



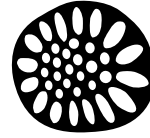
DARWINWATERFRONT  
CORPORATION

# Annual Report 2009-10





# Letter to the Chief Minister



**DARWINWATERFRONT**  
CORPORATION

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Hospitality  
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Darwin Waterfront Precinct, 0800

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The Hon Paul Henderson MLA  
Chief Minister  
GPO Box 3146  
Darwin NT 0801

Dear Chief Minister

I have pleasure in presenting the 2009-10 Annual Report of the Darwin Waterfront Corporation.

The report details the activities and operations of the Corporation for the year ending 30 June 2010, in accordance with the provisions of section 30 of the *Darwin Waterfront Corporation Act*.

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.

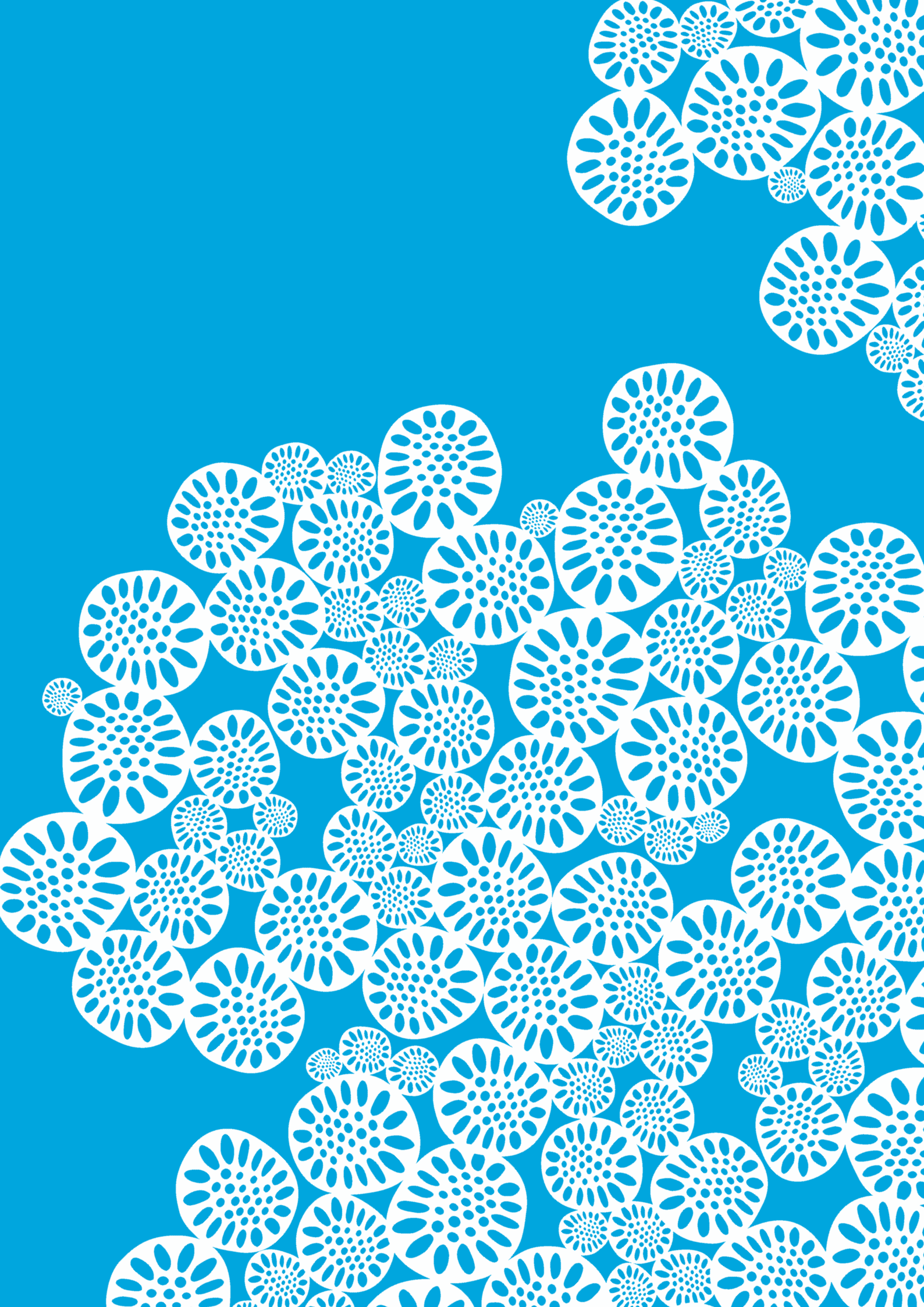
Yours faithfully

**PAUL TYRRELL, AO**

**Chairman**

11 November 2010







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## Chairman's Overview

I am pleased to present the Darwin Waterfront Corporation Annual Report 2009-10.

A number of milestones have been reached throughout the reporting period. We have seen the Smith Street East Walkway completed, linking the Darwin Waterfront to the heart of Darwin City. The walkway, known as the Skyway, not only provides a defined passage for pedestrians but also celebrates many stories that have given Darwin its unique sense of place.

A number of food retailers including The Coffee Club, Ocean Fresh Seafood and Trampoline Gelato have added a delicious layer. Il Lido, the Waterfront's signature restaurant, is being fitted out and once opened will position the area as a premier dining location. Other traders expected to open in the coming months include Fiddlers Green and Shine Gifts and Jewellery.

More than 175 000 people have used the Wave Lagoon since it opened on 2 May 2009. Public feedback during the initial months of operation resulted in more bins being placed around the parklands and additional shade structures installed on the Wave Lagoon beach area.

Darwin's people have taken full advantage of the many free community events. Movies Under the Stars has been staged, as well as events associated with the Darwin Festival and the crowd-pleasing New Year's Eve fireworks display.

The Darwin Convention Centre continues to draw international, national and local tourists to the Darwin Waterfront with 53 000 people walking through its doors in 12 months.

The iconic building is a centrepiece for the Darwin Waterfront and has hosted 29 conferences and 154 events in that time.

The Darwin Waterfront Corporation signed a shared services agreement with the Darwin City Council and continues to work closely with Council to deliver municipal services. It is expected that by 1 July 2010 the Waterfront will be excised from the municipality of Darwin and have its own by-laws in place.

Toga is undertaking its masterplanned development for Stage 2 and is progressing the development of Wharf Two through a residential apartment sales campaign and a commercial office building leasing campaign.

For their continued dedication I would like to thank Darwin Waterfront Corporation staff and my fellow board members.

**PAUL TYRRELL, AO**  
Chairman

# The Corporation

On behalf of the Northern Territory Government the Darwin Waterfront Corporation is the statutory authority responsible for developing, managing and servicing the Darwin Waterfront Precinct for the benefit of the community and promoting the Precinct as a place to live and work and a venue for public events and entertainment under the *Darwin Waterfront Corporation Act*.

On behalf of the NT Government the Corporation is managing the transformation of 25 hectares of industrial wasteland into a vibrant destination. The Corporation is responsible for the developing and maintaining civic amenities, preserving good order in the Precinct and providing municipal services.

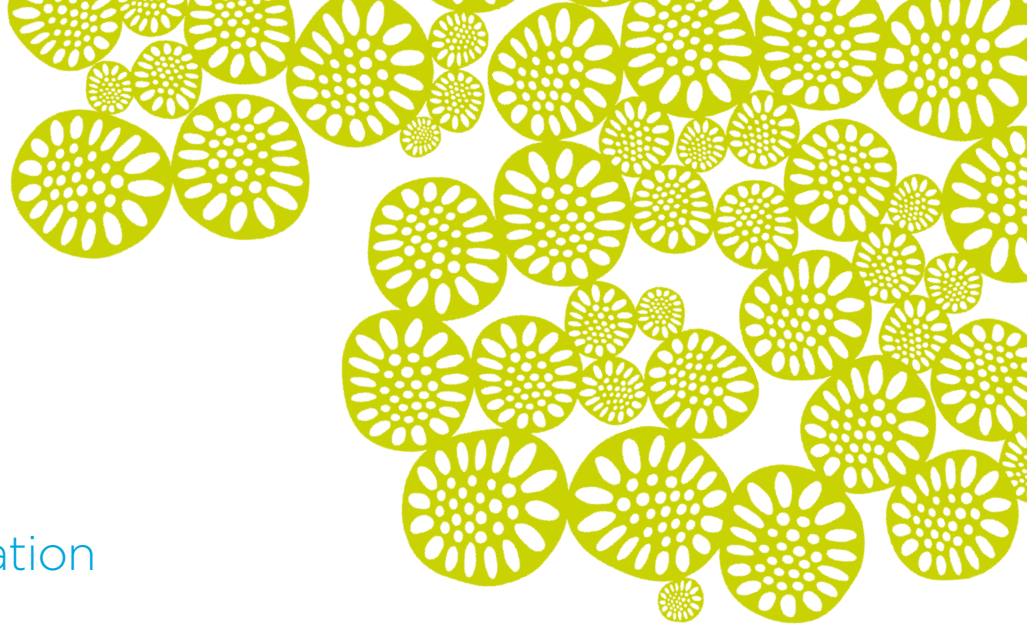
The Corporation also undertakes responsibilities on behalf of the NT Government for obligations and entitlements in respect of the Darwin Convention Centre.



## Our mission

- To create a welcoming and inspirational place for residents and visitors.
- To harness our tropical environment and balance urban development with nature.
- To facilitate the growth of jobs and economic activity in the Precinct and beyond.
- For the Waterfront to become a destination where fond memories are created.





## Freedom of Information

The Corporation is subject to the *Information Act* and received no requests for access to information in the reporting period.

The Corporation continues to work towards full compliance with Part 9 of the *Information Act*.











## Project snapshot

### STAGE 1

Territorians and visitors alike have taken the first stage of the \$1.1 billion Darwin Waterfront Development into their hearts, making good use of its wide range of facilities and the many community events which are hosted there.

The Northern Territory Government's investment has delivered the Darwin Convention Centre, the Wave Lagoon, and other community infrastructure elements such as the sea wall, parklands and Recreation Lagoon.

The Darwin Convention Centre officially opened on 18 June 2008. The Wave Lagoon, Recreation Lagoon, beach area, sea-side promenades, boardwalks, parklands, more car parking spaces – including a six level multi-storey car park – and other community infrastructure including the sky bridge connecting Darwin City to the Waterfront opened to the public on 2 May 2009.

In March 2010 the first piece of public art to be completed as part of the Smith Street connection was unveiled. The cast bronze owl standing at 1.7 metres tall was created by Koolpinyah Barnes and has cultural connections with the registered sacred site on Stokes Hill.

### STAGE 2

Stage 2 of the Darwin Waterfront project will be a staged development which is set to continue unfolding until 2020. It will feature about 1300 residential apartments in addition to a mix of commercial and retail spaces, together with a marina and lock. Stage 2 will also deliver a further \$63 million in community infrastructure to allow for roads and services, a pedestrian promenade around the residential wharves and public areas such as Goyder Park at Fort Hill.

One per cent of the development budget is for Stage 2 – about \$7 million, will be devoted to public art. This in addition to the \$2 million already spent on public art during Stage 1. Pat Coleman, CEO of the Darwin Waterfront Corporation, says this unprecedented spend puts the Darwin Waterfront at the forefront of artistic endeavour. He explains that the Stage 1 artwork has been sprinkled amongst the Buildings, amenities and public space.

## Our places

### WAVE LAGOON

In the year since it opened more than 175 000 people have used the Wave Lagoon at the Darwin Waterfront Precinct.

The most popular day is Sunday when Territorians, interstate visitors and international tourists flock to cool off in Darwin's tropical weather.

The Wave Lagoon is open 10 am – 6 pm seven days a week, including public holidays. It is closed all day on Good Friday and open 2 pm – 6 pm on Christmas Day.

Sessions include a full day (10am – 6pm), morning (10 am – 2 pm) and afternoon (2 pm – 6 pm).

Since officially opening on 2 May 2009, the hottest ticket sale is the half day adult pass and the busiest period is the June-July school holidays.

#### Wave Lagoon Entry Fees

Admission:	Half Day	Full Day
15 years and over	\$5.00	\$8.00
Under 15 years	\$3.50	\$5.00
Under 2 years	Free	Free
Family (max 2 adults)	\$12.00	\$16.00
Concession (card holders only)	\$3.00	\$5.00



"We saw the Darwin Waterfront on the map and thought we would come and have a look.

"It is really lovely here, we've been sunbathing and went for a swim in the beach lagoon.

"It is nice because it is free, we are backpacking around Australia so we appreciate anything that doesn't cost money."

*John Fitzpatrick , 19, of Scotland and Lydia Kerridge, 20, of England*



### Yellow and red brigade on duty

Every day the watchful eyes of specially trained life guards can be seen under their bright red and yellow hats as they survey the Wave and Recreation Lagoons at the Darwin Waterfront Precinct.

Surf Life Saving Northern Territory is contracted to provide life saving services seven days a week at the Wave and Recreation Lagoons.

In conjunction with Australian Lifeguard Network, Surf Life Saving NT (SLSNT) has developed a service adapted to the unique facilities at the waterfront.

SLSNT chief executive officer Tony Snelling says lifeguards were recruited from existing local members, and the unique service has attracted national and international attention.

There are 15 lifeguards working at the Darwin Waterfront Precinct with three to four on duty each day.

In order to work as a lifeguard at the Wave Lagoon, surf life savers must be able to complete the "lifeguard mission" – complete a 400m swim, an 800m run, paddle a rescue board 400m and run another 800m in under 23 minutes.

Mr Snelling says the "life guard mission" is designed to replicate the physical effort required to rescue an unconscious person from a depth of water.

Lifeguards are on duty at the Darwin Waterfront Precinct from 9 am to 6 pm at the Recreation Lagoon and 10 am to 6 pm at the Wave Lagoon.



## From little nipper to lifeguard supervisor

Amy Rudolph is proud to wear the red and yellow uniform of a Surf Life Saving NT lifeguard at the Darwin Waterfront Precinct.

The 25-year-old is the SLSNT lifeguard supervisor at the Darwin Waterfront's Wave and Recreation Lagoons.

Amy Rudolph began her training as a lifeguard at the age of eight when she joined the Gove Peninsula Surf Life Saving Club's little nippers program.

Amy oversees three to four lifeguards on duty each day, coordinates the rosters and rotations to make sure each lifeguard remains alert and schedules regular skills training for all the lifeguard staff.

"I really love the environment, it is a pretty place and I enjoy the work," Amy says.

The lifeguard supervisor is also responsible for ensuring the safety of people using the water and Recreation Lagoons when unpredictable and sometimes violent tropical storms hit.

"We have a procedure in place where, if there is a lightning strike and thunder occurs within 30 seconds, everyone has to get out and away from the water until the storm has passed" Amy says.

## Our places

### RECREATION LAGOON

The Recreation Lagoon has become a popular destination for regular swimmers with locals and tourists enjoying the only safe swimming beach in the Top End.

Bordered by sea-side promenades, shops and cafes, the safe swimming beach is the perfect place to swim, catch a wave, enjoy a picnic and catch up with family and friends.

Fresh sea water is pumped into the lagoon and life guards patrol between 9 am – 6 pm, seven days a week.

### CULTURAL PRECINCT

The Darwin Waterfront area has a significant and varied history echoing the many different cultures who have helped to shape it. This heritage has been incorporated into many of the public infrastructure components.

The area was:

- home to the Larrakia people, who for centuries traded with the Macassans
- the site of early Malay/Chinese settlements
- the site of the original landing of European settlers who waded ashore and camped in the gully by Fort Hill.

The area has a historical significance as the site of the first bomb to land in Australia during World War II. It was also the site of the first public gardens, the terminus of the railway from Frances Creek to the jetty with a station near Stokes Hill, and the start of the Travellers' Walk from the early camp to the escarpment.

## Miracle swimmer

Twelve months ago Barbara O'Connor learnt to swim in the Recreation Lagoon at the Darwin Waterfront.

Not an amazing feat in itself, but for the 71-year-old it was a massive achievement after suffering several strokes that left her right arm severely damaged.

Barbara, who has called Darwin home since 2008, discovered the Recreation Lagoon at the Darwin Waterfront after walking to the Stokes Hill Wharf for dinner one night.

"The lagoon is so beautiful and it has no hard sides like a pool, so it is better for me when I do backstroke," she says. "After you suffer a stroke you can't hit your head on anything so I just gently run aground on the sand."

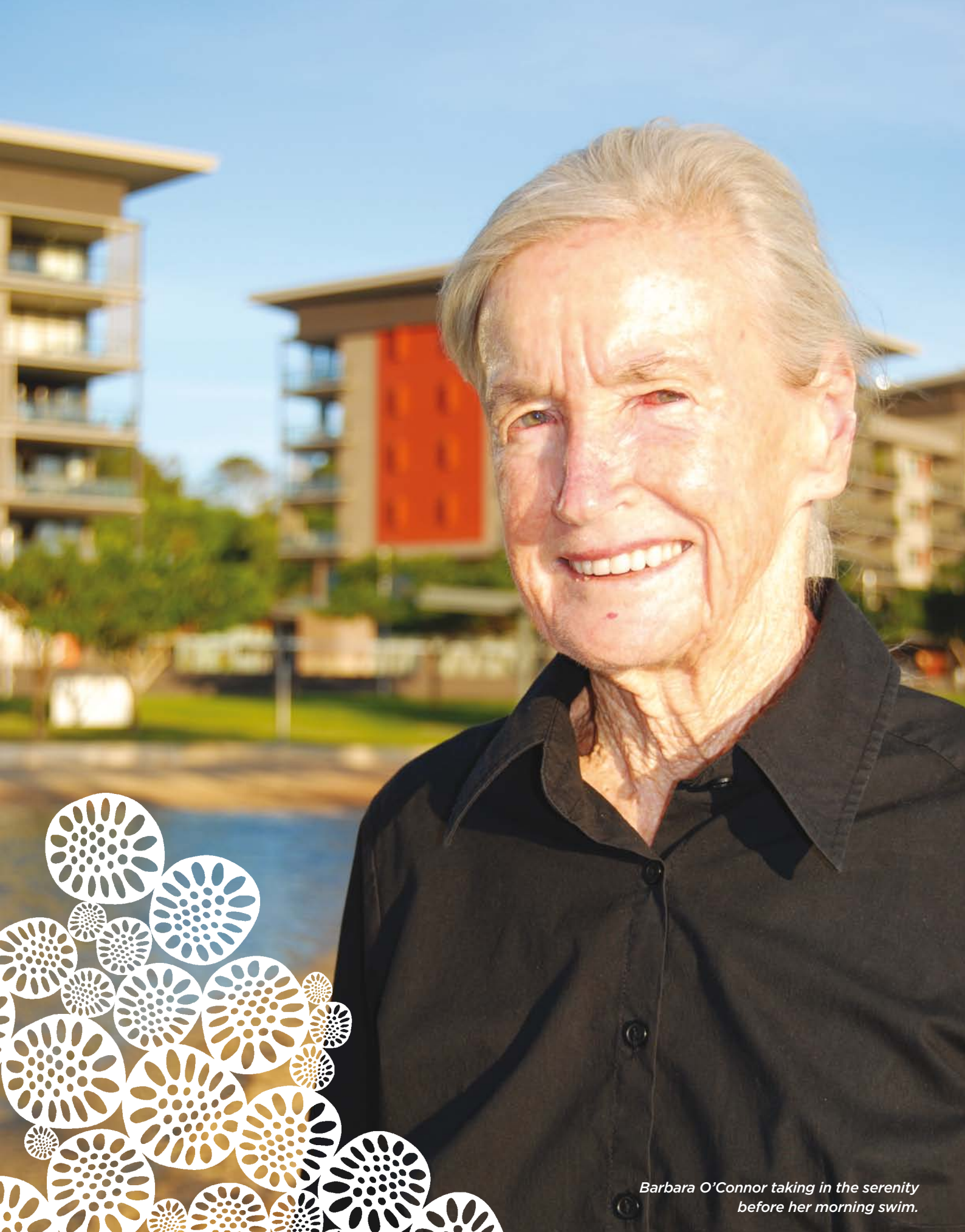
After perfecting her technique, the lively 71-year-old usually swims 20 laps of the Recreation Lagoon every day.

"The salt water relaxes my muscles and I have felt a vast improvement to my strength and flexibility," she says. "I love being in the water and after each lap I do my exercises, then at the end of it all I have a little play."

Spending time at the Waterfront most mornings and evenings Barbara also loves to watch the fish swim by as she strolls along the promenades and talks with the tourists and local residents.

"The best thing is they have these facilities for families where there is no alcohol and glass, so there is a really mellow, relaxed atmosphere," she said.





*Barbara O'Connor taking in the serenity  
before her morning swim.*

## Our places

### DARWIN CONVENTION CENTRE

More than 53 000 people have experienced the Darwin Convention Centre over a 12 month period.

The iconic feature of the Darwin Waterfront has proven to be a draw card for international, national and local business tourists.

The Darwin Convention Centre hosted 29 conferences and 154 events between 1 July 2009 and 30 June 2010.

Conference topics ranged from climate change, mining and resources to Indigenous health, finance, and gardening.

In June 2010, the Centre hosted dinner for the Vice President of the People's Republic of China, his Excellency, Mr. Xi Jinping, believed to be the second most powerful person in the world.

As a testament to the Darwin Convention Centre's event coordination, a crowd of 2500 attended an indoor international rodeo at the same time as a formal dinner was held for 440 other guests.

Darwin Convention Centre general manager, Malu Barrios, says the Centre prides itself on providing an alternate venue for local events, particularly those that have outgrown other venues.

Staff working at the centre are regularly praised, with 95 per cent of clients surveyed rating their service between 4.5 and 5 out of a total of 5 points.

"We consistently get accolades for the friendliness and professionalism of our staff," Ms Barrios says. "The Darwin Waterfront Precinct is coming to life and is becoming very popular with the local community and tourists."





The Darwin Convention Centre has been rewarded for its professionalism and hard work with repeat business from its significant clientele and industry recognition.



*Darwin Convention Centre business development executive Katrina Turner*

## Katrina sells Darwin to the world

Katrina Turner gets to sell the Darwin Convention Centre and Darwin itself as one of the Centre's business development executives.

The 36-year-old first began working for the Darwin Convention Centre in August 2006 as a research assistant helping to uncover potential business for the new Centre.

In March 2007 Katrina took on a new role as business development executive and says she feels enormous satisfaction seeing her initial "seed" of contact germinate and nurtured into a full-grown event at the Darwin Convention Centre.

"I really enjoy building that relationship with the client," she says.

Katrina promotes the Centre in trade shows and industry conferences, as well as one on one meetings across Australia and the world.

Every six to eight weeks, she boards a plane for scheduled sales trips in Queensland, Perth or New South Wales to meet potential clients.

## Fast facts

- 53 000 people have visited Darwin Convention Centre in 12 months
- It has hosted 29 conferences and 154 events
- 2500 people watched an indoor international rodeo at the Darwin Convention Centre
- It employs 28 full-time and two part-time staff – 29 of whom are local
- Up to 150 casual workers – 65 per cent are locals – are employed at the centre
- Darwin Convention Centre has won the 2009 Best Venue Team award at Exhibition and Event Association Australasia National Awards and Australian Hotels Association NT Best Venue Caterer Award

## Our places

### HOTELS

The 121-room Medina Grand Darwin Waterfront and 122-room Vibe Hotel Darwin Waterfront opened to the public in March 2009.

### YTD (30/06/10)

Guests In-house 85 046

### RESIDENTIAL

Construction of about 140 residential apartments for Stage One was complete around October 2009, with residents moving in from November 2009. All but six units have been sold.

### RETAIL

Six retail outlets opened at the Darwin Waterfront Precinct during the 2009-10 reporting period.

These were:

- The Coffee Club – opened October 2009
- Elements by the Sea Day Spa – opened December 2009
- Rush Surf – opened December 2009
- Scalpt Hair on the Waterfront – opened February 2010
- Trampoline Gelato Darwin Waterfront – opened May 2010
- Ocean Fresh Seafood and Oyster Bar – opened June 2010



### *Elements by the Sea at Darwin Waterfront Precinct*

Darwin locals, tourists and Territorians visiting town from the bush are finding time to pamper themselves in a mini holiday at the Darwin Waterfront.

Elements by the Sea opened its new day spa at its exciting waterfront location in December last year.

Owner Elena Gomatos said the new day spa has been outfitted in a resort-style with a more luxurious, spacious interior to appeal to people who have more time to be pampered.

“Our most popular treatment is the two-hour pamper package or deluxe facial and massage,” Elena says.

“People are very positive and say it is somewhere new to go in Darwin and it has a very relaxing, family atmosphere. It really does feel like you are on holiday.”

Elements by the Sea is open seven days a week and can cater for a maximum of 12 clients for treatments at one time, with five regular staff on duty.





Darwin couple Kellie Morris and David Robinson realised a dream when they opened the Coffee Club in October 2009 at the Darwin Waterfront precinct.

“We would make about 300 coffees every Sunday, which is our busiest day. Our most popular dish by far is our classic eggs and bacon, closely followed by a lifestyle breakfast with avocado, shaved lean ham, poached eggs and cheese.”

The busy Coffee Club can cater for up to 500 customers on a busy day with many locals regularly enjoying a coffee and cake or tasty lunch almost every day.

The café employs 16 people and came second in the Northern Territory's best coffee competition last year.

*Coffee Club owner Kellie Morris enjoys one of her tasty coffees.*





"We have come down to the Wave Lagoon with all my grandkids and it is just gorgeous.

"We always bring the family here when they visit because the kids love it.

"I love it because the kids can play around here and it is safe and clean. It is a beautiful spot and you don't have to worry about stingers or crocodiles - it's gorgeous."

- Krystyna Thwaite, 59, of Wanguri, with granddaughters Sierra Kennedy, six days old of Darwin, and Taylih Phegan, 10, of New South Wales



## EVENTS

The Darwin Waterfront Precinct has attracted more than 11 000 local residents and tourists for events ranging from free films to spectacular fireworks.

Following its official opening in May 2009 the Darwin Waterfront Corporation hosted the megaphone project as part of the Darwin Festival, attracting about 300 people.

Since then the precinct has become an inspirational venue for local artists, families and tourists who have been drawn to the seaside by the exciting events.

### Movie under the stars

Local families grabbed their picnic rugs and hampers to munch on popcorn while sitting out under the stars for free movies at the precinct.

Four movies were screened on four weekends over the 12 months from 1 July 2009 to 30 June 2010 including *Mamma Mia*, *We of the Never Never* and *The Tales of Despereaux*.

Short films made by Territorians were also screened as part of the Fist Full of Films festival.

More than 1700 people watched the movies on the lawns of the peninsula between the Wave and Recreation Lagoons on a 5m by 6m inflatable screen.



"I am down here for business, I had a meeting here today.

"I have three children and it is a nice place to bring the family.

"I think it allows everyone to have fun in the water-based environment that surrounds us but that we often can't enjoy."

- Andy Hyde, 37, of Palmerston, Exposure Productions

## Our places

### Splashfest

Music and water mixed for Splashfest at the Darwin Waterfront Precinct as part of Water Safety Week in September 2009.

Schools across Darwin and the rural area were asked to choreograph a dance to the *Boof the Barra* jingle and the winning school performed their dance on the day.

Freestyle dancers and dance troupes also did dance performances in front of the Wave Lagoon during the wave intervals.

More than 1400 students, families and visitors joined in the fun and learnt important water safety messages as part of Splashfest, which was sponsored by the Northern Territory Government and Darwin Waterfront Corporation.

### Easter egg hunt

An Easter egg hunt was held for 2000 excited kids and their parents in the gardens of the Darwin Waterfront precinct.

Children searched high and low for tiny balls that they could then exchange for chocolate Easter eggs in the Easter Bunny's magic cave.



"I like it because it is somewhere you can take kids and they can either swim or just have a picnic on the grass.

"It is a great place to meet friends and it has a really relaxed feel.

"It is nice to have somewhere to swim safely that is not a pool and I am looking forward to more shops opening up."

– Jenny Checkley, of Parap





To work at the Darwin Waterfront Precinct lifeguards need to have:

- Surf Life Saving bronze medallion
- Certificate II in Public Safety
- First Aid Certificate
- Advanced Resuscitation Certificate
- Heart Defibrillator Certificate
- Spinal Management Certificate





"I love coming down to the Darwin Waterfront and I think it is good for Darwin."

"I often come here to catch up with friends because there is somewhere for my baby to run around and play while we have coffee."

- *Tory Flippence and daughter Luca Sophia, 1, of Leanyer*



### Family Fun

A \$10 000 fireworks display entertained a crowd of more than 4000 as part of the first Family Friendly Fireworks at the Darwin Waterfront Precinct on 31 December 2009.

The Sand and Sound events were popular with free live music, sand sculptures and kids activities, including jumping classes and fairy face painting, entertaining more than 500 people.

The Life Be In It free activities were held at the waterfront as part of the school holidays in June and April with between 100 and 200 taking part on each day.



"I was just walking along the Smith Street Mall and followed the walkway here.

"I thought it was a beautiful place to sit down and read my book.

"It is a nice place to relax with the beach and grass."

– Kris Lundine, 30, of Melbourne

## The Board



### CHAIRMAN

**Mr Paul Tyrrell AO**

Appointed Chairman

3 December 2006

BEC, DipCE, FIEAust

Paul Tyrrell retired as Chief Executive (CE) of the Northern Territory Department of the Chief Minister on 31 January 2008 after eight and a half years in the job.

Senior past appointments have included CE of the AustralAsia Railway Corporation, CE of the Department of Lands and Housing, Department of Transport and Works and the Darwin Port Corporation.

Paul has played a key role in many infrastructure and transport projects over the past 30 years including the Adelaide to Darwin railway, the Darwin Convention Centre and Waterfront redevelopment and the development of Darwin as a Gas Centre.

Paul is also Chairman of the AustralAsia Railway Corporation and Chair of the NT Football (Thunder) Club.



### CHIEF EXECUTIVE OFFICER

**Mr Patrick Coleman**

Appointed CEO

11 December 2006

BAppSc (Building),

MAIPM, MAIB

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

Prior to his appointment to this role Pat was a director and shareholder of leading private sector project management consultant Savant Pty Ltd. In this capacity, Pat was appointed by the Northern Territory Government as Project Director to lead the tendering and commercial negotiation phase of the Waterfront project pre-financial close. Post financial close, Pat continued to be involved with the Waterfront Project in the role as advisor to the then Department of Planning and Infrastructure project delivery team.

Pat has been involved in a senior capacity with numerous private and public sector projects throughout the Northern Territory, Australia and South East Asia in the areas of health infrastructure, rail, commercial building, retail development, land development, airports, entertainment, casinos and hotels and convention centre projects.



### MEMBER

**Ms Jennifer Prince**

Appointed 3 December 2006

DipRad

Jennifer Prince was appointed as Under Treasurer in 2002, following five years as Deputy Under Treasurer. As Chief Executive of the Northern Territory Treasury, Jennifer is responsible for policy and operational advice on the Territory economy, economic policy and regulation, budget and fiscal management, intergovernmental relations, the Territory's borrowing, lending and investments, the Territory Revenue office and the Territory Superannuation Office.

As well as being the Chief Executive of Treasury, Jennifer is Chair of the Treasury Corporation Advisory Board and is a member of the Charles Darwin University Council and Legislative Assembly Members' Superannuation Trust. She is also a member of a range of high level interagency committees including the Chief Executives Coordination Committee, Executive Remuneration Review Panel, the Major Projects Group, the Gas Task Force and the Capital Works Review Sub-committee and the Remote Service Delivery Sub-committee of Coordination Committee. Jennifer was made a Fellow of the Certified Practising Accountants in 2008 in recognition of her contribution to public sector accounting issues in the Northern Territory.





#### MEMBER

##### **Ms Maree Tetlow**

Appointed 3 December 2006

BBus(Hons), FAICD

Prior to commencing as Chief Executive of Tourism NT (the NT Government Tourism Agency) in March 2002, Maree worked in destination marketing agencies (including city retail promotions and convention marketing) for many years.

At Tourism NT, Maree has directed significant innovations in recent years, including the establishment of a new marketing platform under the banner "Share our Story", she has provided additional focus and resources on developing new tourism experiences, with a greater emphasis on Indigenous culture and environmental sustainability in the Northern Territory.



#### MEMBER

##### **Mr Mike Burgess**

Appointed 21 February 2008

BE(Civil)

Mike Burgess was appointed Chief Executive (CE) of the Department of the Chief Minister on 1 February 2008. Mike has pursued his professional career in the Northern Territory since 1979 in areas ranging from water supply, wastewater and electricity supply, to sustainable natural resource management. In that time he has been involved in the development of major infrastructure and strategies to improve essential services in urban and remote areas of the Territory and has lived and worked in Darwin, Alice Springs and Katherine.

Mike has previously held senior positions in the Northern Territory Government, including Executive Director, Conservation and Natural Resources in the Department of Infrastructure, Planning and Environment, Deputy CE in the Department of the Chief Minister, CE, Department of Business, Industry and Resource Development, CE, Department of Business, Economic and Regional Development, and CE, Department of Local Government, Housing and Sport.

Mike has also served on the Boards of various NT Authorities and research institutions, including the Savannas CRC, the Darwin Port Corporation, the Major Events Company, the Conservation Land Corporation and the Tourism NT Advisory Board.

# Board Members' Report

The Board Members present their report on the accounts for the year ended 30 June 2010.

## MEMBERS

The following persons held office as Members of the Darwin Waterfront Corporation ("the Corporation") Board during the year and up to date of this report:

- Paul Tyrrell, AO
- Patrick Coleman
- Jennifer Prince
- Maree Tetlow
- Mike Burgess

Further details on Members are provided at Note 20 to the financial statements and member profiles at page 22 and 23 of the Annual Report.

## PRINCIPAL ACTIVITIES

The Darwin Waterfront Corporation is a statutory authority 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* for the year ended 30 June 2010.

## 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*, include:

- Management of property (including land and marine infrastructure) in the Precinct that is owned and controlled by the Corporation
- Undertaking the client role on behalf of the Territory Government for demolition works currently being carried out within the Precinct
- Promoting the Precinct as a place of residence and business and a venue for public events and entertainment
- Preserving good order in the Precinct
- Providing municipal services in the Precinct
- Maintaining civic amenities and facilities in the Precinct in preparation for Stage 2
- Advising the Chief Minister about the Precinct
- Development and management of land not currently forming part of the Precinct as directed by the Chief Minister and in accordance with regulations.

2010 was the first full year of operations of the Darwin Waterfront Precinct. There have been no other significant changes to operations.

## OPERATING RESULTS

The operating result of the Darwin Waterfront Corporation for 2010 was a deficit of \$3.405million (2009: Deficit \$4.666 million)

## 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 2010 that has significantly affected or may significantly affect:

- a) the operations, in the financial periods subsequent to 30 June 2010, of the Corporation
- b) the results of those operations
- c) the state of affairs, in financial periods subsequent to 30 June 2010, of the Corporation.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Corporation expects to receive operational grants from the Territory Government and payments towards operational expenditure during the 2010-11 financial year, and perform any other services necessary to perform responsibilities required under the *Darwin Waterfront Corporation Act*.

## AUDITOR

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

This report is made in accordance with a resolution of the Board Members.



**PAUL TYRRELL, AO**

**Chairman**

21 October 2010

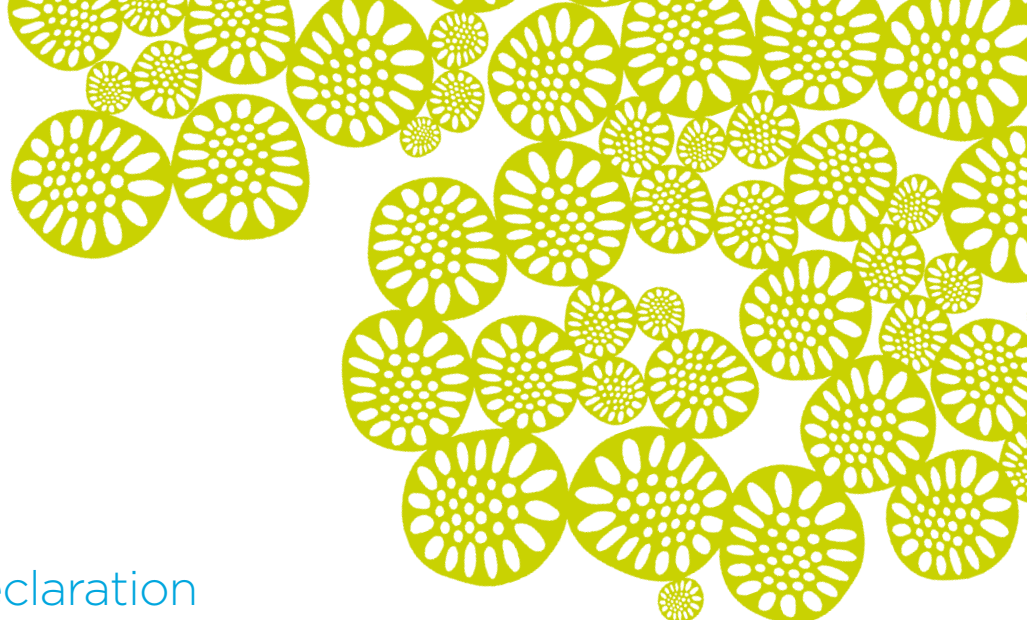


**PATRICK COLEMAN**

**Chief Executive Officer**

21 October 2010





## Board Members' Declaration

The Board Members declare that:

1. the financial statements and notes:
  - a) are in accordance with the *Darwin Waterfront Corporation Act* and comply with Australian Accounting Standards (including Australian Accounting Interpretations)
  - b) give a true and fair view of the Corporation's financial position as at 30 June 2010 and of its performance for the year 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, AO**

**Chairman**

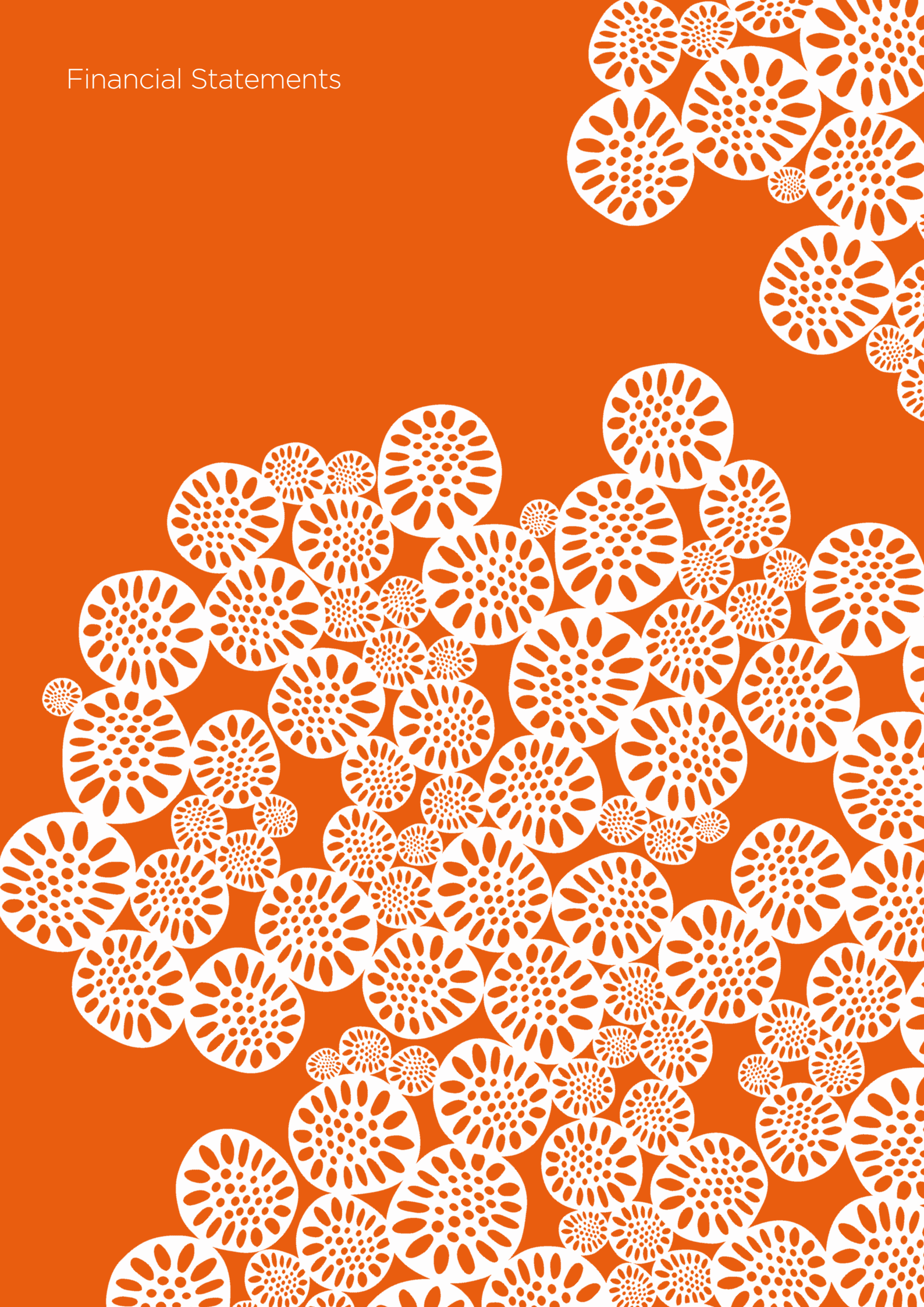
21 October 2010

**PATRICK COLEMAN**

**Chief Executive Officer**

21 October 2010

Financial Statements





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# Statement of Comprehensive Income

for the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>Revenue</b>			
User Charges		662	153
Other		13	3
Operating Grants and Other Contributions		17,480	14,620
<b>TOTAL REVENUE</b>	3	<b>18,155</b>	<b>14,776</b>
<b>Expenses</b>			
Employee Expenses		870	861
Property Maintenance	4	1,514	204
Agent Service Arrangements	5	913	12
Depreciation and Amortisation	6	4,221	3,171
Grants and Subsidies	7	6,333	7,022
Finance Costs	8	5,896	7,441
Other Expenses	9	1,813	731
<b>TOTAL EXPENSES</b>		<b>21,560</b>	<b>19,442</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(3,405)</b>	<b>(4,666)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(3,405)</b>	<b>(4,666)</b>

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



# Statement of Financial Position

as at 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	10	882	870
Trade and Other Receivables	11	368	547
Prepayments	12	300	102
<b>Total Current Assets</b>		<b>1,550</b>	<b>1,519</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	13	239,205	243,410
<b>Total Non Current Assets</b>		<b>239,205</b>	<b>243,410</b>
<b>TOTAL ASSETS</b>		<b>240,755</b>	<b>244,929</b>
<b>Current Liabilities</b>			
Trade and Other Payables	14	3,629	3,658
Finance Lease Liability	15	963	827
<b>Total Current Liabilities</b>		<b>4,592</b>	<b>4,485</b>
<b>Non Current Liabilities</b>			
Finance Lease Liability	15	87,034	87,997
<b>Total Non Current Liabilities</b>		<b>87,034</b>	<b>87,997</b>
<b>TOTAL LIABILITIES</b>		<b>91,626</b>	<b>92,482</b>
<b>NET ASSETS</b>		<b>149,129</b>	<b>152,447</b>
<b>Equity</b>			
Contributed Equity		156,972	156,885
Accumulated Funds		(7,843)	(4,438)
<b>TOTAL EQUITY</b>		<b>149,129</b>	<b>152,447</b>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

# Statement of Changes in Equity

for the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>BALANCE AT 1 JULY</b>		152,447	78,368
<b>Contributed Equity</b>			
Balance at 1 July		156,885	78,140
Equity Injections		87	78,745
<b>Balance at 30 June</b>		<b>156,972</b>	<b>156,885</b>
<b>Accumulated Funds</b>			
Balance at 1 July		(4,438)	228
Surplus/(Deficit) for the Year		(3,405)	(4,666)
<b>Balance at 30 June</b>		<b>(7,843)</b>	<b>(4,438)</b>
<b>BALANCE AT 30 JUNE</b>		<b>149,129</b>	<b>152,447</b>

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



# Statement of Cash Flows

for the year ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>Cash Flows from Operating Activities</b>			
Cash Receipts from Operations		854	128
Grants and Subsidies Received		17,480	14,620
Interest Received		1	-
Payments to Employees		(806)	(527)
Payments for Goods and Services		(4,480)	(1,594)
Interest Paid		(5,909)	(5,959)
Grants and Subsidies Paid		(6,286)	(5,667)
<b>Net Cash Provided by/(Used In) Operating Activities</b>	18	<b>855</b>	<b>1,001</b>
<b>Cash Flows from Investing Activities</b>			
Payments for Property, Plant & Equipment		(16)	(13)
<b>Net Cash (Used In)/Provided by Investing Activities</b>		<b>(16)</b>	<b>(13)</b>
<b>Cash Flows from Financing Activities</b>			
Finance Lease Payments		(827)	(860)
<b>Net Cash (Used In)/provided by Financing Activities</b>		<b>(827)</b>	<b>(860)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>12</b>	<b>128</b>
Cash and Cash Equivalents at Beginning of Reporting Period		870	742
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	10	<b>882</b>	<b>870</b>

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

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## NOTE 1. GENERAL INFORMATION

The Darwin Waterfront Corporation (the "Corporation") is a statutory authority operating within Darwin, Northern Territory, Australia.

Principal place of business: Level 5 Hospitality  
7 Kitchener Drive, Darwin NT 0800  
Postal address: GPO Box 1449, Darwin NT 0801

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

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

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

The financial statements were authorised for issue by the Board Members on 21 October 2010.

### Basis of Preparation

The financial statements have been prepared on an accrual basis using historical costs.

Cost is based on the fair values of the consideration given in exchange for assets.

All amounts are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero.

### Judgements and Assumptions

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

### New standards and Interpretations Not Yet Adopted

The Corporation did not early adopt any new standards, amendments to standards and interpretations that were available for early adoption at 30 June 2010. These new standards amendments to standards and interpretations are not likely to have any material impact on the entity in the period of initial adoption.

### Going Concern Basis

In the short term the ongoing operations of the Corporation are reliant on continued funding by the Northern Territory Government.

#### a) Goods and Services Tax

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

- i. 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
- ii. 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 receivables or payables.



# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

## b) Revenue

Revenue is measured at the fair value of the consideration received or receivable exclusive of the amount of Goods and Services Tax (GST). Corporation revenue from ordinary activities comprises grants received from the Northern Territory Government and user charges from the provision of admission to the Wave Lagoon, car parking and venue hire. User charges are recognised upon provision of the particular service.

## c) Government Grants

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

## d) Income Tax

The Corporation is exempt from income tax.

## e) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and Statement of Financial Position, cash includes cash on hand and cash held in the Corporation's bank account.

## f) Financial Instruments

### *Non-derivative*

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the entity becomes a party to the contractual provisions of the instrument. Financial assets are recognised at trade date (less impairment). Financial assets are derecognised if the entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the entity obligations specified in the contract expire or are discharged or cancelled.

### *Derivative*

The entity does not have any derivative financial instruments.

### *Impairment of Financial Assets*

Financial assets are reviewed at each Statement of Financial Position 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.

## g) Trade and Other Receivables

Trade receivable and other receivables are recognised at amortised cost 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.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction (directly through the use of an allowance account) for impairment or uncollectibility.

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or expense over the relevant period. 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.

Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule in Note 11. Reconciliation of changes in the allowance accounts is also presented.

Accounts receivable are generally settled within 30 days.

## h) Property, Plant and Equipment

The property, plant and equipment of the Corporation comprises the Darwin Waterfront Precinct including land, community 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.

Whilst reviewing carrying balances, the Corporation considers the nature of its operations as not for profit and its assets are held for the benefit of the community. Hence the service potential (value in use) of assets to the community, as opposed to asset's ability to generate profits, is paramount in determination of impairment and that depreciated replacement cost is considered an appropriate basis on which to value the assets given the Corporation would, if deprived of the assets, replace their remaining future economic benefits.

Darwin Waterfront community infrastructure is recorded at the cost of acquisition, being the purchase consideration determined at the date of acquisition plus costs incidental to the acquisition; and

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 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.

The following useful lives are used in the calculation of depreciation:

Buildings and Community Infrastructure     50 years

Plant and Equipment                                 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

## i) Borrowings

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.

## j) Leases

### *Finance Leases*

Finance leases are capitalised. A leased asset and a lease liability equal to the present value of the minimum lease payments are recognised at the inception of the lease. 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.



# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## *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 AEG Ogden, ("the Operator") to operate and manage the centre. The concession arrangement will operate for a period of 25 years until June 2033, including a 3 year hand-over 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 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 Income Statement for the year.

The liability under the Territory Availability Payment 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.

## ***Operating Leases***

Operating lease payments made at regular intervals throughout the term are expensed when the payments are due, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

## **k) Payables**

Liabilities for trade creditors and other amounts are carried at amortised cost. These amounts are unsecured and are usually settled within normal trading terms.

## **l) Employee/Member Benefits**

The Northern Territory Government has funded all Corporation employee annual leave, leave bonuses, long service leave, Superannuation Guarantee Levy and other employee benefits. All employee provisions are retained within the accounts of Government.

## **m) Comparative Amounts**

Comparative information has been reclassified and restated where necessary to be consistent with disclosures in the current reporting format.

## **n) Commitments**

Disclosures in relation to capital and other commitments are shown at note 16 and are consistent with the requirements contained in AASB 101. Commitments are those contracted as at 30 June 2010 where the amount of the future commitment can be reliably measured.

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>NOTE 3. REVENUE</b>			
<b>Revenue from Rendering of Services</b>			
User Charges			
Wave Lagoon Admissions		642	152
Car Parking Fees		20	1
Other		13	3
<b>Operating Grants and Other Contributions</b>			
Northern Territory Government		17,480	14,620
<b>Total Revenue</b>		<b>18,155</b>	<b>14,776</b>
<b>NOTE 4. PROPERTY MAINTENANCE</b>			
Cleaning		904	159
Grounds Maintenance		276	-
Security		268	33
Other		66	12
<b>Total Property Maintenance</b>		<b>1,514</b>	<b>204</b>
<b>NOTE 5. AGENT SERVICE ARRANGEMENTS</b>			
Department of Business and Employment		28	12
Surf Life Saving Northern Territory		857	-
Darwin City Council		28	-
<b>Total Agent Service Arrangements</b>		<b>913</b>	<b>12</b>
<b>NOTE 6. DEPRECIATION AND AMORTISATION</b>			
Depreciation		2,114	1,064
Amortisation		2,107	2,107
<b>Total Depreciation and Amortisation</b>		<b>4,221</b>	<b>3,171</b>
<b>NOTE 7. GRANTS AND SUBSIDIES</b>			
<b>Grants</b>			
Charitable Donations		9	2
Territory Efficiency Payments		261	0
Territory Incentive Payments		700	680
<b>Total Grants</b>		<b>970</b>	<b>682</b>
<b>Subsidies</b>			
Territory Operating Payments		2,869	3,568
Territory Availability Payments		2,494	2,772
<b>Total Subsidies</b>		<b>5,363</b>	<b>6,340</b>
<b>Total Grants and Subsidies</b>		<b>6,333</b>	<b>7,022</b>

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>NOTE 8. FINANCE COSTS</b>			
Interest on Obligations Under Finance Lease		5,896	7,441
<b>Total Finance Costs</b>		<b>5,896</b>	<b>7,441</b>
<b>NOTE 9. OTHER EXPENSES</b>			
Audit Fees (auditors received no other benefits)		31	33
Power		404	95
Water		138	7
Insurance		198	27
Marketing and Promotion		319	149
Other Operational Costs		723	420
<b>Total Other Expenses</b>		<b>1,813</b>	<b>731</b>
<b>NOTE 10. CASH AND CASH EQUIVALENTS</b>			
Cash at Bank		851	852
Cash Advances		3	3
Cash on Hand		28	15
<b>Total Cash and Cash Equivalents</b>		<b>882</b>	<b>870</b>
<b>NOTE 11. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Trade Receivables	(i)	60	40
Other		152	60
Goods and Services Tax Recoverable		156	447
<b>Total Trade and Other Receivables</b>		<b>368</b>	<b>547</b>
Consisting of:			
Government Agencies		-	4
External Bodies		368	543
<b>Ageing of past due but not impaired</b>			
30 – 60 days		-	18
60 – 90 days		2	2
<b>Total</b>		<b>2</b>	<b>20</b>

- (i) The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade receivables. No allowance has been made for overdue trade receivable amounts arising from the past sale of goods and rendering of services, as these are not considered impaired or irrecoverable.

Of the trade receivables balance at the end of the year \$42,367 is due from Surf Life Saving Northern Territory and \$12,222 was owed from Toga Constructions. There are no other clients that represent more than 10 per cent of the total balance of trade receivables.

The Board does not hold any collateral in relation to these receivables.



# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>NOTE 12. OTHER ASSETS</b>			
<b>Current</b>			
Prepayments		300	102
<b>Total Other Assets</b>		<b>300</b>	<b>102</b>
<b>NOTE 13. PROPERTY, PLANT AND EQUIPMENT</b>			
<b>Land</b>			
<b>Total Land</b>		<b>35,802</b>	<b>35,802</b>
<b>Buildings Under Finance Lease</b>			
Convention Centre		105,346	105,346
- Less Accumulated Amortisation		(4,214)	(2,107)
<b>Total Buildings Under Finance Lease</b>		<b>101,132</b>	<b>103,239</b>
<b>Community Infrastructure</b>			
Marine Infrastructure		43,351	43,351
Roads and Services		13,496	13,496
Multi Storey Car Park		10,917	10,917
Wave Lagoon		16,737	16,737
Amenities Building		1,472	1,472
Public Domain		15,654	15,654
Bridge Link		3,793	3,793
- Less Accumulated Depreciation		(3,172)	(1,064)
<b>Total Community Infrastructure</b>		<b>102,248</b>	<b>104,356</b>
<b>Plant and Equipment</b>			
Plant and Equipment		16	-
- Less Accumulated Depreciation		(3)	-
<b>Total Transport and Other Equipment</b>		<b>13</b>	<b>-</b>
<b>Transport Equipment</b>			
Transport Equipment		13	13
- Less Accumulated Depreciation		(3)	-
<b>Total Transport Equipment</b>		<b>10</b>	<b>13</b>
<b>Total Property, Plant and Equipment</b>		<b>239,205</b>	<b>243,410</b>

The Corporation annually reviews the carrying balances of its assets in accordance with Accounting Standards to ensure any impairment loss is appropriately recorded. Whilst reviewing carrying balances, the Corporation considers the nature of its operations as not for profit and its assets are held for the benefit of the community. Hence the service potential (value in use) of assets to the community, as opposed to assets ability to generate profits, is paramount in determination of impairment and that depreciated replacement cost is considered an appropriate basis on which to value the assets given the Corporation would, if deprived of the assets, replace their remaining future economic benefits.

In its review of impairment of assets at balance date, the Corporation has determined that both Buildings Under Finance lease and Community Infrastructure assets had no diminution of service potential since the date of their hand over and as such no impairment loss has been recognised.

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## Reconciliations

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

	2010 \$'000	2009 \$'000
<b>Land</b>		
Carrying Amount at Beginning of Year	35,802	9,278
Additions (via equity transfer)	-	26,524
<b>Carrying Amount at End of Year</b>	<b>35,802</b>	<b>35,802</b>
<b>Buildings Under Finance Lease</b>		
Carrying Amount at Beginning of Year	103,239	105,346
Additions (via equity transfer)	-	-
Amortisation	(2,107)	(2,107)
<b>Carrying Amount at End of Year</b>	<b>101,132</b>	<b>103,239</b>
<b>Community Infrastructure</b>		
Carrying Amount at Beginning of Year	104,356	53,200
Additions (via equity transfer)	-	52,220
Depreciation	(2,108)	(1,064)
<b>Carrying Amount at End of Year</b>	<b>102,248</b>	<b>104,356</b>
<b>Plant and Equipment</b>		
Carrying Amount at Beginning of Year	-	-
Additions	16	-
Depreciation	(3)	-
<b>Carrying Amount at End of Year</b>	<b>13</b>	<b>-</b>
<b>Transport Equipment</b>		
Carrying Amount at Beginning of Year	13	-
Additions	-	13
Depreciation	(3)	-
<b>Carrying Amount at End of Year</b>	<b>10</b>	<b>13</b>
<b>NOTE 14. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Trade Payables	2,043	2,190
Grants and Subsidies Payable	1,468	1,355
Accrued Expenses	118	113
<b>Total Trade and Other Payables</b>	<b>3,629</b>	<b>3,658</b>
Consisting of:		
Government Agencies	145	336
External Bodies	3,484	3,322

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

	Note	2010 \$'000	2009 \$'000
<b>NOTE 15. OTHER FINANCIAL LIABILITIES</b>			
<b>Current</b>			
Finance Lease Liability		963	827
<b>Non current</b>			
Finance Lease Liability		87,034	87,997
<b>Total Finance Lease Liability</b>		<b>87,997</b>	<b>88,824</b>

## NOTE 16. COMMITMENTS

There are no further commitments than those quantified within the financial statements. Further information on Finance Lease commitments can be found at Note 19 (i).

## NOTE 17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 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(j) 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; and
- 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.

### Contingent Assets

A contingent asset also arises as a consequence of the concession arrangement. As described in note 2(j), a Territory Availability Payment (TAP) is recognised as a liability on the corporation Statement of Financial Position. However the Territory has the right to recover up to 75% 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.



# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## NOTE 18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of operating surplus/deficit for the period to net cash flows from operating activities;

Note	2010 \$'000	2009 \$'000
<b>Operating Surplus/(Deficit)</b>	<b>(3,405)</b>	<b>(4,666)</b>
Non-cash items		
Depreciation and Amortisation	4,221	3,171
Asset Write Downs/Offs	87	-
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	179	(390)
(Increase)/Decrease in Prepayments	(197)	(102)
(Decrease)/Increase in Payables	(30)	2,988
<b>Net Cash from Operating Activities</b>	<b>855</b>	<b>1,001</b>

## NOTE 19. 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.

### a) Capital Risk Management

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, receivables, payables and other financial liabilities.

### b) Categories of Financial Instruments

Note	2010 \$'000	2009 \$'000
<b>Financial Assets</b>		
Cash and Cash Equivalents	882	870
Receivables	60	100
<b>Total Financial Assets</b>	<b>942</b>	<b>970</b>
<b>Financial Liabilities</b>		
Payables	3,629	3,658
Finance Lease Liability	87,997	88,824
<b>Total Financial Liabilities</b>	<b>91,626</b>	<b>92,482</b>

### c) 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 six 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.

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## **d) 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 entity has minimal exposure to interest rate risk with the exception of cash at bank. The debt profile on Convention Centre payments were locked in at financial close of the project in May 2005 and incorporates two bond components, one fixed and one linked to CPI. As such, Convention Centre payments are not exposed to interest rate risk.

## **e) Credit Risk**

Credit risk is the risk of financial loss and/or increased costs due to the failure of a counter party to meet its financial obligations. The entity has limited credit risk exposure (risk default) with government agencies. In respect of any dealings with organisations external to the government and individuals, the entity has adopted a policy of only dealing with credit worthy organisations and individuals.

The entity's exposure to credit risk is influenced mainly by the individual characteristics of each non-government debtor. In monitoring debtor credit risk, debtors are grouped according to their ageing profile and existence of previous financial difficulties

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

## **f) 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.

## **g) 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.

## **h) Net Fair Value**

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 \$123 million and a carrying value of \$88 million.

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## i) Maturity Analysis

The following tables detail the Corporation's remaining contractual maturity for commitments relating to its financial assets and liabilities:

2010	Carrying Amount \$'000	1 Year or less \$'000	2-5 Years \$'000	Over 5 Years \$'000
<b>Financial Liabilities</b>				
<b>Payables</b>	<b>3,629</b>	<b>3,629</b>	<b>-</b>	<b>-</b>
Lease Commitments				
Fixed (including interest)	84,465	3,713	18,564	62,189
Variable (including interest)	93,003	3,086	16,624	73,293
Less Interest Components	(89,471)	(5,835)	(27,925)	(55,710)
<b>Total Lease Liabilities</b>	<b>87,997</b>	<b>964</b>	<b>7,263</b>	<b>79,772</b>
<b>Total Financial Liabilities</b>	<b>91,626</b>	<b>4,593</b>	<b>7,263</b>	<b>79,772</b>
<b>Financial Assets</b>				
Cash Assets	882	882	-	-
Receivables	60	60	-	-
<b>Total Financial Assets</b>	<b>942</b>	<b>942</b>	<b>-</b>	<b>-</b>

2009	Carrying Amount \$'000	1 Year or less \$'000	2-5 Years \$'000	Over 5 Years \$'000
<b>Financial Liabilities</b>				
<b>Payables</b>	<b>3,658</b>	<b>3,658</b>	<b>-</b>	<b>-</b>
Lease Commitments				
Fixed (including interest)	88,178	3,713	18,564	65,901
Variable (including interest)	96,013	3,010	16,219	76,784
Less Interest Components	(95,366)	(5,896)	(28,380)	(61,091)
<b>Total Lease Liabilities</b>	<b>88,824</b>	<b>827</b>	<b>6,403</b>	<b>81,594</b>
<b>Total Financial Liabilities</b>	<b>92,482</b>	<b>4,485</b>	<b>6,403</b>	<b>81,594</b>
<b>Financial Assets</b>				
Cash Assets	870	870	-	-
Receivables	100	100	-	-
<b>Total Financial Assets</b>	<b>970</b>	<b>970</b>	<b>-</b>	<b>-</b>



# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## NOTE 20. DETAILS OF BOARD MEMBERS

### Members' Remuneration

The number of Members of the Corporation whose income from the Corporation falls within the following bands:

	2010 \$'000	2009 \$'000
\$0	4	5
\$50,000 to \$69,999	1	1
<b>Total income paid or payable, or otherwise made available to all Members of the Corporation from the Corporation</b>	<b>50</b>	<b>50</b>

All current Board Members, other than the Chairman, are Northern Territory public servants and are remunerated by their respective agencies. CEO's remuneration is included in key management personnel remuneration below.

### Key management personnel remuneration

	2010 \$'000	2009 \$'000
Short-Term Employee Benefits	97	222
Other Long Term Benefits	-	-
Post-Employment Benefits	-	-
Termination Benefits	-	-
<b>Total Key Management Personnel Remuneration</b>	<b>97</b>	<b>222</b>

Short-term benefits as stated above incorporate the services of the Chief Executive Officer. These benefits are paid on a reimbursement basis as the Corporation's personnel are paid by the Territory Government.

### Full Meetings of Board Members

There were 4 meetings for the 2009-10 year attended by:

Member	Number of Meetings Eligible to Attend	Number of Meetings Attended
Paul Tyrrell, AO	4	4
Patrick Coleman	4	4
Jennifer Prince	4	3
Maree Tetlow	4	3
Mike Burgess	4	2

### Election and Continuation in Office of Board Members

The date of appointment of members:

Member	Initial Date of Appointment
Paul Tyrrell, AO	3 December 2006
Patrick Coleman	11 December 2006
Jennifer Prince	3 December 2006
Maree Tetlow	3 December 2006
Mike Burgess	21 February 2008

# Notes To and Forming Part of the Financial Statements

as at 30 June 2010

## NOTE 21. OTHER STATUTORY INFORMATION

### Distributions

No dividends or distributions were made during the financial period ended 30 June 2010. No dividends or distributions are proposed.

### Number of Employees

The Corporation had seven employees during the financial period fully remunerated by the Northern Territory Government.

### 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 company.

### Segments

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

## NOTE 22. 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.



## Auditor-General

### Independent Auditor's Report to the Members Darwin Waterfront Corporation Year Ended 30 June 2010

I have audited the accompanying financial report of the Darwin Waterfront Corporation (the Corporation), which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and accompanying notes to the financial statements for the year ended 30 June 2010.

#### 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'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 2010, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), and the *Darwin Waterfront Corporation Act*.

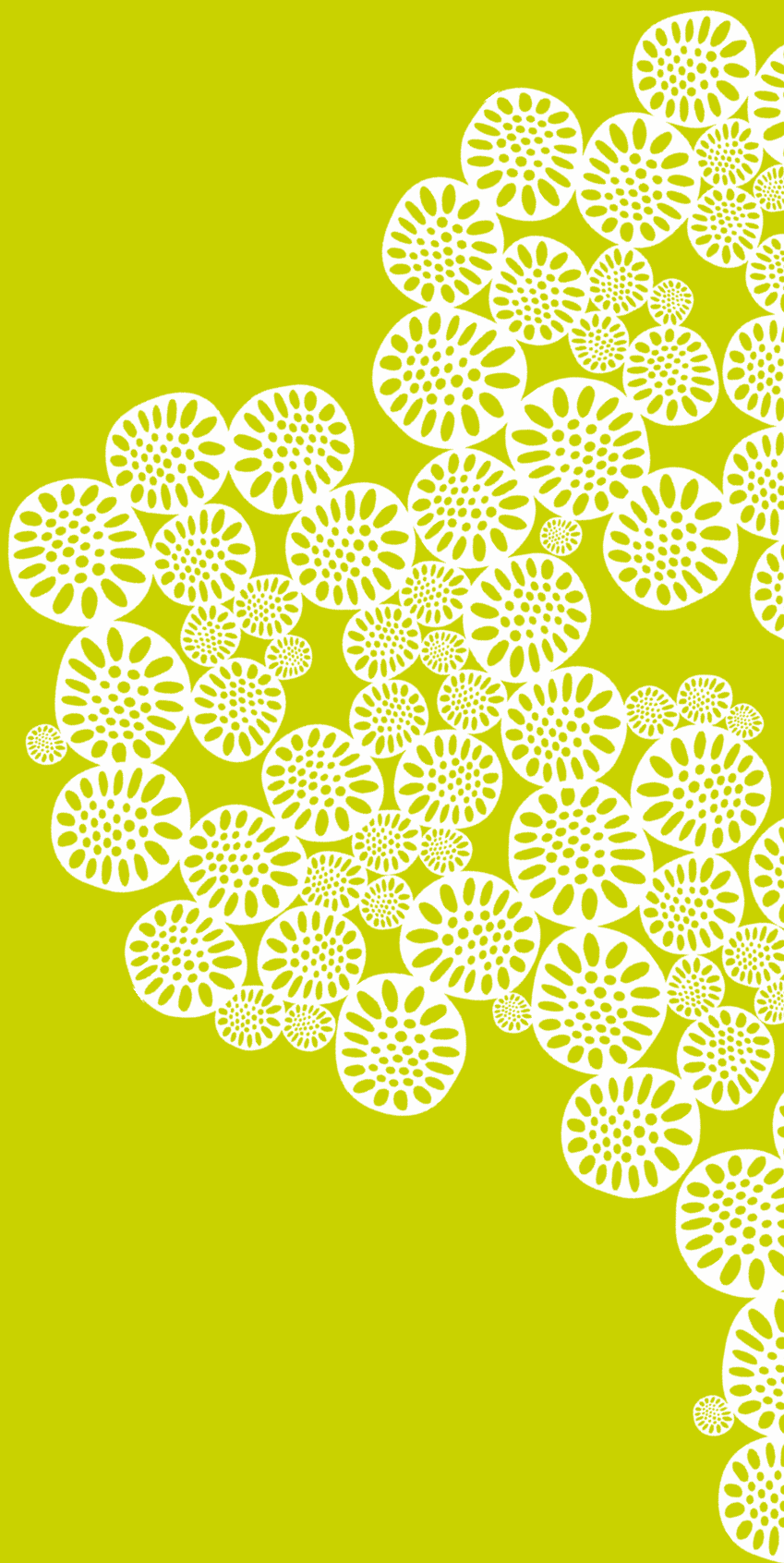
F McGuiness  
Auditor-General for the Northern Territory  
Darwin, Northern Territory

2 November 2010

Level 12 Northern Territory House 22 Mitchell Street Darwin 0800 Tel: 08 8999 7155 Fax: 08 8999 7144



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