

Annual Report

2006/2007





LETTER TO THE CHIEF MINISTER

DARWIN
WATERFRONT

14th Floor NT House
22 Mitchell Street
Darwin NT 0800

GPO Box 4396
Darwin NT 0800

Telephone: + 61 8 8999 5469
Facsimile: + 61 8 8946 9556

The Hon Clare Martin
Chief Minister and Minister for Major Projects

GPO Box 3146
Darwin NT 0801

Dear Chief Minister

I have pleasure in presenting this inaugural Annual Report of the Darwin Waterfront Corporation.

The report details the activities and operations of the corporation for the period ended 30 June 2007, in accordance with the provisions of Section 30 of the *Darwin Waterfront Corporation Act 2006*.

There is no additional information attached to the report that is required to be presented under Section 30 of the Act, as there were no directions, objections, confirmations or reasons given under Section 20 of the Act during the period to which the report relates.

Yours faithfully



Paul Tyrrell
Chairman

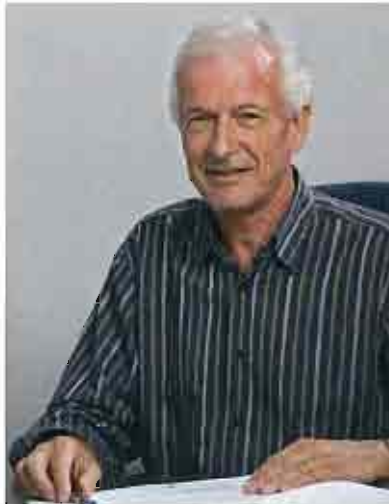
15 October 2007

TABLE OF CONTENTS



CHAIRMAN'S OVERVIEW	3
PROJECT SNAPSHOT	4
ROLE OF THE DARWIN WATERFRONT CORPORATION	8
BOARD MEMBERS	9
BOARD MEMBERS' REPORT	10
BOARD MEMBERS' DECLARATION	12
FINANCIAL STATEMENTS	13
INDEPENDENT AUDITOR'S REPORT	22

CHAIRMAN'S OVERVIEW



I am pleased to present the inaugural annual report of the Darwin Waterfront Corporation.

The corporation was established by the Northern Territory Government in late 2006 to serve as the client during construction of Stage One of the Waterfront and to manage and promote the Waterfront precinct post construction. The corporation is also responsible for delivering local government services at the precinct and will work closely with Darwin City Council in that regard.

This has been an exciting year for the corporation as we have seen the NT Government's vision – to develop Darwin into one of the world's greatest tropical cities – start to become a reality. The Darwin Waterfront is transforming a 25 hectare industrial wasteland into a vibrant business, tourism and recreation hub that makes the most of Darwin's harbour side location.

The Darwin Convention Centre is the focal point of the precinct and it was the demand for a convention centre in

Darwin that provided the impetus for this development. Previous attempts to establish a convention centre in Darwin had not been viable, however a financing model which combines a public private partnership with more traditional procurement approaches has enabled the NT Government to invest in the project, whilst leveraging a private sector contribution equivalent to around 86 per cent of the total project cost.

Financial close was achieved on 9 May 2005 and since then significant progress has been made at the site. Construction of Stage One of the development is well under way with the convention centre and community infrastructure elements on schedule for completion in 2008 and the residential and hospitality elements due for completion in early 2009.

The construction phase of the project is already delivering real economic benefits to the Territory. So far, contracts valued at more than \$135 million have been awarded to local companies and around 1200 jobs have been created. In the longer term, the project is expected to generate a total increase in GSP of \$350 million over the next 25 years.

Although there are a number of months to go before the convention centre is complete, there are already 16 conventions confirmed from 2008 through to 2011 with many more under negotiation. This adds to the certainty that Darwin is emerging as a major convention destination in both the national and international convention markets.

The Darwin Waterfront Corporation is pleased to be part of this exciting

development. The corporation is working closely with the Department of Planning and Infrastructure, which is managing delivery of the project to the end of Stage One and the administration of project delivery deeds with the developers.

The corporation is also progressing a number of activities including a review of the site boundary, the development of by-laws, marketing activities, contracting of local government services and agreement with the Convention Centre operator as to appropriate key performance indicators for the Centre.

During the life of the project so far there have been enormous contributions by both the public service and the private sector to realise the Government's vision. I congratulate our private sector partners: ABN Amro, Sitzler Pty Ltd, Sitzler Laing O'Rourke joint venture, the Toga Group, Macmahon and Ogden IFC.

For their continued dedication to this project over this past year, I would like to thank the corporation's chief executive officer, Pat Coleman and staff, communications and marketing manager, Christine O'Leary, project administrator with the Department of Planning and Infrastructure, Brendan Lawson and my fellow board members.

I look forward to the formal opening of the Darwin Convention Centre in mid 2008.

PAUL TYRRELL
Chairman

PROJECT SNAPSHOT



The NT Government commissioned a report in 2003 which found that the convention and exhibition industry is a growing sector and there was sufficient demand to justify a convention centre in Darwin. The report recommended an integrated facility which would provide community access and draw conventions currently beyond the capabilities of Darwin. Government support was warranted by the strong economic boost a convention centre would provide.

The waterfront area was selected as the best location for the convention centre as it met a number of key criteria: it is part of the CBD and will support trade in the mall and nearby businesses; it has sufficient space including scope for future expansion; the site is marketable for its waterfront aspect in Australia and

overseas for conventions; it opens the foreshore to the public; it has visitor and local amenities and the land is owned by the NT Government thereby capturing the benefits for Territorians.

Extensive community consultation was undertaken in 2004 with the outcomes provided to the short-listed bidders to inform the resulting masterplan for the precinct.

After a stringent selection process, Government entered into partnership with the Darwin Cove Consortium – a consortium lead by ABN Amro which combines world-class expertise with strong local knowledge and experience. The winning consortium demonstrated significant innovation in its proposal as it: involved a good mix of private and public components; had the convention centre as the focal point

of the precinct – located centrally and over the water; offered extensive public access to the foreshore with year-round swimming; met the significant demand for quality waterside living and, importantly, the private components, would provide a return to Government to fund the public components.

The convention centre and community infrastructure elements have been contracted as a public private partnership (PPP) between the NT Government and the Darwin Cove Convention Centre Pty Ltd. This PPP follows on the heels of another similarly sized successful NT Government PPP, the AustralAsia Railway Project.

The residential and hospitality elements will be delivered in a unique arrangement whereby the developer – the Toga Group – will develop the land

Timeline

Key construction milestones include:

September 2003	May 2005	late 2005	early 2006	mid 2006
Government commits to project	Financial close and contracts signed	Start of dredging and earthworks	Start of convention centre and sea wall construction	Start of soil remediation and wave lagoon excavation. Contracts to locals reaches \$40 million
				

and the NT Government will receive returns on the sale of the built property. As Government's returns are locked in to final sale prices, as the value of the land and building increases, so does the returns to Government – thereby reducing the net cost to Government of the overall development.

STAGE ONE DARWIN CONVENTION CENTRE

The purpose designed Darwin Convention Centre features:

- Plenary Hall seating for 1500 people tiered theatre-style with the ability to divide into two equal spaces;
- Exhibition Hall area of 4020m² with capacity for up to 225 exhibition booths and the ability to divide into three spaces;

- Function rooms that can cater for up to 630 people theatre-style or 420 people banquet-style with the ability to divide into three spaces;
- Flexible meeting rooms that can cater for 70 to 170 people theatre style and can be divided into two or four spaces;
- State of the art, cutting edge technology.

The convention centre is being developed under a build-own-operate-transfer back arrangement with the design, construction and operation of the convention centre the responsibility of the consortium developers for 25 years and the NT Government making payments once the building is 'fit for purpose' and fully operational. At the end of the 25 year period, it will revert to Territory ownership. The convention centre will be maintained by Honeywell and operated by Ogden IFC.

Construction progress:

The convention centre is on schedule for completion in mid 2008. Dredging, earthworks, concrete slabs, structural steel and roof trusses are complete and the internal fitout is proceeding.

COMMUNITY INFRASTRUCTURE

Community infrastructure encompasses:

- A 656m long sea wall, equivalent to three storeys high, which will create a 4 hectare impounded water body;
- Shady parklands and foreshores and 2km of promenades;
- A beach and 4000m² wave lagoon
- 1061 car parks including a multi-storey car park for 500 cars;
- A cruise ship terminal on the hard-stand area adjacent to Fort Hill Wharf;

late 2006

90% of Stage One apartments sold, start of convention centre steelwork. Contracts to locals reaches \$70 million



mid 2007

Start of public art commissioning, start of construction of hotels, apartments and wave lagoon



mid 2008

Convention centre and public infrastructure open to the public

2008-09

Stage One complete including hotels and apartments

2008-2020

Stages Two and Three

PROJECT SNAPSHOT



- A sheltered pedestrian link to the city connecting with a bridge over the escarpment and a glass-sided lift;
- Public art and heritage interpretation.

The community infrastructure elements are being funded by the NT Government, except for public art and heritage interpretation which is being jointly funded by the NT Government and the Toga Group.

Construction progress:

Sea wall – Dredging, earthworks and placement of armour rock is complete. The sea wall is scheduled for completion in late 2007, except for the lock which will be delivered by the private sector developer in Stage Two.

Capital works – Decontamination is underway and will continue throughout the development. Road works and power, water and stormwater services are near completion.

Wave lagoon – Excavation and piling for the wave lagoon is complete and the concrete pour has commenced, with the fitting of wave generation and filtration equipment to follow. The wave lagoon is on schedule for completion in mid 2008.

Cruise ship terminal – Reclamation works for the cruise ship terminal are complete and construction will commence in the near future. The cruise ship terminal is on schedule for completion in mid 2008.

RESIDENTIAL AND HOSPITALITY

The residential and hospitality development for Stage One involves:

- 138 residential apartments;
- A signature restaurant;
- A 121-room Medina apartment hotel;
- A 120-room Vibe hotel;
- Commercial and retail spaces and associated infrastructure including a marina and lock.

The residential and hospitality elements will be delivered by the private sector developer, the Toga Group.

Construction progress:

Hotels – Piling is complete and concrete pours have commenced. The hotels are on schedule for completion in early 2009.

Residential/mixed use buildings – Basement excavation works are complete and piling has commenced. The residential/mixed use buildings are on schedule for completion in early 2009.

STAGE TWO

Stage Two will be a staged development, to be built progressively over time, and is the responsibility of the Stage Two project developer, the Toga Group.

Stage Two encompasses:

- 1302 residential apartments;
- Commercial and retail spaces;
- Community infrastructure including roads and services, pedestrian promenades and public parks.

It is expected full site development will occur over 15 years. The final sunset date for completion of the development is 2020.

ENVIRONMENTAL MANAGEMENT

The Waterfront site was previously used to store bitumen and stockpile minerals, requiring an exceptional level of environmental assessment and monitoring to be carried out which will continue throughout the duration of the project.

An Environmental Impact Study (EIS) was prepared by URS in 2004 as well as further studies to investigate air, noise and marine sediment quality and soil, groundwater and marine contamination. An Independent Contaminated Land Auditor has been appointed for the duration of the project and a Remediation Action Plan prepared.

Decontamination will involve rehabilitating soil at the site using environmentally-friendly and cost effective bio-remediation methods.

The Waterfront precinct is being built on an area that is reclaimed land, with further reclamation required to build the foundations for the convention centre, the residential/mixed use buildings and the cruise ship terminal. As marine mud has been dredged from the reclamation areas, an Ecological Risk Assessment has also been carried out and magnometer investigations undertaken to determine the occurrence of metalliferous objects as the site was bombed heavily during World War II.



The Darwin Convention Centre is on schedule for completion in mid 2008. Dredging, earthworks, concrete slabs, structural steel and roof trusses are complete and the internal fitout is proceeding

ROLE OF THE DARWIN WATERFRONT CORPORATION



To develop, manage and service the Waterfront precinct for the benefit of the community and on behalf of government, and to promote the precinct as a place of residence and business and a venue for public events and entertainment

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

The corporation was established in 2006 by the NT Government to develop, manage and service the Waterfront precinct for the benefit of the community and on behalf of government, and to promote the precinct as a place of residence and business and a venue for public events and entertainment.

The corporation has commenced preparations to perform functions bestowed upon it including the development of land and management of property that is owned or controlled by the corporation including the maintenance of the quality of any water body or recreational facility at the precinct.

The corporation will be responsible for the development and maintenance of municipal services and other civic amenities and the preservation of good order in the precinct, and is undertaking the client role on behalf of the NT Government during construction of Stage One.

Municipal services and amenities to be provided by the corporation include sanitation, garbage collection and street cleaning; roads, footpaths, parking and traffic control; public places including parks and public toilets; storm drainage; street lighting and any other matters specified by regulation.

The corporation will impose rates on land in the precinct for the funding of municipal services, may impose a levy for the funding of promotional activities and may charge fees for services provided by or for the corporation.

The corporation may make by-laws for matters relating to promotional activities; use of land and water within the precinct; care and maintenance of the precinct; and preservation of good order and regulation of conduct in the precinct and may prescribe a fine for an offence against the by-laws.

Under the Act, the Minister is entitled to give directions to the corporation for the exercise of any of its powers or the performance of any of its functions.

BOARD MEMBERS



CHAIRMAN

Mr Paul Tyrrell
Appointed Chairman
3 December 2006

BEc, DipCE, FIEAust,
DPEng, FCILT

Paul Tyrrell is Chief Executive of the Northern Territory Department of the Chief Minister.

He is also Chair of the AustralAsia Railway Corporation; Chair of the NT Government Major Projects Group; and Chair of the Chief Executives Coordination Group.

Senior past appointments have included Chief Executive of the AustralAsia Railway Corporation; Secretary, NT Department of Lands and Housing; Secretary, NT Department of Transport and Works; and Chief Executive Officer of the Darwin Port Corporation.



CHIEF EXECUTIVE OFFICER

Mr Patrick Coleman
Appointed CEO
11 December 2006

BAppSc (Building),
MAIPM, AIB

Pat Coleman is the Chief Executive Officer of the Darwin Waterfront Corporation.

He was Project Director with the Northern Territory Government on the Darwin Waterfront until financial close and since then has continued as an advisor on the project.

Mr Coleman has lived in the Northern Territory for more than 40 years. He has an extensive background in private sector commercial and retail developments including the Alice Springs and Adelaide Convention Centres.



MEMBER

Ms Sarah Butterworth
Appointed 3 December
2006

GradDipPSEM, MAICD

Sarah Butterworth has been Chief Executive Officer of the Department of Planning Infrastructure, formerly the Department of Infrastructure, Planning and Environment, since 2004.

She has worked in the public sector in the Northern Territory for 35 years and her prior roles include Chief Executive Officer of the Department of Corporate and Information Services and the Work Health Authority and Deputy Secretary of the Department of Asian Relations, Trade and Industry; the then Power and Water Authority; and the Department of the Chief Minister.



MEMBER

Ms Jennifer Prince
Appointed 3 December
2006

DipRad

Jennifer Prince has been Under Treasurer since 2002 following five years as Deputy Under Treasurer.

As well as being the Chief Executive of Treasury, Jennifer is chair of the Treasury Corporation Board and a member of the Charles Darwin University Council and Legislative Assembly Members' Superannuation Trust. She also has responsibilities in a range of high level interagency committees including the Capital Works Sub-committee.

Jennifer joined the Northern Territory public service in 1979, originally in the Department of Health, before transferring to Treasury in 1985.



MEMBER

Ms Maree Tetlow
Appointed 3 December
2006

BBus(Hons), FAICD

Maree Tetlow was appointed Chief Executive of Tourism NT (formerly Northern Territory Tourist Commission) in March 2002. Prior to this, Maree worked with a variety of destination marketing agencies spanning more than 20 years.

Since arriving in the Northern Territory Maree has successfully steered the organisation through some very difficult years following the collapse of Ansett Airlines, the September 11 terrorist attacks and SARS. One of her first major tasks was the development of a five year strategic plan to guide the tourism industry's future direction.

BOARD MEMBERS' REPORT



The Board members present their report on the accounts for the period ended 30 June 2007.

Members

The following persons held office as members of the Darwin Waterfront Corporation ("the corporation") for the 2006-07 financial period:

Paul Tyrrell
(Appointed Chairman
3 December 2006)

Pat Coleman
(Appointed Chief Executive Officer
11 December 2006)

Sarah Butterworth
(Appointed 3 December 2006)

Jennifer Prince
(Appointed 3 December 2006)

Maree Tetlow
(Appointed 3 December 2006)

Further details on members are provided at Note 3 to the financial statements and profiles of members at page 9.

Principal Activities

The Darwin Waterfront Corporation is a statutory authority established to develop, manage and service the Waterfront precinct for the benefit of the community and on behalf of Government.

The corporation will promote 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 period ending 30 June 2007.

Review of Operations and Significant Changes during the Financial Period

The Darwin Waterfront Corporation was established on 19 September 2006 and has commenced preparations for the performance of functions bestowed upon it under the *Darwin Waterfront Corporation Act 2006*, including:

- development of land in the precinct that is owned or controlled by the corporation;
- management of property (including land and marine infrastructure) in the precinct that is owned or controlled by the corporation;
- promoting the precinct as a place of residence and business and a venue for public events and entertainment;
- undertaking the client role on behalf of the Northern Territory Government for construction currently being carried out in the precinct;
- preservation of good order in the precinct;
- provision of municipal services in the precinct;

- development and maintenance of other civic amenities and facilities in the precinct;
- advising the Minister about the precinct; and
- development and management of land not currently forming part of the precinct as directed by the Minister and in accordance with the regulations.

Matters Subsequent to the End of the Financial Period

At the date of this report there is no matter or circumstance which has arisen since 30 June 2007 that has significantly affected or may significantly affect:

- a. the operations, in financial periods subsequent to 30 June 2007, of the corporation, or
- b. the results of those operations, or
- c. the state of affairs, in financial periods subsequent to 30 June 2007, of the corporation.

Likely Developments and Expected Results of Operations

The corporation expects to receive operational grants and payments towards operational expenditure during the 2007-08 financial year, and perform any other services necessary to perform responsibilities required under the *Darwin Waterfront Corporation Act 2006*.

Auditor

The Auditor-General is 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.



PAUL TYRRELL
Chairman

5 October 2007



PATRICK COLEMAN
Chief Executive Officer

5 October 2007

BOARD MEMBERS' DECLARATION

THE BOARD MEMBERS DECLARE THAT:

1. the financial statements and notes:

- a) are in accordance with the *Corporations Act 2001* and comply with Accounting Standards and Corporations Regulations 2001 and;
- b) give a true and fair view of the corporation's financial position as at 30 June 2007 and of its performance for the period ended on that date;

2. in the opinion of the Board members, there are reasonable grounds to believe that the corporation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board members.



PAUL TYRRELL
Chairman

5 October 2007



PATRICK COLEMAN
Chief Executive Officer

5 October 2007

BALANCE SHEET as at 30 June 2007

	Note	2007 (\$)
Current Assets		0
Non Current Assets		0
Total Assets		0
Current Liabilities		0
Non Current Liabilities		0
Total Liabilities		0
NET ASSETS		0
EQUITY		0
Accumulated funds		0
Contingent Assets and Liabilities	6	
Commitments	7	

The Balance Sheet should be read in conjunction with notes 1 to 8 forming part of the financial statements.

FINANCIAL STATEMENTS

INCOME STATEMENT

For financial period ended 30 June 2007

	Note	2007 (\$)
Revenue		
Income		0
TOTAL REVENUE		0
Operating Expense		
Expense		0
TOTAL EXPENSE		0
SURPLUS/(DEFICIT) BEFORE AND AFTER TAX		0

The Income Statement should be read in conjunction with notes 1 to 8 forming part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for financial period ended 30 June 2007

	Note	Accumulated Funds (\$)	Total (\$)
Surplus/(Deficit) for the year		0	0
Balance at 30 June 2007		0	0

The Statement of Changes in Equity should be read in conjunction with notes 1 to 8 forming part of the financial statements.

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

for financial period ended 30 June 2007

	Note	2007 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		0
Payments		0
Net Cash Provided By/(Used In) Operating Activities		0
NET INCREASE (DECREASE) IN CASH HELD		0
Cash and Cash Equivalents at Beginning of Reporting Period		0
CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD		0

The Statement of Cash Flows should be read in conjunction with notes 1 to 8 forming part of the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

30 June 2007

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared on an accruals basis and is based on historical cost. The report has been prepared in accordance with the requirements of the *Darwin Waterfront Corporation Act 2006*, Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board.

The *Darwin Waterfront Corporation Act 2006* requires that accounting and reporting obligations imposed and standards required by the *Corporations Act 2001* apply to the Darwin Waterfront Corporation as if the corporation were a public company incorporated under the *Corporations Act 2001*, and the Territory were the shareholders of the company.

The following is a summary of the material accounting policies adopted by the corporation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

No Transactions for the Period or Assets/Liabilities Held at Balance Date

The corporation utilised resources and services of the Department of the Chief Minister and other Northern Territory Government agencies for its operations from commencement on 19 September 2006 to 30 June 2007. All resources and services were provided free of charge and accordingly no transactions were recorded in the accounts of the corporation for the period. Note 2 details those expenses funded by the Department of the Chief Minister and the Auditor-General's office during this period.

No assets or liabilities were transferred to or acquired by the corporation during this period and accordingly no assets or liabilities were held by the corporation as at balance date.

Basis of Preparation

Adoption of Australian Equivalents to International Financial Reporting Standards

The corporation has prepared its financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS).

Due to the application of Australian specific provisions contained only within the AIFRS, this financial report is not necessarily compliant with the International Financial Reporting Standards.

a) Going Concern Assumption:

The ongoing operations of the corporation are reliant on the continued funding by the Northern Territory Government.

b) Cash and Cash Equivalents:

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand and cash held in the Darwin Waterfront Corporation Operating Account.

NOTES TO THE FINANCIAL STATEMENTS

c) Darwin Waterfront Infrastructure, Other Property, Plant and Equipment and Depreciation:

- Darwin Waterfront infrastructure is recorded at the cost of acquisition, being the purchase consideration determined at the date of acquisition plus costs incidental to the acquisition.
- Plant and equipment acquired are recorded at the cost of acquisition, being the purchase consideration determined at the date of acquisition plus costs incidental to the acquisition.
- Depreciation/amortisation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life.

d) Borrowings:

Loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis. No interest was payable on the loans for either financial period.

e) Goods and Service Tax:

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

f) Leased Assets:

Operating lease payments, where substantially all risks and benefits incidental to the ownership of the asset remain with the lessor, are recognised as expenses in the periods in which they are incurred.

g) Receivables:

Receivables are recorded at amounts due less any provision for doubtful debts.

h) Revenue Recognition:

Grant income and interest income is recognised as they accrue. All revenue is stated net of the amount of goods and services tax (GST).

i) Creditors:

Liabilities are recognised for amounts to be paid in the future for goods or services received prior to Balance Date, whether or not billed to the Corporation. Trade creditors are normally settled within 30 days.

j) Financial Assets and Liabilities:

Financial assets and liabilities are measured at cost and recognised when it is probable that the economic benefits embodied in the asset or the future sacrifice of economic benefits required of the liability will eventuate.

k) Employee/Member Benefits:

The Northern Territory Government has funded all corporation employee annual leave, leave bonuses, Superannuation Guarantee Levy, long service leave and other employee benefits.

l) Taxation:

The Darwin Waterfront Corporation is exempt from income tax.

m) Change in Accounting Policies:

There have been no changes in accounting policies in the current financial period.

n) Rounding of Amounts to Nearest Dollars:

Amounts are presented in Australian dollars and have been rounded off in the members' report and financial statements to the nearest dollars, unless otherwise indicated.

NOTE 2 SERVICES RECEIVED FREE OF CHARGE

During the 2006-07 financial period, the corporation received advisory services from officers of the Northern Territory Government at no charge. Operations of the corporation have been fully funded by the Department of the Chief Minister. Net expenses incurred during 2006-07 include:

Expense	2007 (\$)
Employee Expenses	184,816
Net Operating Expenses	334,434
Total Net Expenses Provided Free of Charge	519,250

Auditors' Remuneration

Auditing services for the period have been provided free of charge by the Northern Territory Auditor-General's Office.

NOTE 3 DETAILS OF BOARD MEMBERS

Members Remuneration	2007 Members
The number of members of the corporation whose income from the corporation falls within the following bands:	
\$0 - \$9,999	0
Total income paid or payable, or otherwise made available to all Members of the Corporation from the Corporation, including superannuation guarantee levy.	0

All current Board Members are Northern Territory public servants and remunerated by their respective Agencies.

NOTES TO THE FINANCIAL STATEMENTS

Key Management Personnel Remuneration

2007 (\$)

Total Key Management Personnel Remuneration

0

Key management personnel were remunerated by the Northern Territory Government during the financial period.

Full Meetings of Board Members

There were four meetings for the 2006-07 financial period.

Numbers of meetings attended by:

Member	Number of Meetings Eligible to Attend	Number of Meetings Attended
Paul Tyrrell	4	4
Pat Coleman	3	3
Sarah Butterworth	4	4
Jennifer Prince	4	2
Maree Tetlow	4	3

Election and Continuation in Office of Board Members

The date of appointment of members:

Member	Initial date of appointment
Paul Tyrrell	3 December 2006
Pat Coleman	11 December 2006
Sarah Butterworth	3 December 2006
Jennifer Prince	3 December 2006
Maree Tetlow	3 December 2006

NOTE 4 FINANCIAL INSTRUMENTS

Interest Rate Risk

The corporation does not have an exposure to interest rate risk for financial assets and financial liabilities.

Net Fair Value of Financial Assets and Liabilities

Monetary financial assets and financial liabilities are recorded at their nominal value. The carrying amount of cash operating account, accounts receivable and accounts payable approximate net fair value.

NOTE 5 CONTINGENT LIABILITIES

The corporation has indemnified the Darwin Port Corporation against any loss incurred in respect of its lease over Shop 7, Stokes Hill Wharf, Darwin Wharf Precinct, Lot 7249, Town of Darwin, owned and managed by the Darwin Port Corporation. Other than this indemnity, the corporation had no guarantees, indemnities or other known contingent liabilities at 30 June 2007.

The contingent liabilities arising from the above indemnity are unquantifiable, but are expected to be immaterial.

NOTE 6 COMMITMENTS

The corporation has no commitments at 30 June 2007.

NOTE 7 SEGMENTS

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

NOTE 8 OTHER STATUTORY INFORMATION

Distributions

No dividends or distributions were made during the financial period ended 30 June 2007. No dividends or distributions are proposed.

Domicile of Corporation

Darwin, NT, Australia

Number of Employees

The corporation had two employees during the financial period fully remunerated by the Northern Territory Government.

Corporation Details

Principal Place of Business

14th Floor, NT House, 22 Mitchell Street DARWIN NT 0800

Postal Address

GPO Box 4396 DARWIN NT 0801



AUDITOR-GENERAL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS DARWIN WATERFRONT CORPORATION PERIOD ENDED 30 JUNE 2007

Page 1 of 2

I have audited the accompanying financial report of the Darwin Waterfront Corporation (the Corporation), which comprises the income statement, balance sheet, statement of changes in equity and cash flow statement and accompanying notes to the financial statements for the period ended 30 June 2007.

The Responsibility of the Board Members for the Financial Report

The Members of the Board of the Corporation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Darwin Waterfront Corporation Act*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting my audit I have met the independence requirements of the *Audit Act* and of Australian professional accounting bodies.



AUDITOR-GENERAL

Page 2 of 2

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Darwin Waterfront Corporation as of 30 June 2007, and of its financial performance, its cash flows and its changes in equity for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), and the *Darwin Waterfront Corporation Act*.

E McGuinness
Auditor-General for the Northern Territory
Darwin, Northern Territory

15 October 2007

14th Floor, NT House
22 Mitchell Street

GPO Box 4396
DARWIN NT 0801

Telephone +61 8 8999 5469
Email waterfront.dpi@nt.gov.au
Web www.waterfront.nt.gov.au

ISSN 1835-3371 (CIBOM)