious incidents, which identified limitations to the system's coverage.

The new cameras monitor the observation lift lobby at ground level, Kitchener Drive near the pedestrian crossing and the designated vehicle entry point for the public domain.

COVID-19 impact on facilities

Following the Darwin Waterfront Corporation's COVID-19 risk assessment using the NT Government's Secure NT tools, these public facilities and services were temporarily closed during 2019–20:

- The free Waterfront shuttle ceased operation on 23 March.
- On behalf of property owners, Knight Frank closed the public toilets behind Building 3 on Thursday 26 March. Public toilets near the Wave Lagoon kiosk remained open.
- The Waterfront and Stokes Hill Wharf playgrounds closed on 30 March and reopened on 5 June.
- The basketball court and volleyball court closed on 3 April and reopened on 5 June.
- The Wave Lagoon closed from 26 March to 19 June.
- The Darwin Waterfront Corporation closed to the public

and contractors for 'face-to-face' enquiries from 23 March to 15 May. The office remained contactable during business hours. Services to roads, parklands, waste collection, online updates and public toilets at the kiosk continued.

During COVID-19 restrictions, the corporation's improvements to public access and facilities included:

- a new 'grab & go' drive-through on Kitchener Drive and Stokes Hill Wharf for pick-up dinner from 23 March to 1 June
- free on-street parking from 13 March to 30 June
- enhanced cleaning regime of the public domain areas since from 12 March to the end of the financial year
- public hand sanitising stations installed on 18 March
- increased signage in the public domain and toilets about washing hands and social distancing.



Place-making

Recreational activities

Wave Lagoon

In 2019-20, the precinct's 'coolest attraction', the Wave Lagoon, attracted 71 102 people.

The busiest month was July 2019, with 11 388 people visiting. A very close second was October 2019, with 11 280 visitors. The increase occurred during the school holiday periods in both months.

Weekends continued to be the busiest days.

Overall Wave Lagoon visitation was 32 per cent down on the previous year, noting that the lagoon was closed for repairs and maintenance throughout the year.

At the end of 2018-19, the Wave Lagoon experienced significant wall tile failures, with more than 100 tiles falling in a single day. As a result, the facility was closed from 1 to 7 July 2019 for tile removal and risk mitigation.

From 26 March to 19 June 2020, the Wave Lagoon closed due to COVID-19.

The corporation took the opportunity to undertake total repairs to address tile failures and other required maintenance. The Wave Lagoon was more than 10 years old, and repairs were needed for it to continue safe operation. Repairs and maintenance to the lagoon included removal of all tiles, repairs to pebblecrete, recoating of walls and plant room maintenance.

The repair work cost \$300 000, which was budgeted for in the corporation's programmed works and represented essential cash flow for our local contractors during COVID-19.

The works were wholly completed by local contractors, including Regional Asset Maintenance Services, Territory Construction Solutions, Pool Concepts, Top End Welding Services, The Cool Guys, Fig Leaf Pool Products, SignCity, BenDesigns and Signtech NT.

The lifeguard-patrolled Wave Lagoon can be up to 2.6 metres at its deepest point and also has a wading pool, which is perfect for young children, making the Wave Lagoon a complete family attraction.



Tubes and boogie boards are provided to help visitors tackle the waves, which roll in for 20 minutes every half hour. Other visitors choose more leisurely activities like relaxing on the banana lounges, under beach umbrellas and on the shady lawns.

Wave Lagoon entry fees have been kept low to allow an affordable outing for everyone to enjoy. All-day entry for a family (two adults and three children) is \$18, and single entry is \$5 for children and seniors and \$7 for adults.

The Wave Lagoon is open from 10am until 6pm seven days a week, including public holidays other than Christmas Day.

Recreation Lagoon

The man-made beach and saltwater Recreation Lagoon is free to use, making it popular with visitors and locals who love a leisurely swim or just a dip to cool off 'down at the beach'. The outer area of the lagoon is used by avid swimmers and swimming clubs, which often host competitions, events and classes. A total 151 432 visitors were observed in and around the lagoon during the year.

A sea wall separates the lagoon from the adjacent harbour, creating the man-made lagoon, which is continuously replenished with fresh sea water. The water is filtered through fine mesh screens on the pumps off Stokes Hill Wharf. This helps maintain a high water quality that is suitable for swimming and capable of sustaining marine flora and fauna.

The lagoon beach maintenance includes regrading and screening to ensure the beach remains safe and pleasant to use. The beach sand is regularly screened to remove foreign objects and litter using a self-propelled sand screening machine, the 'Barracuda'. This is done weekly to reduce risk and ensure the sand stays clean. Since screening commenced, no high-risk objects like sharps or broken glass have been found in the sand.

Commercial operator in outer Recreation Lagoon

The four-year commercial operating agreement with Big Buoy Water Park, operated by D-Town Events Pty Ltd, concluded in March 2020.

In February 2020, the corporation invited proposals from businesses to provide a commercial water-based activation at the Recreation Lagoon. The corporation received a number of submissions.

In March 2020, the assessment process was placed on hold due to COVID-19. In June 2020, interest was re-affirmed with proponents, and the corporation intends to secure an operating agreement for the next term in early 2020-21.

Since 2015, the corporation has facilitated three commercial operations at the Recreation Lagoon, each with a free trial period and notable year-on-year growth in patronage numbers recorded.

Submissions are considered against the assessment criteria, which were published as part of the initial call for interest. This includes proponent profile,

activity suitability, operating times, equipment and storage, operational costs and occupational health and safety requirements.

Other recreational facilities

The Darwin Waterfront has a variety of recreational facilities, including two playgrounds (one at Stokes Hill Wharf and at the Recreation Lagoon), a 3X3 basketball court, a full-size beach volleyball court and a fishing platform.

3X3 basketball

Australia's first official semi-permanent FIBA 3X3 spec basketball court opened near the Wave Lagoon kiosk in August 2019.

The launch event was attended by interstate and intrastate players, including Victoria and New South Wales as well as Territory regions such as Katherine and the Tiwi Islands.

Image courtesy of Resident Magazine



Since then, the Darwin Waterfront JNC 3X3 Arena hosted weekly twilight competitions and school holiday fun for the whole community, including keen ballers from visiting Navy ships.

Local Darwin Waterfront restaurant, the Precinct, hosted a series of 3X3 competitions every Wednesday night, which proved popular with backpackers, hospitality staff and the tavern's patrons.

Razzle Storm and The Essington Cannons took advantage of the new venue to host their club fundraising events, which helped Razzle Storm send a team to the Indigenous Championships and Essington Cannons to add something special to its awards night.

Users engaged with social media, which saw plenty of 'check-ins' from tourists and regular ballers travelling to the newest 3X3 facility with arguably the best backdrop in Australia.

'While the COVID-19 pandemic put a hold on our plans for international and national events scheduled between March and June 2020, we still have our sights set firmly on attracting overseas teams,' said CLB3X3 Director, Yvette Williams.

'As soon as restrictions are lifted, we plan to target countries such as PNG, Philippines and Malaysia, along with a world first Australian tour starting in Darwin.

'The tour includes the world's number one 3X3 player hitting our shores for a two week 'Beat the All Stars' national event series, coaching sessions and corporate appearances.'

This free community facility is open for pick-up games, shoot arounds and training seven days a week. The court can also be hired exclusively for corporate team building events, private training sessions, kids' birthday parties and club fundraisers.

New artificial reefs and fishing platform upgrade at Stokes Hill Wharf

In late June 2020, 15 artificial reefs were installed in front of the fishing platform at Stokes Hill Wharf as part of the NT Government's \$8.3 million artificial reef project.

The reefs—within casting range—create a new aquatic habitat like that of a natural reef, with internal caves and upwelling of water flow to attract and hold fish as they're moving past.

'This is a very exciting development for recreational fishers at one of Darwin's most popular and convenient land-based fishing spots', said David Ciaravolo, CEO of the Amateur Fishermen's Association of the NT.

'The Stokes Hill Wharf fishing platform is one of the safest and least tide-dependent family fishing locations in the NT, and the new reefs will improve the fishing on offer, especially for species like snapper and trevally.'

The new reefs significantly enhance the land-based fishing opportunity in Darwin. David said some species responded to the new reef structure straight away.

'We've been getting quite a few trevally, queenfish and barracuda already, and we expect more reef fish will build over time. The fishing from the platform has been great so far.

'Families have been particularly excited about the new development,' David said.

'This spot has always been one of Darwin's safest, most accessible places for families to fish, but the new reefs mean the quality of the fishing is now even better. It really positions Stokes Hill Wharf as one of the best spots to go.'

Darwin Waterfront Corporation refurbished the recreational fishing platform at Stokes Hill Wharf during 2019-20, providing a great opportunity for land-based anglers to access a safe and productive location, enhanced by the new reefs.

Minister for Primary Industry and Resources, Paul Kirby, said 'Recreational fishing is very important to Territorians. Not only is it in the fabric of our lifestyle, but also attracts thousands of visitors to the Territory every year and creates hundreds of jobs for Territorians.

'These new reefs will add another element to the wonderful Darwin Waterfront as a great place to bring the family and allow a safe and fun place for the family to enjoy land-based fishing in the heart of the Darwin CBD.'





Events and visitation

The precinct attracted an estimated 1 million visitors in 2019–20.

From July 2019 to February 2020, there was a 4.36 per cent increase in visitation compared to the previous financial year.

After COVID-19 was classified as a pandemic by the World Health Organization in March 2020, there was a 56.64 per cent decline in visitation for the remainder of the financial year. This decline during the dry season’s traditional higher visitation period significantly affected the precinct’s operations and businesses, with an estimated 220 000 fewer visits compared to the previous financial year.

Events

In March 2020, the Darwin Waterfront Corporation assessed all future events using the NT Government’s Secure NT’s COVID-19 risk assessment tool for mass gatherings. The tool assessed the events’ risk based on demographic of visitation, size of event, contact and risk-mitigation measures. Following this, the corporation and third-party event organisers made the decision to cancel more than 20 events planned for the

remainder of the financial year. These cancelled events had an estimated attendance of 22 500 people.

Despite these cancelled events, the Darwin Waterfront still recorded its second best performing year for events, based on patronage attendance, since opening.

The main contributor to the high event visitation numbers was the Bruce Munro: Tropical Lights exhibition, which attracted an additional 26 000 visits from 1 November 2019 to 24 March 2020.

Year	No. of events	Patronage
2019–20	194	83 444
2018–19	249	97 532
2017–18	276	80 703
2016–17	256	72 579
2015–16	245	69 834
2014–15	243	59 816
2013–14	190	57 832
2012–13	170	48 680
2011–12	92	42 901
2010–11	52	30 821
2009–10	Not recorded	11 000

Significant events in 2019-20 were:

1 July 2019: Territory Day celebrations (2000 attendees)

13 & 14 July 2019: Health and Wellness Festival (2800 attendees)

3, 10 & 17 July 2019: School Holiday Fun Days (3700 attendees)

27 July 2019: Nepalese Food and Culture Festival (2000 attendees)

3 August 2019: Pesona Indonesia (2000 attendees)

18 August 2019: Gran Fondo (1000 attendees)

24 August 2019: Free movie night - Mary Poppins Returns (1300 attendees)

20, 21 & 22 September 2019:

Darwin International Film Festival Water Screen (4000 attendees)

22 September 2019: Splashfest (1500 attendees)

1 November 2019 to 24 March 2020:

Tropical Light Exhibition (26 600 attendees)

December 2019: Christmas lights at the Waterfront (5000 attendees)

31 December 2019: New Year's Eve celebration (7000 attendees)

26 January 2020: OZ Run (2000 attendees)

1 to 30 June 2020: Waterfront Beach Club (3000 attendees).



Attendees are estimated based on traffic counter data, road traffic data, registrations (where applicable) and visual attendance.

Regular events at the Waterfront during 2019–20 included:

- 24 free yoga classes were held in the parklands, attracting 1127 participants.
- 25 aqua fitness classes were held at the Wave Lagoon on Sundays, with 229 participants.
- 28 live music sessions at the Recreation Lagoon from May to September attracted 3550 patrons.
- 39 live music sessions on Stokes Hill Wharf on Wednesdays and Sundays from May to September attracted 3950 patrons.

Fundamental to a successful events program is engaging and securing the support of retail and commercial businesses in the precinct.

Some 80 per cent of events are managed by the corporation and co-funded in partnership between Toga, retailers and the Darwin Waterfront Corporation, including movie nights, live music at the Recreation Lagoon, Christmas lights and New Year's Eve celebrations.

The remaining events are hosted by third parties but supported by the Darwin Waterfront Corporation and Toga. In-kind support is often provided to third-party events, including site hire, shade structures, event support, toilets, cleaning, security, power and water. However, the majority of investments from these events are by third parties.

Examples of third-party events held in 2019–20:

Cultural festivals: Nepalese Food and Cultural Festival and Pesona Indonesia

Sporting events: Gran Fondo, Open Water Swim Series and triathlons

Commercial ventures: cruise ship markets, Dive for a Diamond in the Wave Lagoon and movie night in the Wave Lagoon

Community celebrations: Oz Run, Bridgestone World Solar Challenge Open Day, Royal Lifesaving's Splashfest, Helping People Achieve Health and Wellness Festival

Arts and culture events: Tropical Light and Darwin International Film Festival water screen

Charities / non-profit events: SIDS and Kids 'Light the Lagoon' and Variety NT's Santa Fun Run.



First movie night in the Wave Lagoon

One hundred and four people attended the first movie night held in the Wave Lagoon on Saturday 9 November 2019.

The event targeted a 15 years plus audience and screened 'Rouge'.

Movie-goers pre-purchased their tickets, with cost for entry being \$3 for 15 to 18 years and \$5 for adults.

The screen was located on the 'beach' of the Wave Lagoon facing the shallows of the Wave Lagoon, beach cove and lawns.

The corporation received positive feedback from attendees, and future movie nights in the Wave Lagoon will be planned for the wet season in 2020-21.

Bruce Munro light display

Four of the eight illuminated sculptures of NT Major Events Company's Bruce Munro: Tropical Light exhibition were displayed in the Darwin Waterfront

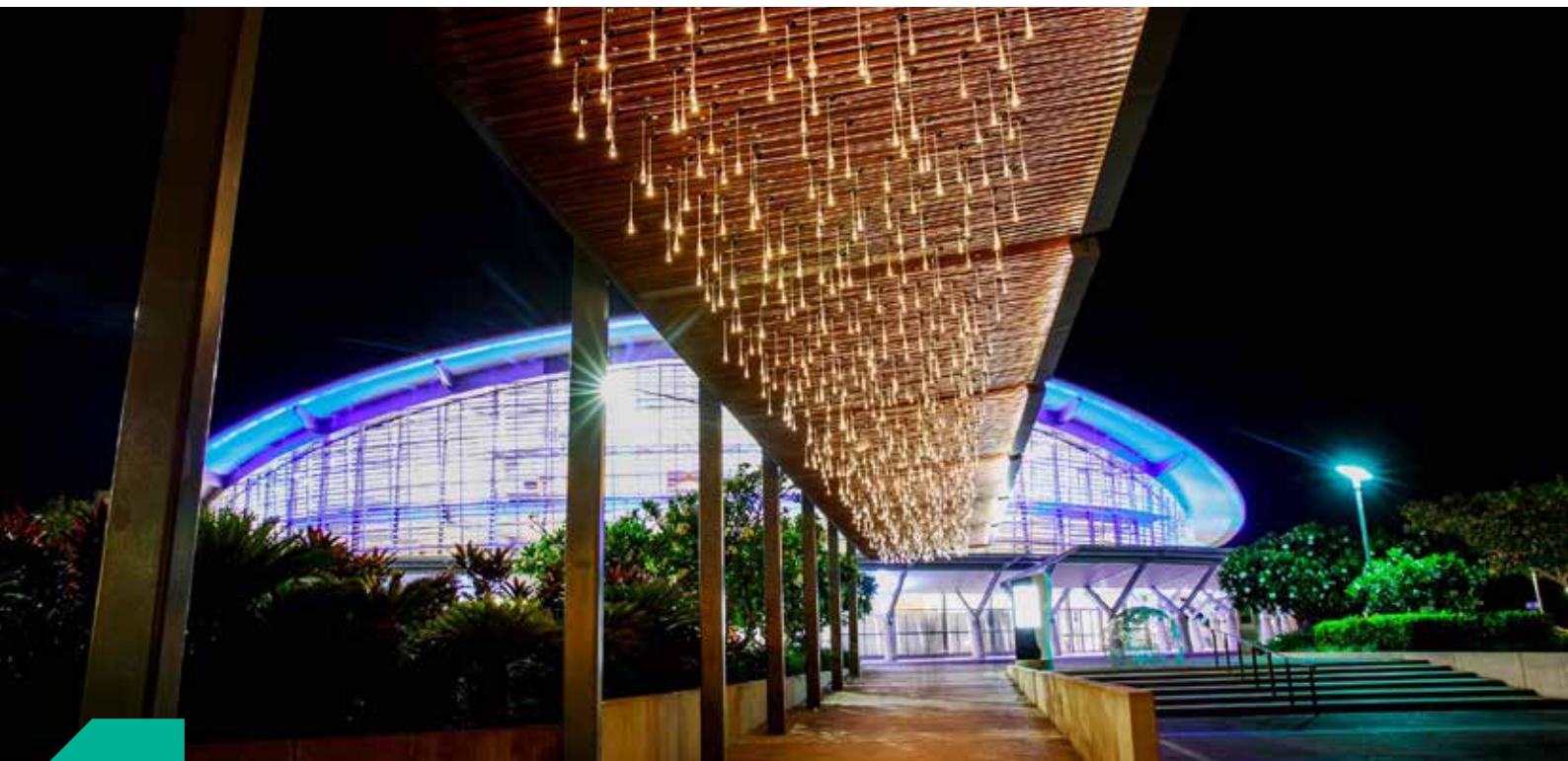
Precinct from 1 November 2019 to 24 March 2020.

Internationally acclaimed artist Bruce Munro created the Territory-inspired sculptures along a 2.5-kilometre trail around the Darwin Waterfront Precinct and Darwin CBD, attracting visitors during the tropical summer season. The collection of illuminated sculptures was connected by a self-guided path featuring works from six local Darwin artists.

The Waterfront light displays—Sun Lily, Time & Again, Water-Towers and Light Showers—were the four most popular displays to visit.

Seventy-six per cent of visitors surveyed indicated they visited or intended to visit a restaurant either before or after attending the exhibition.

Seventy-two per cent of interstate and overseas attendees said their most recent visit affected their perception of NT for the better.



Darwin International Film Festival (DIFF) Water Screen

A water screen featured at the Darwin Waterfront for the first time as the grand finale celebration to the tenth edition of DIFF from 20 to 22 September 2019.

The 30-metre screen played rolling vision of number of local and international films and animated art.

The free family friendly event attracted an estimated 4000 people over the three nights.

The addition of the water screen to the 2019 program is an extension of DIFF's commitment to involving the local community, strengthening the NT film industry and enriching the screen culture in Darwin.

Marketing successes

In 2019–20, the Darwin Waterfront Corporation advertised events and initiatives in local outlets including Off the Leash (magazine and website), TV, radio, The Buzz (Channel 7's Darwin lifestyle segments), Resident Magazine, Tourism Top End's Destination Darwin and Top End Holiday Guide, website and precinct poster boards.

The Darwin Waterfront continued its high social media following in 2019–20, with more than 26 000 likes on Facebook and more than 6000 followers on Instagram at year end.

New website for the Waterfront

The Darwin Waterfront Corporation launched a brand new website in February 2020.

The Darwin Waterfront Corporation's vision was to create a new website that aligned with the precinct as a lifestyle destination.

The new site was designed and built by Captovate, the local company that built the precinct's first website back when the Waterfront was still a construction site, the wave pool was a concrete shell and the commercial and retail areas were untenanted.

Since then, the Darwin Waterfront Precinct has developed into a thriving hub of activity. The new website brings that activity to life.

'The new site reflects the vibrancy of the Waterfront', said Michael Hawkes, Captovate's Managing Director. 'Our brief from the Darwin Waterfront Corporation was to create an active, exciting website that shows the Waterfront as a centre point of activity in Darwin.'

Michael said the site was designed to highlight the things to do, the places to go and the events on at the Waterfront. 'Our focus was on making sure people could see the key activities very easily and then find their way to those activities and events from the home page.

'It's also easy for people to find all the restaurants and cafes down there while they're on the go.'



The design process for the new website involved benchmarking the website against those of similar high-profile destinations in Australia and overseas.

‘Big and bold was the key here’, Michael explained. ‘Large fonts and large photos of happy, smiling people across the site combine to make the website vibrant and energetic.’

‘The photography for the site is incredible too, which we didn’t do ourselves, but it really helps make the site come alive.’

An important part of the new website is its mobile responsiveness.

‘People on their mobiles can find out what activities are happening and very easily find a café or restaurant and make a booking’, Michael said.

‘There’s also an interactive Google map with the layout of the Waterfront

Precinct, allowing visitors to easily see the location of everything at the Waterfront: shops, cafes and restaurants, accommodation—everything.’

The new website’s technology makes it easy for the corporation to change the user experience very quickly and dynamically.

‘Normally, it could take a week or two to change the user interface or a page on a website, but we’ve created it so the corporation team can do that themselves very quickly and easily’, Michael said.

‘We’re very proud of this one, and we’ve had a lot of great feedback about it.’

Since it was launched in February 2020, there have been more than 32 000 visitors to the website.

Visit the new site here:
www.waterfront.nt.gov.au



Wi-Fi

Free Wi-Fi is located at the Waterfront playground, with plenty of shaded seating, and the Stokes Hill Wharf alfresco dining area. To access it, patrons select Darwin Waterfront Free Wi-Fi on their smart phones, answer three brief questions and nominate if they would like to receive information about a Territory holiday from Tourism NT.

During 2019–20, patrons had 36 560 Wi-Fi sessions, with an average time per session of 26 minutes and 40 seconds.

Cruise ship market

With its tropical climate, Darwin enjoys year-round cruise activity, with larger

ships visiting from October to March and small, luxury expedition cruises exploring the Northern Territory coastline from April to September.

The Territory welcomed 38 706 cruise ship passengers and 61 cruise ships (including expedition vessels) to Darwin in 2019–20. Although these numbers are significantly lower than the previous financial year due to the outbreak of COVID-19, the Territory experienced a strong cruise season before the cancellation of scheduled vessels due to cruise ship restrictions.

A cruise ship study was undertaken between October 2019 and March 2020. The study interviewed 1698 passengers and crew from 16 ships that visited Darwin during this period.

The spend per passenger on key categories (food and drink, organised tours, entertainment, shopping and transport) was \$550.41 for overseas passengers and \$366.91 for Australian passengers.

The study found that \$12.88 million was spent in Darwin from cruise holidays to the Northern Territory between October 2019 to the end of April 2020.

- Vessel highlights of the 2019-20 cruise season included welcoming the *Explorer Dream* carrying 1396 passengers and the *Carnival Splendor* with 3002 passengers for their inaugural visit to the Top End. The *Coral Adventurer* was home ported in Darwin, with 10 departures from Darwin.
- The Territory also welcomed the luxury liner *Queen Mary 2* in February 2020 with 2264 passengers.
- In the cruise ship study, passengers were asked how satisfied they were with various aspects at the Darwin Waterfront. Passengers were most satisfied with the safety and security, the appearance and cleanliness, and the atmosphere. Overall satisfaction with the Darwin Waterfront Precinct was high for restaurants, with 60% of people who tried them saying they were very satisfied.

The effects of COVID-19

- Cruise tourism faced an unprecedented challenge following the outbreak of COVID-19 and restrictions placed on cruise ships. Tourism NT worked with cruise stakeholders to closely monitor the cruise environment, and the Northern Territory Government will continue working with Australian and other governments and agencies to address the near-term impacts of COVID-19, to ensure the medium to long term success, growth and potential of the cruise sector is realised.
- The Northern Territory tourism industry will play its part in reactivating the sector over the next five years through the Northern Territory Cruise Tourism Strategy 2020-25.
- Despite the COVID-19 outbreak, the Northern Territory acknowledges that cruise tourism will continue to be a key contributor to the Northern Territory's thriving tourism sector. Nurturing cruise tourism through this challenging period by proactively engaging with cruise lines and industry stakeholders while providing appropriate infrastructure and services will ensure the benefits of this sector continue to be felt across the whole of the Northern Territory.



Stakeholder and community engagement

Residents

There are six residential buildings in the precinct with a total of 276 apartments.

These apartments are either owner-occupied, tenanted or available as short-stay accommodation.



Waterfront residents: the Moo family

Long-term Darwinites Andrew and Jo Moo live on the fourth floor of Building 1. They bought the three-bedroom apartment off the plan in 2009, initially as an investment.

‘We always thought when our girls grew up and moved that we’d have the property as our long-term Darwin residence and be able to lock it up, travel, and come back home to it’, said Jo, who’s well known in the NT fashion industry with her business Styling by Jo Moo. Andrew is the Managing Director of Darwin Financial Services.

Jo and Andrew relocated to the Waterfront apartment from their family home in Darwin’s northern suburbs two

years ago when their daughters, Chloe and Emily, moved interstate to study.

Prior to that, the apartment, called ‘the View’, was on short-term rental. It was very popular, with many returning guests.

‘We always had amazing, positive feedback from people who stayed at the apartment’, Jo said. ‘The location, the proximity to the city and the Waterfront gardens that are so beautifully groomed.

‘People just loved the whole Waterfront space, with the wharf and the tourist attractions. And just the view, the beautiful breeze...those things were so appealing to our visitors.’



Waterfront residents themselves now since 2018, Jo said they love their lifestyle.

‘It’s like being on a permanent holiday’, she said. ‘The beautiful view we wake up to, the sunrise, the sunsets, the breezes, and then in the wet season, watching the storms roll in is just spectacular.’

Jo said she and Andrew also make the most of living in heart of the Waterfront Precinct.

‘We exercise a lot—we walk our dogs or ride our bikes every day. We have easy access to all the walking trails and gorgeous lawns and love chatting with the business owners and the people of all ages enjoying the beautiful outdoors.

‘And throwing a line in along the foreshore and having the Deckchair Cinema and any cuisine we desire any night of the week literally on our doorstep is so special—we just love the ambience and the convenience of living here.’

Jo and Andrew particularly love how well maintained the precinct is.

‘Coming from a large garden in the suburbs that we loved, we get to sit back and enjoy just how meticulously the precinct is looked after’, Jo said. ‘There’s never one leaf out of place.

‘Visitors always comment on how well looked after and clean and beautiful the precinct is. We absolutely love living here.’

Community

Darwin Waterfront annual membership

Darwin Waterfront annual membership is a loyalty program for regular patrons with the following benefits:

- a minimum of 10 per cent discount daily until 6pm at more than 30 Waterfront businesses, including restaurants, food and beverage outlets, retail stores, fitness programs, hotels, harbour cruises, tourism attractions and touring options
- free and unlimited access to the Wave Lagoon
- an additional hour's free parking (total of three hours instead of two) in the Kitchener Drive multi-storey car park.

The annual membership pass aims to encourage repeat visitation and deliver value to the local community.

Membership fees in 2019-20 remained at the introductory price of:

- family (two adults and three children): \$125 per year
- adult: \$50 per year
- child: \$35 per year
- senior: \$20 per year
- under three: free.

The option of becoming a member is continuing to be popular, with 369 membership passes sold and renewed during 2019-20. The majority of the passes sold were adult memberships (41 per cent) and family memberships (38 per cent). The remaining 21 per cent were sold to seniors or children.

Participation and affiliations

The Darwin Waterfront Corporation works collaboratively with the Northern Territory Government through the Darwin City Deal initiative. The corporation's General Manager is a board member of the Activate Darwin project, which works to improve liveability, community safety and the perception of Darwin city.

In 2019-20, the corporation also maintained memberships and professional affiliations with Tourism Top End, the Australian Institute of Company Directors, International Cities and Town Centres, and Place Leaders Association.

Governance

The corporation is committed to best practice corporate governance, aiming to adhere to the highest levels of accountability, transparency and probity across all its activities.

Risk management

Public safety and security review

HATAMOTO Holdings Pty Ltd (HATAMOTO) was initially commissioned by the Darwin Waterfront Corporation to provide security risk management advice and to develop a risk management framework for the Darwin Waterfront Precinct.

The corporation has commenced implementing the recommendations made in the HATAMOTO advice, including the design and installation of infrastructure to reduce risk and manage a potential hostile vehicle situation at Stokes Hill Wharf.

Additional work was being developed at year end, including:

- detailed design of hostile vehicle mitigation for the parklands

- development of event management procedures and checklists, including 'stop-show' criteria and crowd management plan
- staff training requirements
- vehicle access protocols
- white level inspection procedures.

PCI compliance

The corporation undertook a PCI (payment card industry) compliance audit in response to changes to standards by the PCI's Security Standards Council. The PCI Security Standards Council is responsible for ensuring global payment account data and continuously reviews its standards to ensure payment card security. Payment card providers include Visa, Mastercard, American Express and Diners Club.

The audit identified numerous non-compliances, ranging from ICT systems and business practices. In response, the corporation undertook a full review of its systems and procedures relating to online, phone and over-the-counter payments, and implemented significant changes in order to align with PCI standards.

The corporation collaborated with both its banking provider, NAB, and the Department of Corporate and Information Services to implement the necessary changes across all its systems. It was the first NTG organisation to achieve full PCI compliance in April 2020 under the new standards.

Lifesaving

Surf Life Saving NT manages the operation of the Wave Lagoon and Recreation Lagoon at the Darwin Waterfront, including lifeguard services, consistent with nationally accredited competencies for pool, inland open waters and beach lifeguards.

In 2019-20, Surf Life Saving NT executed 58 water rescues and administered first aid on 450 occasions. There were zero drownings or fatal injuries reported.

Surf Life Saving NT also assists with the management of the marine environment in the Recreation Lagoon, which included undertaking a monthly net drag, removal of 98 *Cassiopea* jellyfish and conducting 40 spotlight tests for jellyfish throughout the year.

Image courtesy of Resident Magazine



There were no sightings or stings from dangerous jellyfish (box jellyfish or Irukandji) in the Recreation Lagoon.

Lifeguards also provide a frontline service for the Waterfront and often respond to public enquiries. In 2019–20, Surf Life Saving NT responded to 4740 public enquiries at the lagoon.

Information management

Our accountabilities under the *Information Act* include responsibilities for records management, freedom of information (FOI) and privacy.

Our General Manager is the decision maker in relation to FOI applications the corporation receives.

The corporation received no requests for access to information in the reporting period.

We are committed to adhering to the information privacy principles and protecting the privacy of personal information we hold, ensuring we only collect information necessary for our functions, activities and services. No requests for access or corrections to personal information were received in the reporting period.

We understand our obligations to ensure an adequate record of activities is maintained in accordance with the record management principles under the *Information Act* and ensure appropriate record management systems and processes are in place.



Image courtesy of Resident Magazine

Looking ahead to 2020-21

Development and sustainable business growth

Support for businesses post COVID-19

A fundamental priority is to work directly with businesses to assist with varying challenges and support. The corporation will continue to support businesses as they navigate through the effects of COVID-19.



Precinct management and infrastructure

Master planning

The corporation is working on a significant master planning project, with parts of the projects expected to be construction-ready in 2020-21.

This project will focus on maintaining the Waterfront's position as a destination loved by locals and one that is internationally acclaimed, with its curated lawns, aquatic recreation activities and as the anchor of the Darwin CBD.

Improvements to disability access

The corporation invited Accessible Beaches to review the precinct facilities and provide a report into inclusiveness and accessibility of the Waterfront to people with disability, particularly in relation to access of water recreation.



Image courtesy of Resident Magazine

The report made several recommendations, which the corporation has accepted and was implementing at year end, including:

- wheelchair access to the beach and Recreation Lagoon
- improvements to the existing pathway network in the parklands between the Wave and Recreation lagoons
- providing a beach wheelchair.

Fairy lights in the public domain

In response to feedback from business owners, new fairy lights were installed in the parklands by local audio-visual company Majestix Media during 2019–20.

New fairy lights wrap around one large raintree (located below Wharf One, near the Building 3 restaurants) and four palm trees surrounding the Recreation Lagoon.

The fairy lights will be used as an alternative to flood lights for extra lighting to the playground at night.

The lights enhance the parklands and complement the existing fairy lights in the palm grove area (outside Chow restaurant) and the playground.

Tender for Stokes Hill Wharf site management

A tender for the provision of site management services at Stokes Hill Wharf was released to market in April 2020. The tendering period closed on 12 June 2020, and 11 offers were received.

At year end, tenders were being assessed against the assessment criteria and value-for-money principles.

It is expected the contract will be awarded by mid-August 2020.

Financial statement overview

For the Year Ended 30 June 2020

Board members' report

The Darwin Waterfront Corporation Board members present their report on the accounts for the year ended 30 June 2020.

Members

The following people held office as members of the Darwin Waterfront Corporation ('the corporation') Board during the year and up to the date of this report:

- Tracey Hayes – Chairperson (resigned 31 July 2020) - former Board Member
- Alastair Shields – Chief Executive Officer
- Andrew Kirkman – Member
- Anne Tan – Member
- Charles Burkitt – Member
- Kelvin Costello – Member
- Jacqueline Jennings – Member.

Further details on members are provided at note 25 to the financial statements and member profiles at pages 10 to 16 of the annual report.

Principal activities

The Darwin Waterfront Corporation is a statutory corporation established to develop, manage and service the Darwin

Waterfront Precinct for the benefit of the community and on behalf of the NT Government. The corporation is promoting the precinct as a place of residence and business and a venue for public events and entertainment.

Ministerial directions

No written ministerial directions were received by the corporation under Section 20 of the *Darwin Waterfront Corporation Act 2006* for the year ended 30 June 2020.

Review of operations and significant changes during the financial period

The corporation was established on 19 September 2006. Functions bestowed upon it under the *Darwin Waterfront Corporation Act 2006* include:

- management of property (including land and marine infrastructure) in the precinct that is owned and controlled by the corporation
- facilitate the development of land and anything required for construction to be carried out in the precinct
- promoting the precinct as a place of residence and business and a venue for public events and entertainment
- preservation of good order in the precinct

- provision of municipal services in the precinct
- maintenance of civic amenities and facilities in the precinct
- advising the minister about the precinct
- development and management of land not currently forming part of the precinct as directed by the minister and in accordance with regulations.

Operationally, despite the last quarter of the financial year being affected by the declaration of COVID-19 as a pandemic, the overall performance of the corporation for the financial year was still successful. From July 2019 to February 2020, there was a 4.36 per cent increase in visitation in comparison for the same period in the previous financial year. There was a 57 per cent decline in visitation for the remainder of the financial year. The precinct attracted an estimated 1 million visitors in 2019–20 compared to 1.2 million in the prior year.

Car parking revenue for 2019–20 was down by 19% compared to 2018–19. In the period before COVID-19 in 2019–20, patronage of the multi-storey carpark was up by 4% on the previous year (total of 157 340 visitors). The reduced revenue was partly due to free on- and off-street parking to attract visitation from March to June 2020.

The corporation holds the head lease for the Stokes Hill Wharf precinct, and it receives grant funding for operating, managing and maintaining the asset in the precinct. A tender for the provision

of site management services at Stokes Hill Wharf was released to market in April 2020. The contract was awarded on the 26th August 2020 to Regional Asset Maintenance Services Pty Ltd, with the official start date on the 28th September 2020.

The Darwin Convention Centre held 90 events up to mid-March 2020. The impacts of COVID-19 on the business event industry are dire. The government-mandated health response meant all bookings from mid-March 2020 were cancelled or rescheduled to 2021. The federal government JobKeeper payment implemented in March 2020 reduced the need for further NT contribution to the Territory Operating Payment (TOP).

Operating results

The operating result of the Darwin Waterfront Corporation for 2019–20 was a deficit of \$2.879 million (2018–19: deficit \$3.022 million).



Matters subsequent to the end of the financial period

At the date of this report, there is no matter or circumstance that has arisen since 30 June 2020 that has significantly affected or may significantly affect:

- a) the operations in the financial periods subsequent to 30 June 2020 of the corporation;
- b) the results of those operations; or
- c) the state of affairs in financial periods subsequent to 30 June 2020 of the corporation.

Likely developments and expected results of operations

The corporation expects to receive operational grants from the Northern Territory Government for payments towards operational expenditure during 2019-20 and to perform any other services required under the *Darwin Waterfront Corporation Act 2006*.

Charles Burkitt

Board Member

2 October 2020

Auditor

The Auditor-General is the appointed auditor in accordance with Section 32 of the *Darwin Waterfront Corporation Act 2006*.

This report is made in accordance with a resolution of the board members.



Alastair Shields

Chief Executive Officer

2 October 2020



Certification of the financial statements

The board members declare that the attached financial statements for the Darwin Waterfront Corporation have been prepared from proper accounts and records and in accordance with the *Darwin Waterfront Corporation Act 2006* and the *Corporations Act 2001* and comply with Australian Accounting Standards (including Australian Accounting Interpretations).

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes to and forming part of the financial statements presents fairly the financial performance and cash flows for the year ended 30 June 2020 and the financial position on that date.

At the time of signing, we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate. This declaration is made in accordance with a resolution of the board members.



Charles Burkitt

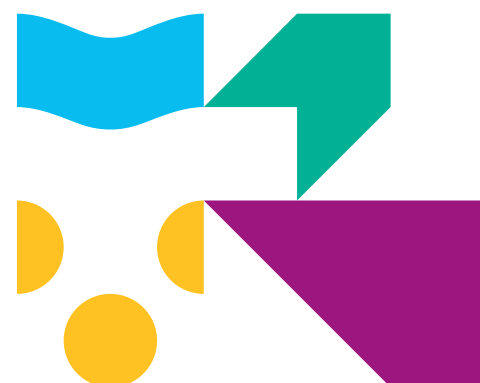
Board Member

2 October 2020

Alastair Shields

Chief Executive Officer

2 October 2020



Comprehensive Operating Statement

For the year ended 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
INCOME			
Grants and Subsidies Revenue			
Current		19,362	19,316
Capital		2,789	2,520
Goods and Services Revenue	3	3,306	3,397
Interest Revenue		45	72
Other Income	3	519	967
Total Income		26,021	26,272
EXPENSES			
Employee Expenses		1,255	1,192
Administrative Expenses			
Purchases of Goods and Services	4	3,686	3,522
Property Maintenance	5	3,654	3,942
Agent Service Arrangements	6	1,034	880
Depreciation and Amortisation	7	6,902	6,730
Grants and Subsidies Expenses			
Current	8	7,579	8,066
Capital	8	-	10
Interest Expenses	9	4,791	4,952
Total Expenses		28,901	29,294
Net Deficit		(2,879)	(3,022)
Other Comprehensive income, Net of Income Tax			
Changes in asset revaluation reserve		-	(272)
Total Other Comprehensive income, Net of Income Tax		-	(272)
Comprehensive Result		(2,879)	(3,293)

The Comprehensive Operating Statement should be read in conjunction with the notes to the financial statements.

Balance Sheet

As at 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
ASSETS			
Current Assets			
Cash and Deposits	11	3,015	1,800
Receivables	12	694	833
Prepayments	13	153	167
Total Current Assets		3,862	2,800
Non-Current Assets			
Property, Plant and Equipment	14	258,366	264,074
Heritage and Cultural Assets	15	100	101
Total Non-Current Assets		258,466	264,175
TOTAL ASSETS		262,328	266,975
LIABILITIES			
Current Liabilities			
Payables	17	2,146	2,114
Borrowings and Advances	18	3,185	2,789
Other Liabilities		26	22
Total Current Liabilities		5,357	4,926
Non-Current Liabilities			
Borrowings and Advances	18	67,102	70,153
Total Non-Current Liabilities		67,102	70,153
TOTAL LIABILITIES		72,459	75,079
NET ASSETS		189,869	191,896
EQUITY			
Capital		180,924	180,072
Reserves		44,088	44,088
Accumulated Funds		(35,143)	(32,264)
TOTAL EQUITY		189,869	191,896

The Balance Sheet should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For the year ended 30 June 2020

	NOTE	EQUITY AT 1 JULY \$'000	COMPREHENSIVE RESULT \$'000	TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS \$'000	EQUITY AT 30 JUNE \$'000
2019-20 ACCUMULATED FUNDS		(32,264)	(2,879)⁽¹⁾	-	(35,143)
RESERVES					
Asset Revaluation Reserve		44,088	-	-	44,088
Total Reserves		44,088	-	-	44,088
CAPITAL - TRANSACTIONS WITH OWNERS					
Equity Injections					
Equity Transfers In		164,381	-	852	165,234
Other Equity Injections		15,827	-	-	15,827
Equity Withdrawals					
Capital Withdrawal		(136)	-	-	(136)
		180,072	-	852	180,924
TOTAL EQUITY AT END OF FINANCIAL YEAR		191,896	(2,879)	852	189,869
2018-19 ACCUMULATED FUNDS		(29,242)	(3,022)⁽¹⁾	-	(32,264)
RESERVES					
Asset Revaluation Reserve		44,360	(272)	-	44,088
Total Reserves		44,360	(272)	-	44,088
CAPITAL - TRANSACTIONS WITH OWNERS					
Equity Injections					
Equity Transfers In		162,742	-	1,638	164,381
Other Equity Injections		15,827	-	-	15,827
Equity Withdrawals					
Capital Withdrawal		(136)	-	-	(136)
		178,433	-	1,638	180,072
TOTAL EQUITY AT END OF FINANCIAL YEAR		193,551	(3,293)	1,638	191,896

(1) Net Deficit from the Comprehensive Operating Statement.

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Cash Flow Statement

For the year ended 30 June 2020

	NOTE	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and Subsidies Received			
Current		19,362	19,316
Capital		2,789	2,520
Receipts From Sales of Goods and Services		6,184	6,571
Interest Received		49	74
Total Operating Receipts		28,383	28,481
Operating Payments			
Payments to Employees		(1,241)	(1,205)
Payments for Goods and Services		(10,792)	(11,041)
Grants and Subsidies Paid			
Current		(7,349)	(9,880)
Capital		-	(10)
Interest Paid		(4,791)	(4,952)
Total Operating Payments		(24,172)	(27,088)
Net Cash From Operating Activities	20(a)	4,211	1,393
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of Assets		(34)	(68)
Total Investing Payments		(34)	(68)
Net Cash Used in Investing Activities		(34)	(68)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits Received/ (Paid)			
Deposits Received/ (Paid)		-	(2,500)
Total Deposits Received/ (Paid)		-	(2,500)
Financing Payments			
Finance Lease Payments		(2,963)	(2,520)
Total Finance Payments		(2,963)	(2,520)
Net Cash From/ (Used in) Financing Activities	20(b,c)	(2,963)	(5,020)
Net Decrease/Increase in Cash Held		1,215	(3,695)
Cash at the Beginning of the Financial Year		1,800	5,496
CASH AT END OF FINANCIAL YEAR	11	3,015	1,800

The Cash Flow Statement should be read in conjunction with the notes to the financial statements.

Notes to the financial statements

For the year ended 30 June 2020

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Darwin Waterfront Corporation

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

1. OBJECTIVES AND FUNDING

The corporation was established to develop, manage and service the Waterfront Precinct for the benefit of the community and on behalf of the Northern Territory Government.

The corporation is predominantly funded by, and is dependent on, the receipt of government grants. The financial statements encompass all funds through which the corporation controls resources to carry on its functions.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The financial statements are general purpose financial statements, which have been prepared in accordance with the *Darwin Waterfront Corporation Act 2006*, the *Corporations Act 2001* and Australian Accounting Standards (including Australian Accounting Interpretations) and comply with other requirements of the law.

The corporation's financial statements are required to include:

- (i) a Certification of the Financial Statements
- (ii) a Comprehensive Operating Statement
- (iii) a Balance Sheet
- (iv) a Statement of Changes in Equity
- (v) a Cash Flow Statement
- (vi) applicable explanatory notes to the financial statements.

The financial statements were authorised for issue by the board members on 2nd October 2020.

b) Basis of accounting

The financial statements have been prepared using the accrual basis of accounting, which recognises the effect of financial transactions and events when they occur rather than when cash is paid out or received.

Except where stated, the financial statements have also been prepared in accordance with the historical cost convention. The corporation is a not-for-profit entity for financial reporting purposes. Cost is based on the fair values of the consideration given in exchange for assets.

The form of the corporation's financial statements is also consistent with the requirements of Australian Accounting Standards. The effects of all relevant new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are effective for the current annual reporting period have been evaluated.

The following new and revised accounting standards and interpretations were effective for the first time in 2019-20:

AASB 15 Revenue from Contracts with a Customer / AASB 1058 Income for Not-for-Profit Entities

AASB 15 *Revenue from Contracts with a Customer* (AASB 15) supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related interpretations and applies, with limited exceptions, to all revenue arising from contracts with customers. Under AASB15 revenue from agreements that are enforceable, have sufficiently specific performance obligations and transfer goods or services to the customer or third-party beneficiary will be recognised when or as performance obligations are satisfied. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when assessing contracts with their customers.

AASB 1058 *Income for Not-for-Profit Entities* (AASB 1058) clarifies and simplifies income-recognition requirements that apply to not-for-profit entities and replaces most of the not-for-profit provisions under AASB 1004 *Contributions*. AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value, principally to enable the entity to further its objectives, and where volunteer services are received.

In contrast with previous standards such as AASB 1004, AASB 1058 allows deferral of income from capital grants where there is an enforceable contract with sufficiently specific performance obligations and the agreement does not require the corporation to transfer the asset to other parties. For such capital grants, the funding received is initially deferred in an unearned revenue liability and subsequently recognised as revenue as or when the corporation satisfies obligations under the agreement.

The application of the above new standard has no material impact on the corporation's financial report. The corporation's accounting policy for its main source of revenue has been amended to conform with the new standard.

AASB 16 Leases

AASB 16 *Leases* (AASB 16) supersedes AASB 117 *Leases* and relevant interpretations and introduces significant changes to lessee accounting by removing the distinction between operating and finance leases. For lessees with operating leases, a right-of-use asset has now been recognised on the balance sheet together with a lease liability at the lease commencement

In accordance with transition provisions, the corporation has applied the modified retrospective approach on transition to AASB 16, with the cumulative effect of initial application of the standard as an adjustment to the balance sheet as at 1 July 2019. Accordingly, the comparative information presented for 2018-19 has not been restated and is presented as previously reported.

Lease liabilities recognised at 1 July 2019 have been measured at the present value of the remaining lease payments discounted using the corporation's weighted average incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied to the lease liabilities as at 1 July 2019 was 2.80%.

The corresponding right-of-use asset has been recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 1 July 2019.

The corporation has applied the following practical expedients permitted by AASB 16 on transition:

- lease classification has been grandfathered. Where a contract did not contain a lease at 1 July 2019 under AASB 117 and Interpretation 4, these have not been reassessed
- application of a single discount rate to a portfolio of leases with reasonably similar characteristics
- application of onerous contract assessment before transition, in place of performing an impairment review
- leases with a remaining term of less than 12 months as at 1 July 2019 were expensed rather than recognised on the balance sheet
- exclusion of initial direct costs from the measurement of the right-of-use asset as at 1 July 2019
- application of hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

On adoption of AASB 16, the corporation recognised additional right-of-use assets and lease liabilities for vehicles that had previously been classified as operating leases.

BALANCE SHEET

	\$
Assets	
Right of Use Assets – Office Accommodation	241,105
Right of Use Assets – Motor Vehicle	65,879
Total Assets	306,984
Liabilities	
Lease Liabilities	306,984
Total Liabilities	306,984
Net Assets	-

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments of 30 June 2019, as follows:

Minimum operating lease commitments as at 30 June 2019	310,911
Less: commitments relating to short-term leases	-
Less: commitments relating to leases of low-value assets	-
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	-
Undiscounted lease payments	310,911
Less: effect of discounting using the incremental borrowing rate	3,927
Add: commitments relating to leases previously classified as finance leases	-
Lease liabilities as at 1 July 2019	306,984

AASB 2016-8 Amendments to Australian accounting standards – Australian implementation guidance for not-for-profit entities (AASB 9 Financial instruments)

AASB 2016-8 is effective for the first time in 2019-20 and requires non-contractual receivables arising from statutory requirements to apply the initial recognition and measurement requirements of AASB 9. The requirements of AASB 2016-8 are largely consistent with existing recognition and measurement practices of the corporation and the standard is therefore not expected to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to the current reporting periods but are considered to have no impact on public sector reporting.

Standards and Interpretations Issued but not yet effective

No Australian accounting standards have been early adopted for 2019-20.

On the date of authorisation of the financial statements, the following standards and interpretations were in issue but are not yet effective and are expected to have an impact on future reporting periods:

AASB 1059 Service concession arrangement

AASB 1059 Service concession arrangements: Grantors (AASB 1059) is effective for annual reporting periods beginning on or after 1 January 2020 and will be reported in the Treasurer's annual financial statements for the first time in 2020-21.

AASB 1059 addresses the accounting for arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services. This standard also applies a new control concept to the recognition of service concession assets and related liabilities.

Where a transaction meets the definition of a service concession arrangement, a service concession asset and liability will be recognised on the balance sheet and valued in accordance with the new standard.

The corporation will adopt the modified retrospective approach on transition to the new standard, with 1 July 2019 as the date of initial application being the beginning of the comparative period in financial reports prepared for 2020-21. Impacts of the new standard under this approach are as follows:

- recognise service concession asset at current replacement cost as at 1 July 2019
- recognise financial liability at fair value as at 1 July 2019 for the contractual obligation to deliver cash or another financial asset to the operator
- recognise any unearned revenue liability from the receipt of a service concession asset under the grant of a right to the operator model. This is initially measured at current replacement cost of the service concession asset as at 1 July 2019, adjusted to reflect the remaining period of the service concession arrangement relative to the total period of the arrangement, less the fair value of the financial liability
- recognise any net adjustments to the amounts of assets and liabilities to accumulated funds as at 1 July 2019.

The corporation's public-private partnership arrangements in relation to the corporation is currently under review to determine if AASB 1059 applies and the potential impacts on transitioning to AASB 1059. The assets and related liabilities relating to these arrangements are currently recorded on the balance sheet; however, the corporation is still conducting an assessment on the impact of transitioning to AASB 1059 where an arrangement is assessed as falling under AASB 1059.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on public sector reporting.

c) Going Concern Basis

At 30 June 2020, the corporation had net current liabilities of \$1.495 million (2019: \$2.126 million). The corporation reported a deficit for the year of \$2.879 million (2019: \$3.022 million). The ongoing operations of the corporation are reliant on continued Northern Territory Government funding. Based on this, the board members believe the corporation has the ability to repay all debts when due and payable, and therefore, the going concern basis used to prepare the financial statements is appropriate.

d) Reporting Entity

The financial statements cover the Darwin Waterfront Corporation as an individual reporting entity.

The corporation is a statutory authority established under the *Darwin Waterfront Corporation Act 2006*.

The principal place of business of the corporation is Level 5, 7 Kitchener Drive, Darwin NT, 0800.

The postal address of the corporation is GPO Box 1449, Darwin, NT 0801.

e) Comparatives

Where necessary, comparative information for the 2018-19 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and Rounding of Amounts

The corporation is of a kind referred to in ASIC corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. All amounts are presented in Australian dollars and have been rounded off in accordance with that ASIC Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Figures in the financial statements and notes may not equate due to rounding.

g) Changes in Accounting Policies

There have been no changes to accounting policies adopted in 2019-20 as a result of management decisions.

h) Accounting Judgements and Estimates

The preparation of the financial report requires the making of judgements and estimates that affect the recognised amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The corporation has made no judgements or assumptions that would cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

i) Goods and Services Tax

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable or payable unless otherwise specified.

j) Income tax

The corporation is exempt from income tax under Section 50-1 of the *Income Tax Assessment Act 1997* (ITAA97). The corporation is an exempt entity pursuant to item 5.2 of the table at section 50-25 of the ITAA97 on the basis that it is a public authority constituted under an Australian law.



k) Employee benefits

Employee benefits include wages, salaries and recreation leave. The Northern Territory Government has funded all corporation employee annual leave, leave bonuses, long service leave, the Superannuation Guarantee Levy and other employee benefits. All employee provisions are retained within the accounts of the Northern Territory Government, and all employee costs are expensed as they are incurred.

l) Darwin Convention Centre Concession Arrangements

The Northern Territory of Australia entered into contractual arrangements with Darwin Cove Convention Centre Pty Ltd ('the concession holder') under which, in return for a right to operate a convention centre, the concession holder was required to design, finance, construct, commission, control, operate, maintain, repair and refurbish the centre.

The concession holder, in turn, entered into a contractual arrangement with Ogden IFC (Darwin) Pty Ltd, now ASM Global ('the operator'), to operate and manage the centre. The concession arrangement will operate for a period of 25 years until June 2033, including a three-year handover phase.

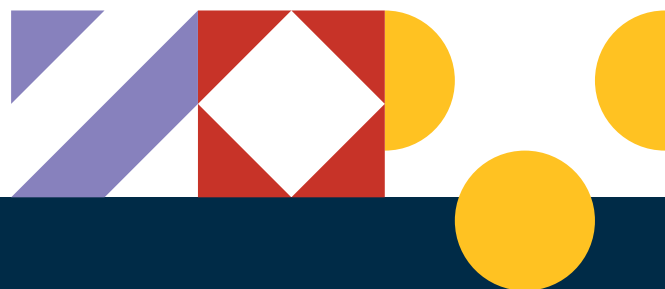
The concession holder has also entered into separate contractual arrangements with Honeywell Ltd ('the facilities manager') for the maintenance, repair and refurbishment of the facility over the period until the centre is handed over to the Territory.

The concession arrangements provide for a payment by the corporation of periodic payments to the concession holder for the life of the concession period of 25 years following the construction of the centre. This payment primarily represents payments made in respect of debt, equity, construction and maintenance aspects of the project. Up to 75 per cent of this payment is subject to abatement if the facility should be unavailable, if the facility fails to meet availability standards or if the operator fails to achieve key performance indicators.

In addition, the arrangements also provide for the payment of a Territory Operating Payment (TOP) that comprises the net cash shortfall arising from the operation of the convention centre during a year, capped to a maximum contribution and subject to negotiation. The legal framework for the centre includes incentives intended to encourage the operator to exceed benchmark levels of performance.

Expenses incurred under the availability payment and operating payment arrangements are included in the deficit for the year.

The liability under the Territory Availability Payment (TAP) arrangement has been recognised as a liability of the corporation. This liability will reduce over the life of the concession arrangement in line with those payments that represent the principal component of the availability payment. The corporation has also recognised the convention centre as an asset, being the corporation's equitable interest in the underlying physical asset. That asset will be amortised on a straight-line basis over the useful life of the asset.



(m) Impact of COVID-19

For most entities, the COVID-19 crisis has led to more variability and uncertainty underlying the preparation of the financial statements. As the corporation engaged in developing, managing and servicing the Darwin Waterfront Precinct as a place of residence, business and a venue for public events, it was affected by COVID-19 in many ways:

- closure of businesses, venues and parks due to quarantine measures imposed by government
- reduced cash flows from other sources of income such as car parking, admissions fees and rental income
- deferral of rates, rental income and other fees
- commitments for TOP payments
- forward cash flows projections.

Apart from rent relief provided to tenants and deferral of rates, the corporation has not identified any write-offs, postponements or waivers, or expected credit or impairment losses due to COVID-19.

The most challenging area of consideration from the COVID-19 crisis is impairment of assets and the supportable estimates of future cash flows. Although current estimates suggest limited volatility in cash flows projections and growth rates, there is increased volatility as a result of the outbreak still evolving.

3. INCOME FROM RENDERING OF SERVICES

	2020	2019
	\$'000	\$'000
Sales of Goods and Services		
Car Parking Fees	743	918
Rates	937	847
Wave Lagoon Admissions & Annual Passes	358	536
Berthage Fees	199	220
Other/ Permits/ Cost recovery	1,069	876
Total Sales of Goods and Services	3,306	3,397
Other Income		
Property Rental Income	517	671
Multi-Storey Car Park Body Corporate	-	296
Surplus Repayment		
Other	2	-
Total Other Income	519	967

Income

Income encompasses both revenue and gains. Income is recognised at the fair value of the consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

Corporation revenue from ordinary activities comprises grants received from the Northern Territory Government, municipal rates, property rental income and user charges from admission to the Wave Lagoon, car parking, berthing and venue hire. Municipal rates are recognised when levied, while user charges are recognised upon provision of the particular service.

Grants and other contributions

Grants revenue is recognised at fair value exclusive of the amount of GST. Until 30 June 2019, grant revenue and other non-reciprocal contributions were recognised as revenue when the corporation obtains control over the asset comprising the contribution, which was normally obtained on receipt.

From 1 July 2019, where a grant agreement is enforceable and has sufficiently specific performance obligations for the corporation to transfer goods or services to the grantor or a third-party beneficiary, the transaction is accounted for under AASB 15. In this case, revenue is initially deferred as a contract liability when received in advance and recognised as or when the performance obligations are satisfied.

Where grant agreements do not meet the criteria above, revenue is accounted for under AASB 1058 and income is recognised on receipt of funding except for capital grants revenue received for the purchase or construction of non-financial assets to be controlled by the corporation. Capital grants with enforceable contracts and sufficiently specific obligations are recognised as an unearned revenue liability when received and subsequently recognised progressively as revenue as or when the corporation satisfies its obligations under the agreement. Where a non-financial asset is purchased, revenue is recognised at the point in time the asset is acquired and control transfers to the corporation.

Government appropriation and grants are recognised in the profit or loss at the time of their receipt.

Rendering of Services

Until 30 June 2019, revenue from rendering services was recognised by reference to the stage of completion of the contract. From 1 July 2019, revenue from rendering of services is recognised when the corporation satisfies the performance obligation by transferring the promised services. The corporation typically satisfies its performance obligations when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured
- it is probable that the economic benefits associated with the transaction will flow to the corporation.

4. PURCHASES OF GOODS AND SERVICES

	2020 \$'000	2019 \$'000
Audit Fees (auditors received no other benefits)	44	41
Power	714	886
Water and Sewerage	365	337
Insurance	357	292
Marketing and Promotion	671	753
Other Operational Costs	1,535	1,213
Total Purchases of Goods and Services	3,686	3,522

5. PROPERTY MAINTENANCE

	2020 \$'000	2019 \$'000
Cleaning	550	574
Grounds Maintenance	2,715	2,991
Security	324	296
Other ¹	65	80
Total Property Maintenance	3,654	3,942

1. Includes repairs and maintenance expense of \$6,000 for the 2018-19 FY.

Funding is received for maintenance works associated with corporation assets, and costs associated with maintenance works on the corporation's assets are expensed as incurred.

6. AGENT SERVICE ARRANGEMENTS

	2020 \$'000	2019 \$'000
Department of Corporate and Information Services	86	65
Department of the Chief Minister ¹	238	-
Department of the Attorney-General and Justice	15	17
Surf Life Saving Northern Territory	596	714
City of Darwin	99	84
Total Agent Service Arrangements	1,034	880

1. \$238,000 relates to security services of the City of Darwin reimbursed by the Department of Chief Minister under Sales of Goods and Services - other.

7. DEPRECIATION AND AMORTISATION

	2020 \$'000	2019 \$'000
Depreciation	3,965	3,982
Amortisation	2,937	2,748
Total Depreciation and Amortisation	6,902	6,730

8. GRANTS AND SUBSIDIES EXPENSES

	2020 \$'000	2019 \$'000
Current Grants		
Territory Incentive Payments	230	839
Total Current Grants	230	839
Current Subsidies		
Territory Operating Payments	4,055	3,998
Territory Availability Payments	3,294	3,229
Total Subsidies	7,349	7,227
Total Current Grants and Subsidies	7,579	8,066
Capital Grants		
Goyder Park Beautification	-	10
Total Capital Grants	-	10
Total Grants and Subsidies	7,579	8,076

Government grants are non-reciprocal in nature and are recognised as revenue in the financial year in which they are receivable.

9. INTEREST EXPENSES

	2020 \$'000	2019 \$'000
Interest on Obligations Under Finance Lease	4,791	4,952
Total Interest Expenses	4,791	4,952

Interest expenses include interest and finance lease charges. Interest expenses are recognised in the period in which they are incurred.

10. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX-GRATIA PAYMENTS

	2020 \$'000	NO. OF TRANS.	2019 \$'000	NO. OF TRANS.
Write-offs, Postponements and Waivers Under the <i>Financial Management Act 1995</i>				
Represented by:				
<i>Amounts written off, postponed and waived by Delegates</i>				
Irrecoverable amounts payable to the Territory or an agency written off	29	9	1	5
Total Written Off, Postponed and Waived by Delegates	29	9	1	5

11. CASH AND DEPOSITS

	2020 \$'000	2019 \$'000
Current Grants		
Cash on Hand	7	8
Cash at Bank	3,008	1,792
Total Cash and Deposits	3,015	1,800

For the purposes of the Balance Sheet and the Cash Flow Statement, cash includes cash on hand, cash at bank and cash equivalents. Cash equivalents are highly liquid short-term investments that are readily convertible to cash.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period.

The effective interest rate for cash and deposits for the year was 0.73% (2019: 1.48%).

12. RECEIVABLES

	2020 \$'000	2019 \$'000
Current		
Accounts Receivable	481	386
Less: Allowance for Impairment Losses	(123)	(62)
	358	324
Interest Receivables	1	5
GST Receivables	323	326
Other Receivables	12	178
Total Receivables	694	833
Consisting of:		
Government Agencies	324	331
External Bodies	370	502

Receivables include accounts receivable and other receivables and are recognised at fair value less any allowance for impairment losses.

The allowance for impairment losses represents the amount of receivables the corporation estimates are likely to be uncollectible and are considered doubtful. The board does not hold any collateral in relation to these receivables.

Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 21 Financial Instruments.

Reconciliation of changes in the allowance accounts is also presented.

The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade receivables.

13. PREPAYMENTS

	2020 \$'000	2019 \$'000
Current		
Prepayments	153	167
Total Prepayments	153	167

Prepayments represent payments in advance of receipt of goods and services or that part of expenditure made in one accounting period covering a term extending beyond that period.

14. PROPERTY, PLANT AND EQUIPMENT

	2020 \$'000	2019 \$'000
Land	52,455	52,455
Total Land	52,455	52,455

Buildings

Amenities Building	1,834	1,824
Lifts and Lift Landings	1,500	1,500
Shade Structures	6,157	5,952
Multi-Storey Car Park	13,729	13,680
Covered Deck at Precinct	700	700
Playground	92	92
Less: Accumulated Depreciation	(8,947)	(7,999)
Total Buildings	15,065	15,749

Right-Of-Use Assets

Convention Centre	137,400	137,400
Less: Accumulated Amortisation	(32,976)	(30,228)
Total Convention Centre	104,424	107,172

Office Accommodation	241	-
Less Accumulated Amortisation	(170)	-
Total Office Accommodation	71	-

Motor Vehicles	66	-
Less Accumulated Amortisation	(19)	-
Total Motor Vehicles	47	-
Total Right-Of-Use Assets	104,542	107,172

	2020 \$'000	2019 \$'000
Infrastructure		
Marine Infrastructure	56,548	56,548
Roads and Services	17,480	17,480
Jervois Car Park	458	458
Wave Lagoon	19,658	19,348
Public Domain	19,561	19,434
Bridge Link	4,542	4,542
Parking Meters	46	46
Less: Accumulated Depreciation	(33,216)	(30,352)
Total Infrastructure	85,077	87,504
Plant and Equipment		
Plant and Equipment	2,063	1,930
Less: Accumulated Depreciation	(878)	(749)
Total Plant and Equipment	1,185	1,181
Computer Hardware		
Computer Hardware	52	52
Less: Accumulated Depreciation	(52)	(52)
Total Computer Hardware	-	-
Work in Progress		
Solar Panel	20	-
Transport Equipment	14	-
Total Work in Progress	34	-
Transport Equipment		
Transport Equipment	39	39
Less: Accumulated Depreciation	(31)	(28)
Total Transport Equipment	8	11
Total Property, Plant and Equipment	258,366	264,074

The property, plant and equipment of the corporation comprises the Darwin Waterfront Precinct including land, buildings, infrastructure and related items of plant and equipment.

The corporation values land, buildings and infrastructure assets in accordance with the Australian Accounting Standard AASB 116 *Property, Plant & Equipment* and annually reviews the carrying balances of its assets in accordance with Accounting Standards to ensure any impairment loss is appropriately recorded.



2020 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

From 1 July 2019, property, plant and equipment includes right-of-use assets under AASB 16 Leases that is effective from that date. Further information on right-of-use assets is disclosed in Note 17. A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2019-20 is set out below:

	LAND \$'000	BUILDINGS \$'000	RIGHT-OF USE ASSETS* \$'000	INFRASTRUCTURE \$'000	WORK IN PROGRESS \$'000	PLANT AND EQUIPMENT \$'000	COMPUTER HARDWARE \$'000	TRANSPORT EQUIPMENT \$'000	TOTAL \$'000
Carrying Amount as at 1 July 2019*	52,455	15,749	107,479	87,504	-	1,181	-	11	264,379
Additions	-	-	-	-	34	-	-	-	34
Additions of right-of-use assets	-	-	-	-	-	-	-	-	-
Additions/ Disposals from asset transfers	-	264	-	437	-	133	-	-	834
Revaluation Increments / (Decrements)	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	(948)	(2,937)	(2,864)	-	(129)	-	(3)	(6,881)
Carrying Amount as at 30 June 2020	52,455	15,065	104,542	85,077	34	1,185	-	8	258,366

* Amount is restated to conform with AASB 16 Leases.

2019 PROPERTY, PLANT AND EQUIPMENT RECONCILIATIONS

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	LAND \$'000	BUILDINGS \$'000	BUILDINGS UNDER FINANCE LEASE \$'000	INFRASTRUCTURE \$'000	WORK IN PROGRESS \$'000	PLANT AND EQUIPMENT \$'000	COMPUTER HARDWARE \$'000	TRANSPORT EQUIPMENT \$'000	TOTAL \$'000
Carrying Amount as at 1 July 2018	52,455	16,783	109,920	88,959	-	1,247	10	-	269,375
Additions	-	-	-	-	-	54	-	14	68
Additions/ Disposals from asset transfers	-	110	-	1,521	-	-	-	-	1,632
Revaluation Increments / (Decrements)	-	(206)	-	(66)	-	-	-	-	(272)
Depreciation and Amortisation	-	(939)	(2,748)	(2,910)	-	(120)	(10)	(2)	(6,729)
Carrying Amount as at 30 June 2019	52,455	15,749	107,172	87,504	-	1,181	-	11	264,074



Acquisitions

All items of property, plant and equipment with a cost, or other value, equal to or greater than \$10,000 are recognised in the year of acquisition and depreciated as outlined below. Items of property, plant and equipment below the \$10,000 threshold are expensed in the year of acquisition.

The construction cost of property, plant and equipment includes the cost of materials and direct labour, and an appropriate proportion of fixed and variable overheads.

Complex Assets

Major items of plant and equipment comprising a number of components that have different useful lives, are accounted for as separate assets. The components may be replaced during the useful life of the complex asset.

Subsequent Additional Costs

Costs incurred on property, plant and equipment subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the corporation in future years. Where these costs represent separate components of a complex asset, they are accounted for as separate assets and are separately depreciated over their expected useful lives.

Construction (Work in Progress)

As part of the financial management framework, the Department of Infrastructure, Planning and Logistics is responsible for managing general government capital works projects on a whole-of-government basis. Therefore, funding for most of the corporation's capital works is provided directly to the Department of Infrastructure, Planning and Logistics, and the cost of construction work in progress is recognised as an asset of that Department. Once completed, capital works assets are transferred to the corporation.

Revaluations and Impairment Revaluation of Assets

Subsequent to initial recognition, assets belonging to the following classes of non-current assets are revalued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land
- buildings
- infrastructure assets.

Plant and equipment are stated at historical cost less depreciation, which is deemed to equate to fair value. The latest revaluations of land, buildings and infrastructure assets were independently conducted as at 30 June 2018 by Herron Todd White.

Other classes of non-current assets are not subject to revaluation and are measured at cost.

Refer to Note 16: Fair Value Measurement of Non-Financial Assets for additional disclosures.

Impairment of Assets

An asset is said to be impaired when the asset's carrying amount exceeds its recoverable amount.

Non-current physical and intangible corporation assets are assessed for indicators of impairment on an annual basis or whenever there is indication of impairment. If an indicator of impairment exists, the corporation determines the asset's recoverable amount. The asset's recoverable amount is determined as the higher of the asset's depreciated replacement cost and fair value less costs to sell. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Impairment losses are recognised in the Comprehensive Operating Statement. They are disclosed as an expense unless the asset is carried at a revalued amount. Where the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve for that class of asset to the extent that an available balance exists in the asset revaluation reserve.

In certain situations, an impairment loss may subsequently be reversed. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. A reversal of an impairment loss is recognised in the Comprehensive Operating Statement as income, unless the asset is carried at a revalued amount, in which case the impairment reversal results in an increase in the asset revaluation reserve.

Corporation property, plant and equipment assets were assessed for impairment as at 30 June 2020. No impairment adjustments were required as a result of this review.

Depreciation and Amortisation Expense

Items of property, plant and equipment, including buildings but excluding land, have limited useful lives and are depreciated or amortised using the straight-line method over their estimated useful lives. Amortisation applies in relation to intangible non-current assets with limited useful lives and is calculated and accounted for in a similar manner to depreciation.

The estimated useful lives for each class of asset are determined as follows:

	2020	2019
Buildings	4-100 years	4-100 years
Infrastructure Assets	4-100 years	4-100 years
Plant and Equipment	3-10 years	3-10 years
Heritage and Cultural Assets	4-100 years	4-100 years
Transport Equipment	5 years	5 years
Computer Hardware	5 years	5 years

Assets are depreciated or amortised from the date of acquisition or from the time an asset is completed and held ready for use.

Leases

Corporation as a lessee

The corporation leases office buildings and motor vehicles. Lease contracts are typically made for fixed periods of 4 to 7 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants. The corporation does not provide residual value guarantees in relation to leases.

As with previous year, finance leases are capitalised and is consistent with AASB 16. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised. A finance lease is recognised in respect of the Darwin Convention Centre and is now included in right-of-use assets.

The corporation has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low value assets are assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement, low value assets comprise mainly of photocopiers.

Recognition and measurement (under AASB 16 from 1 July 2019)

The corporation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The corporation recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The corporation recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site, if any.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Darwin Convention Centre	25–50 years
Buildings	5–10 years
Motor Vehicles	4–7 years

If ownership of the leased asset transfers to the corporation at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.



The right-of-use assets are subsequently measured at fair value, which approximates costs except for those arising from leases that have significantly below-market terms and conditions, principally to enable the corporation to further its objectives. These are also subject to impairment.

The right-of-use assets are subject to remeasurement principles consistent with the lease liability, including indexation and market rent review that approximates fair value. They are only revalued where a trigger or event may indicate their carrying amount does not equal fair value.

Recognition and measurement (under AASB 117 until 30 June 2019)

Operating lease payments are recognised as an operating expense in the comprehensive operating statement on a straight-line basis over the lease term.

Finance leases are capitalised. A lease asset and lease liability equal to the lower of the fair value of the leased property and present value of the minimum lease payments, each determined at the inception of the lease, are recognised. Lease payments are allocated between the principal component of the lease liability and the interest expense.

A finance lease is currently recognised in respect of the Darwin Convention Centre. Interest expenses associated with the repayment obligations are expensed in the period they are incurred.

15. HERITAGE AND CULTURAL ASSETS

	2020 \$'000	2019 \$'000
Carrying Amount		
At Valuation	115	115
Less: Accumulated Depreciation	(15)	(14)
Carrying Amount as at 30 June	100	101
Reconciliation of Movements		
Carrying Amount at Beginning of Year	101	102
Depreciation	(1)	(1)
Additions from Asset Transfers	-	-
Carrying Amount at End of Year	100	101

Heritage and Cultural Assets Valuation

Refer to Note 16: Fair Value Measurement of Non-Financial Assets for additional disclosures.

Impairment of Heritage and Cultural Assets

The corporation heritage and cultural assets were assessed for impairment as at 30 June 2020. No impairment adjustments were required as a result of this review.

16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

a) Fair Value Hierarchy

Fair values of non-financial assets categorised by levels of inputs used to compute fair value are:

	LEVEL 3 \$'000	TOTAL FAIR VALUE \$'000
2020		
Asset Classes (Note 14)		
Land	52,455	52,455
Buildings	15,065	15,065
Infrastructure	85,077	85,077
Plant and Equipment	1,185	1,185
Transport Equipment	8	8
Cultural Assets (Note 15)	100	100
Total	153,890	153,890
2019		
Asset Classes (Note 14)		
Land	52,455	52,455
Buildings	15,749	15,749
Infrastructure	87,504	87,504
Plant and Equipment	1,181	1,181
Transport Equipment	11	11
Cultural Assets (Note 15)	101	101
Total	157,001	157,001

There were no transfers between Level 1 and Levels 2 or 3 during the period.

b) Valuation Techniques and Inputs

Valuation techniques used to measure fair value are:

Asset Classes

Land
Buildings
Infrastructure
Plant and Equipment
Computer Hardware
Transport Equipment
Cultural Assets

Level 3 Techniques

Revaluation Approach
Revaluation Approach
Revaluation Approach
Cost Approach
Cost Approach
Cost Approach
Cost Approach

Level 3 fair values of buildings, infrastructure, plant and equipment, computer hardware, transport equipment and cultural assets were determined by computing their depreciated replacement costs because an active market does not exist for such facilities. The depreciated replacement cost was based on a combination of internal records of the historical cost of the facilities. Significant judgement was also used in assessing the remaining service potential of the facilities, given local environmental conditions, projected usage and records of the current condition of the facilities.



c) Additional information for level 3 fair value measurements

(i) Reconciliation of recurring level 3 fair value measurements

2020	LAND \$'000	BUILDINGS \$'000	INFRASTRUCTURE \$'000	PLANT AND EQUIPMENT \$'000	COMPUTER HARDWARE \$'000	TRANSPORT EQUIPMENT \$'000	CULTURAL ASSETS \$'000
Fair Value as at 30 June 2019	52,455	15,749	87,504	1,181	-	11	101
Additions	-	-	-	-	-	-	-
Additions/ Disposals from asset transfers	-	264	436	132	-	-	-
Revaluation Increments / (Decrements)	-	-	-	-	-	-	-
Depreciation	-	(948)	(2,864)	(129)	-	(2)	(1)
Fair Value as at 30 June 2020	52,455	15,065	85,077	1,185	-	8	100

2019	LAND \$'000	BUILDINGS \$'000	INFRASTRUCTURE \$'000	PLANT AND EQUIPMENT \$'000	COMPUTER HARDWARE \$'000	TRANSPORT EQUIPMENT \$'000	CULTURAL ASSETS \$'000
Fair Value as at 30 June 2018	52,455	16,783	88,959	1,247	10	-	102
Additions	-	-	1,521	54	-	14	-
Additions/ Disposals from asset transfers	-	110	-	-	-	-	-
Revaluation Increments / (Decrements)	-	(206)	(66)	-	-	-	-
Depreciation	-	(939)	(2,910)	(120)	(10)	(2)	(1)
Fair Value as at 30 June 2019	52,455	15,749	87,504	1,181	-	11	101



(ii) Sensitivity analysis

Land - Unobservable inputs used in computing the fair value of land include the historical costs. Higher or lower costs will result in higher and lower fair values, respectively.

Buildings, infrastructure, plant and equipment, computer hardware, cultural assets and transport equipment - unobservable inputs used in computing the fair value of infrastructure, plant and equipment and transport equipment include the historical cost and the consumed economic benefit for each asset. These assets are depreciated on useful lives ranging from 3 to 100 years. In respect of sensitivity of fair values to changes in input values, a higher historical cost results in a higher fair value and a greater consumption of economic benefits or useful lives lowers the fair value.

17. PAYABLES

	2020	2019
	\$'000	\$'000
Accounts Payable	11	12
Accrued Expenses	238	435
Grants and Subsidies Payable	1,897	1,667
Total Payables	2,146	2,114
Consisting of:		
Government Agencies	60	75
External Bodies	2,086	2,039

Liabilities for accounts payable and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the corporation. Accounts payable are normally settled within 30 days.

18. BORROWINGS AND ADVANCES

Loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on an accrual basis.

	Finance lease liabilities*	Total financing activities
	\$'000	\$'000
MOVEMENT		
Opening balance - 1 July 2019	72,942	72,942
Adoption of AASB 16	307	307
Opening balance - 1 July 2019 (As Restated)	73,249	73,249
Financing cash flows	(2,977)	(2,977)
Non-cash changes	15	15
New finance leases	-	-
Closing balance - 30 June 2020	70,287	70,287

The following table presents liabilities under leases for 2019-20.

	2020 \$'000	2019 \$'000
Current		
Darwin Convention Centre	3,094	2,789
Office Accommodation - Adoption of AASB16	72	-
Motor Vehicle - Adoption of AASB16	19	-
Total Current Borrowings & Advances	3,185	2,789
Non-Current		
Darwin Convention Centre	67,074	70,153
Motor Vehicle - Adoption of AASB16	28	-
Office Accommodation - Adoption of AASB16	-	-
Total Non-Current Borrowings & Advances	67,102	70,153
Total Borrowings & Advances	70,287	72,942

At the commencement date of the lease where the corporation is the lessee, the corporation recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments may include fixed payments (including in substance fixed payments) less any lease incentives receivable and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the corporation's leases, the weighted average incremental borrowing rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are determined in accordance with AASB 117 until 30 June 2019. From 1 July 2019, lease liabilities are determined in accordance with AASB 16.



19. COMMITMENTS

Commitments are those contracted as at 30 June 2020 where the amount of the future commitment can be reliably measured.

Under the Darwin Convention Centre concession arrangements (refer to Note 2(l)), the corporation has commitments in relation to the Darwin Convention and Exhibition Centre. These commitments relate to the TAP and include payments in relation to debt, equity, construction and maintenance aspects of the project.

Principal and related interest commitments are disclosed at Note 21(d).

Additional TAP commitments excluding principal and interest can be quantified as follows:

	2020 \$'000	2019 \$'000
Within 1 year	3,344	3,243
Later than 1 year and not later than 5 years	14,427	14,003
Later than 5 years	36,579	40,347
Total Commitment	54,350	57,593

20. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of cash

The total of the corporation 'Cash and deposits' of \$3.015 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

Reconciliation of Operating Deficit for the period to Net Cash flows from Operating Activities

	2020 \$'000	2019 \$'000
Operating Deficit	(2,879)	(3,022)
<i>Non-Cash Items:</i>		
Depreciation and Amortisation	6,881	6,730
Asset Write-Offs	21	-
Repairs and Maintenance	-	6
Doubtful Debts	61	(11)
<i>Changes in Assets and Liabilities:</i>		
Increase in Receivables	77	(320)
Decrease/(Increase) in Prepayments	15	(7)
(Decrease)/Increase in Payables	32	(1,984)
(Decrease)/Increase in Other Deferred Income	3	1
Net Cash from Operating Activities	4,211	1,393

b) Reconciliation of liabilities arising from financing activities 2019-20

	CASH FLOWS				NON CASH				
	1 JULY \$'000	LOANS AND ADVANCES \$'000	FINANCE LEASE \$'000	OTHER \$'000	CASH FLOWS \$'000	FAIR VALUE \$'000	OTHER \$'000	TOTAL NON-CASH \$'000	30 JUNE \$'000
Deposits held	-	-	-	-	-	-	-	-	-
Borrowings	72,942	307	(2,963)	-	-	-	-	-	70,287
Other	-	-	-	-	-	852	852	852	852
Total	72,942	307	(2,963)	-	(2,963)	-	852	852	71,139

c) Reconciliation of liabilities arising from financing activities 2018-19

	CASH FLOWS				NON CASH				
	1 JULY \$'000	LOANS AND ADVANCES \$'000	FINANCE LEASE \$'000	OTHER \$'000	CASH FLOWS \$'000	FAIR VALUE \$'000	OTHER \$'000	TOTAL NON-CASH \$'000	30 JUNE \$'000
Deposits held	2,500	-	-	(2,500)	(2,500)	-	-	-	-
Borrowings	75,462	-	(2,520)	-	(2,520)	-	-	-	72,942
Other	-	-	-	-	-	1,638	1,638	1,638	1,638
Total	77,962	-	(2,520)	(2,500)	(5,020)	-	1,638	1,638	74,580

21. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The corporation manages its capital to ensure that it will be able to continue as a going concern. Financial instruments held by the corporation include cash and deposits, receivables, payables and finance lease liability.

Financial instruments

Financial assets and liabilities are recognised on the Balance Sheet when the corporation becomes a party to the contractual provisions of the financial instrument.

Due to the nature of operating activities, certain financial assets and financial liabilities arise under statutory obligations rather than a contract. Such financial assets and liabilities do not meet the definition of financial instruments as per AASB 132 Financial Instruments Presentation

These include statutory receivables arising from taxes including GST and penalties. Exposure to interest rate risk, foreign exchange risk, credit risk, price risk and liquidity risk arise in the normal course of activities.

a) Categorisation of Financial Instruments

The carrying amounts of the corporation's financial assets and liabilities by category are disclosed in the table below.

2019-20 Categorisation of Financial Instruments	Financial Assets - Amortised Cost \$'000	Financial Liabilities - Amortised Cost \$'000	Total \$'000
Cash and Deposits	3,015	-	3,015
Receivables ¹	371	-	371
Total Financial Assets	3,386	-	3,386
Payables ¹	-	2,146	2,146
Finance Lease Liabilities	-	70,287	70,287
Total Financial Liabilities	-	72,433	72,433

1. Total amounts disclosed here exclude statutory amounts

2018-19 Categorisation of Financial Instruments	Financial Assets - Amortised Cost \$'000	Financial Liabilities - Amortised Cost \$'000	Total \$'000
Cash and Deposits	1,800	-	1,800
Receivables ¹	507	-	507
Total Financial Assets	2,307	-	2,307
Payables ¹	-	2,114	2,114
Finance Lease Liabilities	-	72,942	72,942
Total Financial Liabilities	-	75,056	75,056

1. Total amounts disclosed here exclude statutory amounts

Classification of financial instruments from 1 July 2018

From 1 July 2018, the corporation classifies its financial assets in the following measurement category:

- amortised cost.
- loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those held for trading and available for sale. Loans and receivables exclude statutory receivables.

Financial Liabilities at Amortised Cost

Financial instrument liabilities measured at amortised cost include all advances received, finance lease liabilities and borrowings. Amortised cost is calculated using the effective interest method.

Impairment of Financial Assets

Financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition that indicates that it is probable that the entity will be unable to collect all amounts due. The carrying amount of a financial asset identified as impaired is reduced to its estimated recoverable amount.

b) Financial Risk Management Objectives

The board has overall responsibility for the determination of risk management objectives and policies, and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team. The corporation's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the corporation where such impacts may be material. The board receives a minimum of four reports per annum from the Chief Executive Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

a) Credit Risk Exposure of Receivables

Receivables are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. The entity applies the AASB 9 simplified approach to measuring expected credit losses. This approach recognises a loss allowance based on lifetime expected credit losses for all accounts receivable. To measure expected credit losses, receivables have been grouped based on shared risk characteristics and days past due.

In accordance with the provisions of the *Financial Management Act 1995*, receivables are written-off when there is no reasonable expectation of recovery.

The loss allowance for receivables as at the reporting date is disclosed below.

Credit risk exposure of receivables

	2020				2019			
Receivables ^(a)	GROSS RECEIVABLES \$'000	LOSS RATE %	EXPECTED CREDIT LOSSES \$'000	NET RECEIVABLES \$'000	GROSS RECEIVABLES \$'000	LOSS RATE %	EXPECTED CREDIT LOSSES \$'000	NET RECEIVABLES \$'000
Not overdue	69	0	0	69	212	0%	0	212
Overdue for less than 30 days	117	0	0	117	57	0%	0	57
Overdue for 30 to 60 days	8	0%	0	8	34	0%	0	34
Overdue for 60 to 90 days	40	3%	1	39	18	11%	2	16
Overdue for more than 90 days	247	49%	122	125	65	92%	60	5
Total Receivables	481		123	358	386		62	324

(a) Total amounts disclosed exclude statutory amounts.

Reconciliation of the allowance for doubtful debt

Receivables^(a)	2020 \$'000	2019 \$'000
Opening balance	324	434
Adjustment on adoption of AASB 9	-	-
Adjusted opening balance	324	434
Written off during the year	(29)	(1)
Recovered during the year	125	(120)
(Increase)/decrease in allowance recognised in profit or loss	(62)	11
Total Receivables	358	324

Reconciliation of the Allowance for Impairment Losses

Balance as at 1 July	(62)	(73)
(Increase)/decrease in allowance for Impairment loss	(61)	11
Balance as at 30 June	(123)	(62)

d) Liquidity Risk

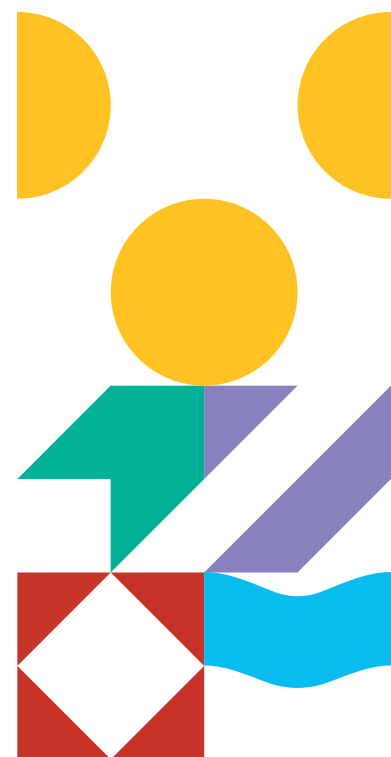
Liquidity risk is the risk that the corporation will not be able to meet its financial obligations as they fall due. The corporation manages liquidity risk by continuously monitoring forecast and actual cash flows and is funded by the Northern Territory Government as required.

The following tables detail the corporation's remaining contractual maturity for its financial assets and liabilities:



	VARIABLE INTEREST RATE			FIXED INTEREST RATE				
	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	NON INTEREST BEARING \$'000	TOTAL \$'000
2019-20								
Assets								
Cash and Deposits	3,015	-	-	-	-	-	-	3,015
Receivables	-	-	-	-	-	-	371	371
Total Financial Assets	3,015	-	-	-	-	-	371	3,386
Liabilities								
Payables	-	-	-	-	-	-	2,146	2,146
Finance Lease Liabilities	3,950	16,812	37,672	3,713	14,851	28,773	-	105,771
Less Interest Components	(2,460)	(8,702)	(8,408)	(2,123)	(7,281)	(6,644)	-	(35,618)
Total Financial Liabilities	1,490	8,110	29,264	1,590	7,570	22,129	2,146	72,298

	VARIABLE INTEREST RATE			FIXED INTEREST RATE			NON INTEREST BEARING \$'000	TOTAL \$'000
	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000		
2018-19								
Assets								
Cash and Deposits	1,800	-	-	-	-	-	-	1,800
Receivables	-	-	-	-	-	-	507	507
Total Financial Assets	1,800	-	-	-	-	-	507	2,307
Liabilities								
Payables	-	-	-	-	-	-	2,114	2,114
Finance Lease Liabilities	3,853	16,402	42,032	3,713	14,851	32,487	-	113,338
Less Interest Components	(2,549)	(9,186)	(10,384)	(2,228)	(7,783)	(8,265)	-	(40,395)
Total Financial Liabilities	1,304	7,216	31,648	1,485	7,068	24,222	2,114	75,056



e) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the corporation is exposed to is interest rate risk.

(i) Interest Rate Risk

Interest rate risk is the risk of financial loss and/or increased costs due to adverse movements in the values of financial assets and liabilities as a result of changes in interest rates.

The corporation has limited exposure to interest rate risk with the exception of cash at bank. The debt profile on Convention Centre payments was locked in at financial close of the project in May 2005 and incorporates two bond components, one fixed and one linked to the consumer price index. As such, Convention Centre payments are not exposed to interest rate risk.

Market Sensitivity Analysis

Changes in the variable rates of 100 basis points (1 per cent) at reporting date would have the following effect on the corporation's profit or loss and equity:

	Profit or Loss and Equity	
	100 Basis Points Increase \$'000	100 Basis Points Decrease \$'000
30 June 2020		
Financial Assets - Cash at Bank	30	(30)
Net Sensitivity	30	(30)
30 June 2019		
Financial Assets - Cash at Bank	18	(18)
Net Sensitivity	18	(18)

f) Net Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use takes into account the use of the asset that is physically possible, legally permissible and financially feasible.

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the corporation include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Such inputs include internal corporation adjustments to observable data to take account of particular and potentially unique characteristics/functionality of assets/liabilities and assessments of physical condition and remaining useful life.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy based on the inputs used:

Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – inputs are unobservable.

The fair value of financial instruments is determined on the following basis:

- the fair value of cash, deposits, advances, receivables and payables approximates their carrying amount, which is also their amortised cost
- the fair value of derivative financial instruments are derived using current market yields and exchange rates appropriate to the instrument
- the fair value of other monetary financial assets and liabilities is based on discounting to present value the expected future cash flows by applying current market interest rates for assets and liabilities with similar risk profiles.

Other than the finance lease liability, the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. The finance lease liability has a fair value of \$76 million and a carrying value of \$70 million.

For financial instruments measured and disclosed at fair value, the following table groups the instruments based on the level of inputs used.



	TOTAL CARRYING AMOUNT \$'000	NET FAIR VALUE LEVEL 1 \$'000	NET FAIR VALUE LEVEL 2 \$'000	NET FAIR VALUE LEVEL 3 \$'000	NET FAIR VALUE TOTAL \$'000
2020					
Financial Assets					
Cash and Deposits	3,015	3,015	-	-	3,015
Receivables	371	371	-	-	371
Total Financial Assets	3,386	3,386	-	-	3,386
Financial Liabilities					
Payables	2,146	2,146	-	-	2,146
Finance Lease Liability	70,287	-	-	75,572	75,572
Total Financial Liabilities	72,433	2,146	-	75,572	77,718
2019					
Financial Assets					
Cash and Deposits	1,800	1,800	-	-	1,800
Receivables	507	507	-	-	507
Total Financial Assets	2,307	2,307	-	-	2,307
Financial Liabilities					
Payables	2,114	2,114	-	-	2,114
Finance Lease Liability	72,942	-	-	79,166	79,166
Total Financial Liabilities	75,056	2,114	-	79,166	81,280

The fair value of the finance lease liability is estimated by discounting the remaining liability until contractual maturity date using Thomson Reuters and Westpac swap reference rates plus NT Treasury Corporation's lending margin rate.

There were no changes in valuation techniques during the period.

22. RELATED PARTIES

i) Related parties

The Darwin Waterfront Corporation is a statutory corporation and is wholly owned and controlled by the Territory Government. Related parties of the corporation include:

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly

- spouses, children and dependants who are close family members of the portfolio minister or KMP
- all public sector entities that are controlled and consolidated into the whole-of-government financial statements
- any entities controlled or jointly controlled by KMPs or the portfolio minister or controlled or jointly controlled by their close family members.

ii) Key Management Personnel (KMP)

Key management personnel of the Darwin Waterfront Corporation are those persons having authority and responsibility for planning, directing and controlling the activities of the corporation. These include the former Minister for Tourism, Sport and Culture; the Chief Executive Officer; the General Manager; and the six members of the Board of Directors of the Darwin Waterfront Corporation as listed at Note 25.

iii) Remuneration of Key Management Personnel

The details below excludes the salaries and other benefits of the former Minister for Tourism, Sport and Culture as the minister's remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer's annual financial statements.

The aggregate compensation of key management personnel of the corporation is set out below:

	2019-20 \$'000	2018-19 \$'000
Short-term benefits	533	514
Post-employment benefits	50	48
Total	583	562

Three of the seven board members were Northern Territory public servants during the 2019-20 financial year and were remunerated by their respective agencies.

iv) Related party transactions

Significant transactions with government-related entities include grant funding received from the NT Government. The corporation also transacts with other government entities; however, these are not individually significant.

The following table provides quantitative information about related party transactions entered into during the year.



	REVENUE FROM RELATED PARTIES \$'000	PAYMENTS TO RELATED PARTIES \$'000	AMOUNTS OWED BY RELATED PARTIES \$'000	AMOUNTS OWED TO RELATED PARTIES \$'000
2020				
Related Party				
<i>All NT Government departments</i>	22,545	1,136	1	60

	REVENUE FROM RELATED PARTIES \$'000	PAYMENTS TO RELATED PARTIES \$'000	AMOUNTS OWED BY RELATED PARTIES \$'000	AMOUNTS OWED TO RELATED PARTIES \$'000
2019				
Related Party				
<i>All NT Government departments</i>	21,946	1,581	7	75

Outside of normal citizen-type transactions with the Territory, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All other transactions that have occurred with KMP and their related parties have been minor or domestic in nature. In this context, transactions are only disclosed when they are considered material in influencing the financial statements.

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Contingent liabilities

Contingent liabilities of the corporation relate to the granting of a concession to Darwin Cove Convention Centre Pty Ltd. Agreements for leases or licences of property, plant or equipment generally contain standard indemnity provisions, similar to those commonly found in commercial leases, covering the lessor or licensor for any losses suffered as a result of the lease or licence agreement. The contingent liabilities resulting from the indemnities are unquantifiable.

The granting of a concession to Darwin Cove Convention Centre Pty Ltd, which has been described in Note 2(I), gives rise to contingent liabilities associated with:

- discriminatory changes in law
- environmental clean-up costs
- incentive payments to the operator if performance targets established for the centre should be exceeded
- negotiated payments to the operator in the early years of the centre's operation.

For the categories listed above, neither the probability nor the amount that the Territory may be called upon to pay at some future date can be determined reliably. As a result, these items are regarded as contingent liabilities, where the existence of an actual liability in the future will be confirmed only by the occurrence of uncertain future events that lie outside the control of the corporation.

b) Contingent assets

A contingent asset also arises as a consequence of the concession arrangement. As described in Note 2(I), a TAP is recognised as a liability in the corporation's Statement of Financial Position. However, the Territory has the right to recover up to 75 per cent of that liability if the operator should not achieve certain performance criteria. Because neither the probability of such a recovery nor the amount that might be recovered can be determined reliably, the part of the TAP that might be subject to abatement is classified as a contingent asset.

24. EVENTS SUBSEQUENT TO BALANCE DATE

No events have arisen between the end of the financial year and the date of this report that require adjustment to or disclosure in these financial statements.

25. DETAILS OF BOARD MEMBERS

Full meetings of board members

There were six meetings in the 2019–20 year, attended by:

Member	Meetings Eligible to Attend	Meetings Attended
Tracey Hayes	6	6
Alastair Shields	6	5
Andrew Kirkman	6	4
Anne Tan	6	5
Charles Burkitt	6	6
Kelvin Costello	6	5
Jacqueline Jennings	6	6

Election and Continuation in Office of Board Members

The date of appointment of members:

Member	Initial Date of Appointment
Alastair Shields	30 March 2017
Andrew Kirkman	21 April 2015
Anne Tan	30 March 2017
Charles Burkitt	1 July 2018
Kelvin Costello	1 July 2018
Jacqueline Jennings	1 July 2018

Tracey Hayes resigned from the board on 31 July 2020.

26. OTHER STATUTORY INFORMATION

a) Distributions

No dividends or distributions were made during the financial period ended 30 June 2020. No dividends or distributions are proposed.

b) Number of Employees

The corporation had 11 employees (2019: 11) during the financial period, who were fully remunerated by the Northern Territory Government.

c) Indemnifying Officers

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid by the corporation during or since the end of the financial year to any person who is or has been an officer or auditor of the corporation.

d) Segments

The corporation operates solely in Australia to manage and operate the Darwin Waterfront Precinct.



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Independent Auditor's Report
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Darwin Waterfront Corporation
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Opinion

I have audited the accompanying financial report of Darwin Waterfront Corporation, which comprises the balance sheet as at 30 June 2019, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Board.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Darwin Waterfront Corporation as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with 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 Darwin Waterfront Corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Board is responsible for the other information. The other information comprises the information included in Darwin Waterfront Corporation's financial statement overview for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Darwin Waterfront Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Darwin Waterfront Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Darwin Waterfront Corporation's financial reporting processes.



Auditor-General

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Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Darwin Waterfront Corporation's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Darwin Waterfront Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Darwin Waterfront Corporation to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

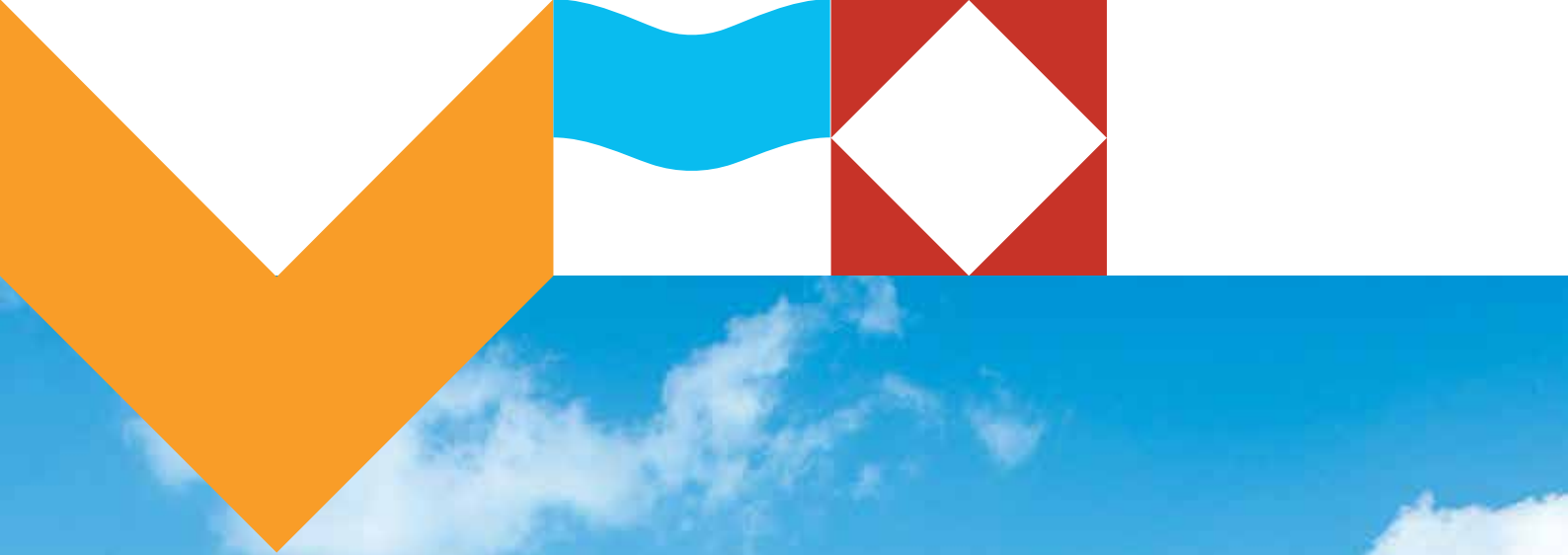
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Julie Crisp

Auditor-General for the Northern Territory

Darwin, Northern Territory

26 September 2019





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