



DARWINWATERFRONT
CORPORATION

Annual Report

2014–15



Letter to the minister

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The Hon David Tollner MLA
Minister for Lands and Planning
GPO Box 3146
Darwin NT 0801

Dear Minister

I have pleasure in presenting the 2014-15 annual report of the Darwin Waterfront Corporation.

The report details the activities and operations of the corporation for the year ending 30 June 2015, 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



GRAEME LEWIS

Chairman
23 November 2015

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Chairman's overview

I'm delighted to report on a number of milestones that were achieved at the Darwin Waterfront Precinct in 2014–15.

The stage 2A development was completed, Charles Darwin University's new business campus was opened and its first semester completed, the management of Stokes Hill Wharf changed hands and our first water-based commercial businesses started operating in the Recreation Lagoon.

There were more than 1.2 million visits to the precinct in 2014–15, with some 140 000 people counted on two pedestrian counters in August 2014 alone.

Our growing events program has been fundamental to our visitation success—events mean great experiences, and great experiences translate into increased and repeat visitation. The Darwin Waterfront hosted a record 243 events in 2014–15, attracting almost 60 000 extra visitors.

The Darwin Convention Centre also hosted 173 events in that time, which attracted more than 60 000 people to the centre and contributed \$63 million to the Territory economy.

The opening of the Oyster Bar in June 2015 saw all the commercial tenancies in Wharf One occupied and a new addition to the excellent mix of dining options for our patrons.

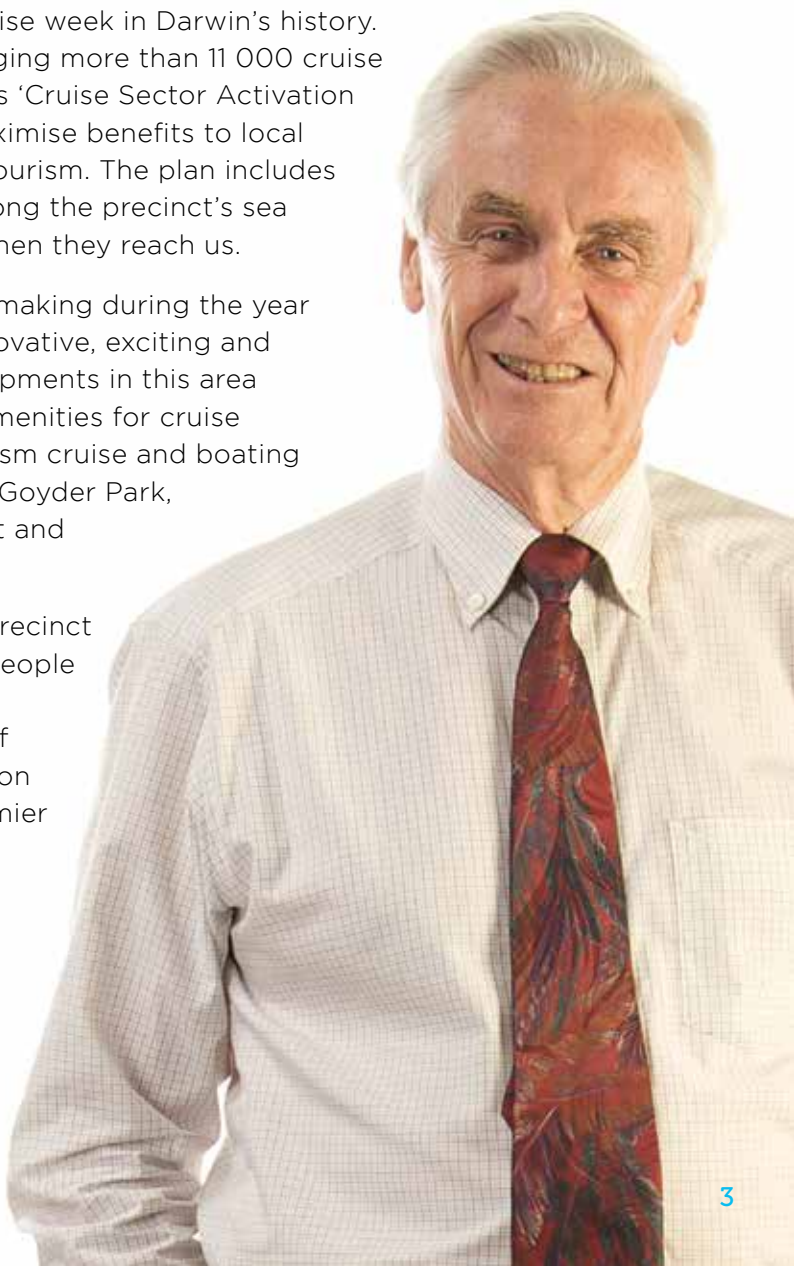
The first week of March 2015 was the busiest cruise week in Darwin's history. Six large cruise ships arrived over five days, bringing more than 11 000 cruise passengers. The Northern Territory Government's 'Cruise Sector Activation Plan' was launched in 2014–15 to continue to maximise benefits to local tourism and business operators through cruise tourism. The plan includes a \$1.2 million investment in a shaded walkway along the precinct's sea wall to improve cruise passengers' experience when they reach us.

The corporation turned a strong focus on place-making during the year by working with the community to create an innovative, exciting and vibrant precinct for generations to come. Developments in this area will come to fruition in 2015–16, with improved amenities for cruise ship passengers, increased capacity for the tourism cruise and boating sectors at Stokes Hill Wharf, and the opening of Goyder Park, which will help preserve the precinct's significant and important historical values.

Over the last few years, the Darwin Waterfront Precinct has earned its reputation as a vibrant place for people to live, meet, dine, swim and relax. I would like to acknowledge and thank the corporation's staff and Board members for their continued dedication and commitment to the success of Darwin's premier lifestyle precinct.



GRAEME LEWIS
Chairman







The Darwin Waterfront Corporation

Who we are

The Darwin Waterfront Precinct is managed by the Darwin Waterfront Corporation.

The Darwin Waterfront Corporation is a statutory authority that was established by the Northern Territory Government in 2006 under the *Darwin Waterfront Corporation Act*.

The corporation is responsible for the development, management and servicing of the Darwin Waterfront Precinct on behalf of government.

Our purpose

To continue to develop and sustain the Darwin Waterfront as a premier lifestyle precinct and as a place for people to meet, dine, stay, shop, swim, relax and study.



What we do

The Darwin Waterfront Corporation has four core areas of responsibility:

1. Place-making

Place-making is about transforming a public space into a destination that attracts people and activity, instils a sense of community pride and encourages further natural development. Our stakeholders are integral in helping us achieve that, so we engage them in our place-making activities and planning to help make the Waterfront a vibrant place where people want to be. Throughout 2014-15 the corporation participated in Stakeholder Forums and Marketing Forums as well as meetings with body corporates, Stokes Hill Wharf stakeholders and has worked in consultation with the City of Darwin and other agencies.

We also help 'activate' the precinct are through a year-round program of events and by supporting third-party commercial operations at the Waterfront that benefit the community.





2. Precinct operations

The corporation provides municipal services to the Waterfront Precinct and manages its civic amenities. Its responsibility includes sanitation, roads, footpaths, car parks, aquatic facilities, the sea wall, public lifts, public art, parks, toilets, storm drainage, landscaping and street lighting.

3. Darwin Convention Centre

Since it opened in 2008, the Darwin Convention Centre has established Darwin and the Northern Territory as a world-class convention destination.

The convention centre was developed in a partnership between the Northern Territory Government and a private consortium, the latter of which will run the centre for 25 years. During this time, the corporation's role is to ensure that the operator complies with the agreed marketing and operational requirements before ownership of the facility reverts back to the Northern Territory.

4. Development

The Darwin Waterfront Precinct is a 15-year, multi-stage development on behalf of the Northern Territory Government. Stage one was completed in 2008, and stage 2A was completed in 2014-15. The next stage of development, stage 2k2, will rejuvenate the Stokes Hill area and commences in 2015-16.

Freedom of information

The corporation is subject to the *Information Act* and complies with Part 9 of the Act.

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

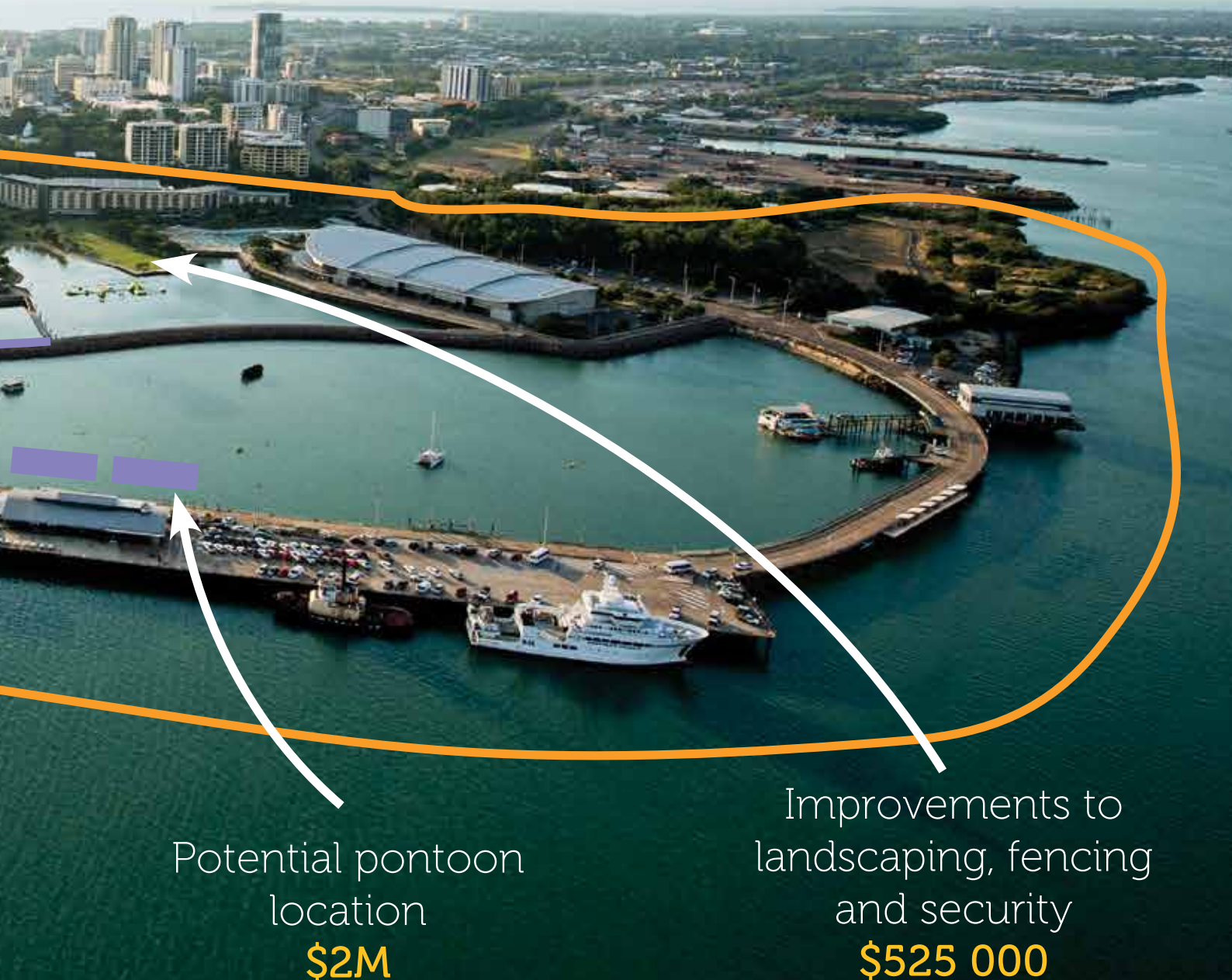
Place-making

Jervois Park
remediation work
\$1.4M

Goyder Park and
land beautification
\$900 000

Shaded walkway
\$1.2M

Preparatory works
for Darwin Waterfront
Stage 2
\$3.386M



Potential pontoon
location
\$2M

Improvements to
landscaping, fencing
and security
\$525 000

Place-making

Recreational activities

Wave Lagoon

The popularity of Darwin Waterfront's coolest attraction, the Wave Lagoon, continued in 2014-15 with 114 033 total visitors—an average of 312 people per day.

The palm-fringed swimming pool turns into a tube-riding, boogie-boarding bucket of fun when different waves roll in every 20 minutes. The fully patrolled Wave Lagoon is two metres at its deepest point and slopes to a shallow area of still water, perfect for families.

Wave Lagoon entry fees have been kept low to provide an affordable outing option: \$18 gives a family of two adults and three kids all-day entry, and single entry is \$5 for children and seniors and \$7 for adults.

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









Recreation Lagoon

In August 2014, the Darwin Waterfront Corporation called for expressions of interest for suitable operators to offer recreational activities in the precinct's Recreation Lagoon.

The 40 000 square-metre lagoon, is divided into two almost equal areas by the pontoon bridge. One part is the Recreation Lagoon and the other is part of the un-developed area. The Recreation Lagoon varies in depth to about 15 metres at its deepest point. Ocean water is constantly pumped in at three different lagoon locations to manage water quality and maintain a constant water level.

Screens are fitted to the pumps. These screens and the 60 meter long net which separates the Recreation Lagoon into two further areas assist with stinger management.

'Given the protection offered by the lagoon, its central location and Darwin's tropical lifestyle, we sought proposals from operators to activate and transform a previously underutilised area into an area for year-round aquatic activity', said Alana Madden, the corporation's Business Development Manager.

'Through an expression of interest process, two operators were selected and offered a trial period to assess the viability of their businesses; Darwin Flyboarding and Raw Spirit'.

Events

The Darwin Waterfront is an iconic destination for events and activities.

An incredible **400%** increase in events at the precinct in the last five years culminated in a record **243 events** in 2014-15, which attracted more than **59 800** people.

The Darwin Waterfront continues to attract new events and support existing events, which are well received by the Darwin community.

A fundamental component of a successful events program is to engage and secure the support of existing retail and commercial facilities within the precinct.

Year	No. of events	Patronage
2009-10	Not recorded	11 000
2010-11	52	30 821
2011-12	92	42 901
2012-13	170	48 680
2013-14	190	57 832
2014-15	243	59 816

Image courtesy of Darwin Festival, Elise Derwin





Significant events in 2014–15 were:

1 August 2014: Pesona Indonesia (2000 attendees)

21–23 August 2014: Vietnamese Water Puppets (2820 attendees)

7 September 2014: Zoo in the City (2000 attendees)

21 September 2014: Splashfest – Celebrating Water Safety Week (1000 attendees)

23 November 2014: Saltwater Craft Fair (more than 3000 attendees)

31 December 2014: New Year's Eve celebration (more than 6000 attendees)

26 January 2015: Australia Day Fun Run (more than 4000 attendees)


4 April 2015: Easter Saturday celebrations (more than 4000 attendees)

10 May 2015: Mothers' Day Saltwater Craft Fair (more than 3500 attendees)

23 May 2015: Darwin Symphony Orchestra concert and fireworks (more than 2700 attendees)

31 May 2015: Darwin Waterfront Harmony Soiree (more than 3500 attendees).

Regular events at the Waterfront during 2014–15 included:

- free beginners' Tai Chi every Saturday (908 attendees)
 - Wave Lagoon Aqua Zumba every Sunday (1265 attendees)
 - Sundays Live at the Lagoon in the dry season (5800 attendees)
 - movie under the stars – monthly from May to October (4500 attendees).
- 

Vietnamese Water Puppets

As part of the Darwin Festival, the internationally acclaimed Vietnamese Water Puppets performed on the calm water of the Recreation Lagoon in August 2014.

Some 3500 people enjoyed the four free shows, which showcased the ancient art of traditional Vietnamese water puppeteering. The lagoon's still water became the puppets' stage, providing a shimmering lighting effect and where puppeteer movements and strings could be hidden.

Traditionally performed in the flooded rice fields of Vietnam's Red River Delta, Vietnamese water puppetry has entertained audiences around the world since its inception as far back as the 11th century.

A custom-built stage, puppets and performers travelled from Hanoi for the first-time performance in Darwin. It took a team of professionals five days to erect the stage in the Recreation Lagoon, which included a temple background with a split bamboo screen to hide the puppeteers controlling the puppets. An orchestral stage was built to the side to complement the performance, with traditional vocals and instruments.





Pesona Indonesia

More than 2000 people experienced Darwin's rich and vibrant Indonesian culture at Pesona Indonesia ('enchanted' Indonesia) held at the precinct on 2 August 2014.

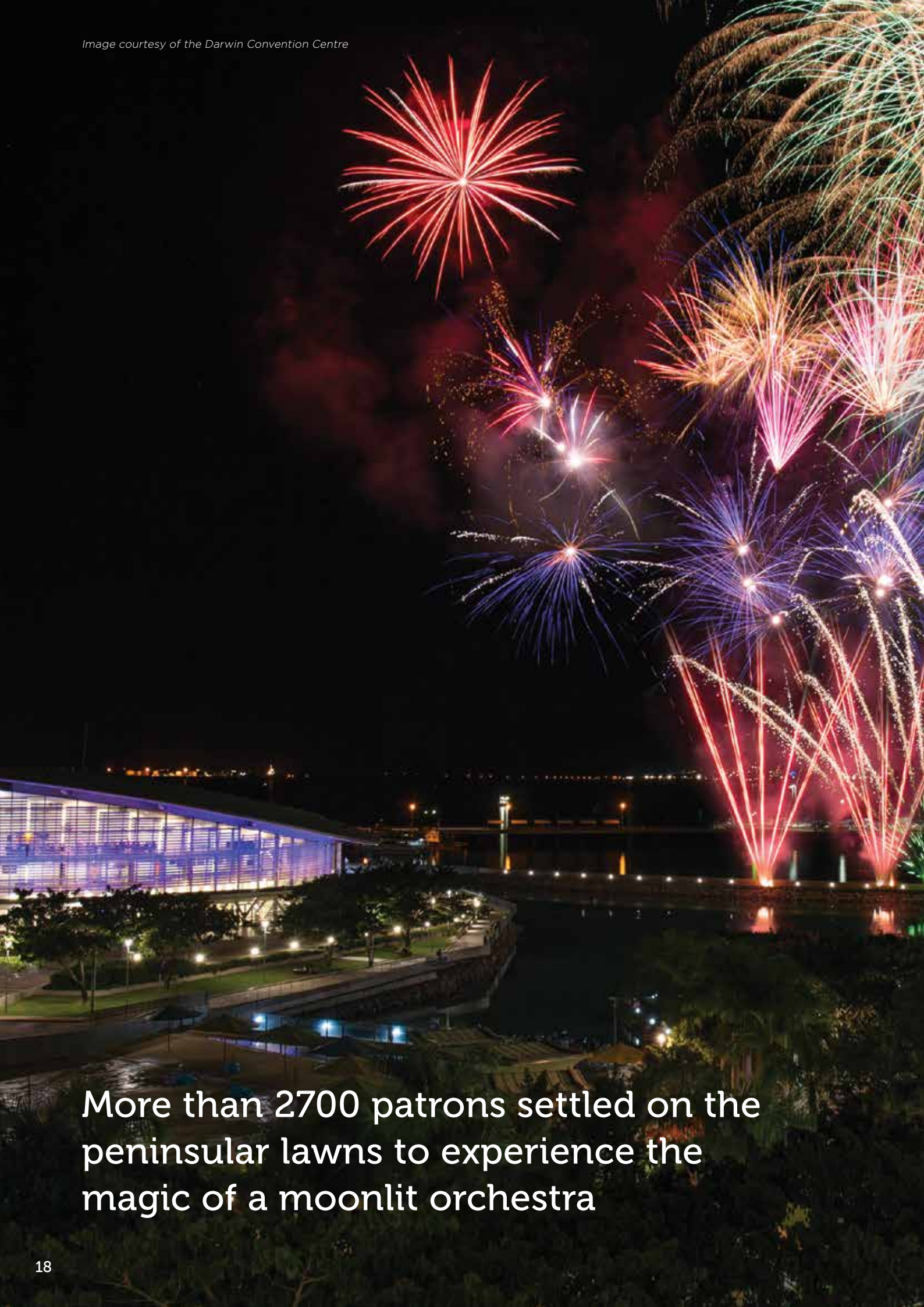
Balai Indonesia Inc hosted the event, which transformed the harbour-side parklands into a vibrant Indonesian festival with traditional food, music and entertainment.

Patrons indulged in delicious Indonesian cuisine such as authentic rice and noodle dishes, laksa, soups, curries, rendang, satays, gado gado, spring rolls and Indonesian desserts.

Entertainment was provided by orchestral and dance performances, live bands and a fashion parade.

Pesona Indonesia is now set to be an annual event, scheduled to fall close to the Indonesian Independence day on 17 August.





More than 2700 patrons settled on the peninsular lawns to experience the magic of a moonlit orchestra



Darwin Symphony Orchestra's Opera Gala

In May 2015, Territorians and visitors were treated to some of the world's best opera pieces presented by the nation's best vocal talent at the Darwin Symphony Orchestra's free outdoor concert under the stars at the Waterfront Precinct.

In its second year, the DSO opera gala showcased soloist tenor David Hobson, soprano Lorina Gore and baritone Andrew Jones performing pieces from composers including Puccini, Strauss, and Rogers and Hammerstein. The event also featured highlights from 'The Pearl Fishers', the much-loved opera by French composer Georges Bizet.

More than 2700 patrons settled on the peninsular lawns to experience the magic of a moonlit orchestral, operatic concert in a family friendly environment. Local and national media interest was strong, with a prominent ABC TV story on the concert running for 72 hours on ABC TV 24.

'This concert is a very successful collaboration between the Darwin Symphony Orchestra and the Darwin Waterfront Corporation and achieves valuable outcomes for the community of the Northern Territory', said DSO Marketing and Communications Manager, John McNeur. 'As a volunteer community orchestra, it is this type of corporate support that allows us to reach an extended audience and to continue the 25-year legacy of the orchestra.'





Stokes Hill Wharf


The historic Stokes Hill Wharf at the far end of the Waterfront Precinct has long been a favourite of locals and visitors for its fresh seafood eateries, casual waterside dining at sunset, WWII history, harbour cruises and a top spot for land-based fishing. On January 1 2015, the management of the wharf transferred from the Darwin Port Corporation to the Darwin Waterfront Corporation.

The new arrangements will mean better synergy and improved efficiencies between Stokes Hill Wharf operations and the Waterfront Precinct.

‘The transfer allows for better alignment of functions that relate to lifestyle, dining and entertainment within the Waterfront Precinct, which will mean a better experience for visitors’, said Alana Madden, Darwin Waterfront Corporation’s Business Development Manager. ‘It will also ensure Stokes Hill Wharf is at the forefront when the corporation is planning and decision making for the future of the precinct.’

Darwin Harbour Cruises has been operating from Stokes Hill Wharf since 1996. Darwin’s longest-running cruise operator, it runs scheduled sunset cruises and caters for the special events and corporate/business tourism markets.





Rachel Beaumont-Smith, Managing Director of Darwin Harbour Cruises, believes the transfer will mean greater opportunities for the wharf's existing businesses.

'Now that management rests with a corporation that's more focussed on hospitality, tourism and marketing, it should offer far more potential avenues for the businesses down here', she said.

'And the corporation's focus on connectivity between Stokes Hill Wharf and the Waterfront Precinct and Darwin city will also be an important part of ensuring a strong future for the wharf and the waterfront.'

The wharf was a central part of World War II activity in Darwin, and as a piece of Darwin's history, Rachel said it's important the wharf is a key part of the precinct.

'The wharf doesn't have the same shiny, modern attraction of the Waterfront Precinct, but it's really important historically and it's still an incredibly attractive lure for tourists, so we believe the wharf is a great offering of the waterfront for visitors and locals', she said.

'We're pleased the transfer has happened, and we're excited about the new direction for Stokes Hill.'

Kim Ly has been operating at Stokes Hill Wharf since 2001. She has two eateries, Kim's Fish and Chips and Red Dragon, with a third schnitzel eatery due to re-open in 2015-16.



'We're pleased the transfer has happened,
and we're excited about the new
direction for Stokes Hill.'

Rachel Beaumont-Smith – Managing Director of 'Darwin Harbour Cruises'





‘I think it’s a great benefit to merge together with the Darwin Waterfront, with its focus on fun, entertainment and dining’, she said. ‘They will promote both places together, and I think that’s a big advantage for me.’

‘It will also be great to concentrate more on the wet season trade and encouraging more visitation to the wharf during the quieter periods’, she said.

Kim said the corporation’s new management will lift the profile of the wharf. ‘Before it was mostly seen as a working wharf more than a place for dining and entertainment’, she said. ‘The Waterfront is already bringing people to the area, so this will now help our businesses too.’

In 2014-15, the corporation conducted an audit of upgrades and improvements required at Stokes Hill Wharf. Upgrades undertaken since 1 January include:

- installed an emergency generator for lighting in public areas and general lighting improvements
- upgraded the ship-to-shore services for visiting vessels (harbour-side)
- replaced the public address (PA) system
- installed expansion joints to the mains water supply to reduce future water disruptions from water leaks
- repainted the dock 1 passenger waiting area
- upgraded sewerage system.

Looking ahead to 2015–16

Acting on stakeholder feedback, the corporation will deliver a number of priority improvements at Stokes Hill Wharf in 2015-16. This includes improved wayfinding and regulatory signage, installation of CCTV cameras in priority areas and increased pontoon capacity dedicated to harbour tourism operators at Stokes Hill Wharf.

Increasing pontoon capacity for harbour tourism

The corporation will increase the pontoon capacity at Stokes Hill Wharf to allow for the safe operation and continued growth in the tourism cruise and boating market.

The additional pontoons—approximately 50 metres in length—will be dedicated for cruise and boating market use and provide other water transport opportunities for Stokes Hill Wharf traders.







Cruise ships

In 2014–15, Darwin was visited by 36 cruise ships, which brought a total of 47 773 passengers and 22 838 crew to the city. The ‘Voyager of the Seas’ was the largest ship, with 2981 passengers and 1233 crew.


Twenty expedition voyages also departed from or arrived in Darwin, carrying approximately 1200 passengers. The majority of passengers (65–70%) explored Darwin independently, and 30–35% of passengers participated in organised tours during their visit.

Between 2 and 6 March 2015, a record of six ships carrying up to 11 000 passengers stopped in Darwin. While some passengers pre-booked tours, others chose to explore the city on their own.

The Darwin Waterfront, with Tourism NT and Tourism Top End, hosted a pop-up markets in the parklands, which provided an atmospheric welcome for passengers walking to and from the city. The markets provided an opportunity for passengers to pick up handmade artworks directly from local artists, including Indigenous artwork, crocodile products, prints, paintings, photography, textiles, sculptures, homewares, children’s clothes and jewellery. The corporation also installed temporary way-finding directional signs for cruise passengers during this busy period.

In February 2015, NT Chief Minister Adam Giles launched the ‘Cruise Sector Activation Plan’, which aims to see the continued expansion and maximised benefits to local tourism and business operators through cruise tourism. The plan plots the course for growing the NT cruise sector into the future, taking advantage of changes in cruise demand from Australia and overseas, particularly in Asia.

Under this plan, and as part of the 2015–16 Budget, the Northern Territory Government has committed \$1.2 million for a 350-metre shaded infrastructure connecting the cruise ship terminal with the Darwin Waterfront to improve the experience for cruise visitors and support industry. A further \$100 000 will be invested to beautify land adjacent to the terminal.





History

Tank number 6

In 1923, a decision was made at the Imperial Conference in London that would have far-reaching consequences for Darwin.

Darwin was to be a site for naval fuel storage, and it was recommended that a series of oil tanks be built as part of a changeover from coal power to oil power.

Eleven oil storage tanks were built near the Darwin wharf behind Stokes Hill. Construction of the first tank began in 1924, and the eleventh and last tank was completed and filled in 1942, just days before the first Japanese attack on Darwin on 19 February 1942.

Although the oil tanks were partially protected by Stokes Hill, they were still vulnerable to low level and precision bombing from aircraft. In a series of attacks by the Japanese, seven of the 11 tanks were destroyed.

As a result, eight underground oil storage tanks were commissioned to be built. Work began in 1943, but factors such as flooding, cost increases and engineering problems meant only five of the underground tanks were built by the time the war ended.

Evidence of the above-ground oil storage tanks' existence remains around the wharf area—reminders of Darwin's important part in Australia's World War II history. This story focusses on tank number 6, which was declared a heritage place in September 2011.

Tank number 6 was first filled with oil in June 1934. It was damaged during the Japanese bombing on 19 February 1942, with a large hole in the side of the tank resulting in the loss of hundreds of tons of oil. Tank number 6 was further damaged in later air raids.

Today, the remnants of tank number 6 can be seen at the base of Stokes Hill. All that remains is a semi-circular wall, about a third of the tank's original area. The tank's 600mm-thick splinter-proof wall was constructed from reinforced concrete made with local gravel mixed with beach sand. It was designed to protect the internal steel tank from shrapnel damage.

The wall survived Cyclone Tracy, but in recent years, some concern developed about its structural integrity.

In early 2015, the Northern Territory Government undertook works to ensure the structural stability of the concrete wall. This work has stabilised the remains of the tank, allowing it to be incorporated into future development of the Waterfront.

Thanks to the work carried out in 2014–15, this important part of Darwin's history will be preserved for many years to come.





Place-making initiatives in 2015–16

Goyder Park (as part of stage 2A)

The site where surveyor George Goyder first camped when he reached Darwin in 1869 has significant historical and cultural heritage value, which will be recognised through the development of the Waterfront's Goyder Park. The site is being developed as an open space for locals and tourists to enjoy.

The \$0.8 million development will improve the site and preserve and celebrate the heritage values of the area. Ground markings, raised podiums, large logs and interpretive signage will provide a visual representation of Goyder's camp. The development will also improve the land through hard and soft landscaping, pathways, irrigation, lighting, pathways, seating, drink fountains and fencing.

The park will be designed in consultation with the Northern Territory Heritage Council, the Heritage Branch and interested members of the community.

Improving the amenity for cruise ship passengers

The Waterfront is a fabulous gateway to the Territory for more than 50 000 cruise ship passengers and crew every year. In response to industry needs, the Northern Territory Government is investing \$1.2 million in shaded infrastructure to connect the cruise ship terminal to the Darwin Waterfront along the sea wall.



Image courtesy of Tourism NT

The infrastructure will help passengers beat the heat with sun and light rain protection as they commute between their ship, shopping and dining at the precinct and into Darwin city.

A further \$100 000 will be spent on beautifying vacant land opposite the cruise ship terminal to create a welcoming feel for passengers as they depart for tours and attractions across the Top End.

Jervois Park

Jervois Park will undergo coastal remediation works, including earthworks to repair the batter and placement of armour rock to protect it from further erosion.

These works are important to prevent further erosion while continuing to provide a safe, usable parkland for locals and visitors. Since the establishment of the Darwin Waterfront and Deckchair Cinema, public use of Jervois Park has increased significantly.

Precinct operations

Roads and car parking

The Darwin Waterfront Corporation manages and maintains the public roads and car parks within the Darwin Waterfront Precinct, which includes traffic control, street cleaning, landscaping and street lighting.

The roads within the Darwin Waterfront Precinct include Stokes Hill Road, Mavie Street, Kitchener Drive, Hughes Avenue and Jervois Road. The care and management of Anchorage Court also came under the corporation's banner in May 2015 on completion of stage 2A of the development.

The corporation now employs two full-time rangers to assist in the management of parking, street management, and by-law administration.

Car parking at the Darwin Waterfront Precinct is available at 34 on-street bays along Kitchener Drive and 21 bays along Anchorage Court. There are also off-street parking spaces at-grade in Jervois Park and Stokes Hill Road as well as the Kitchener Drive multistorey car park (which is free for the first two hours).



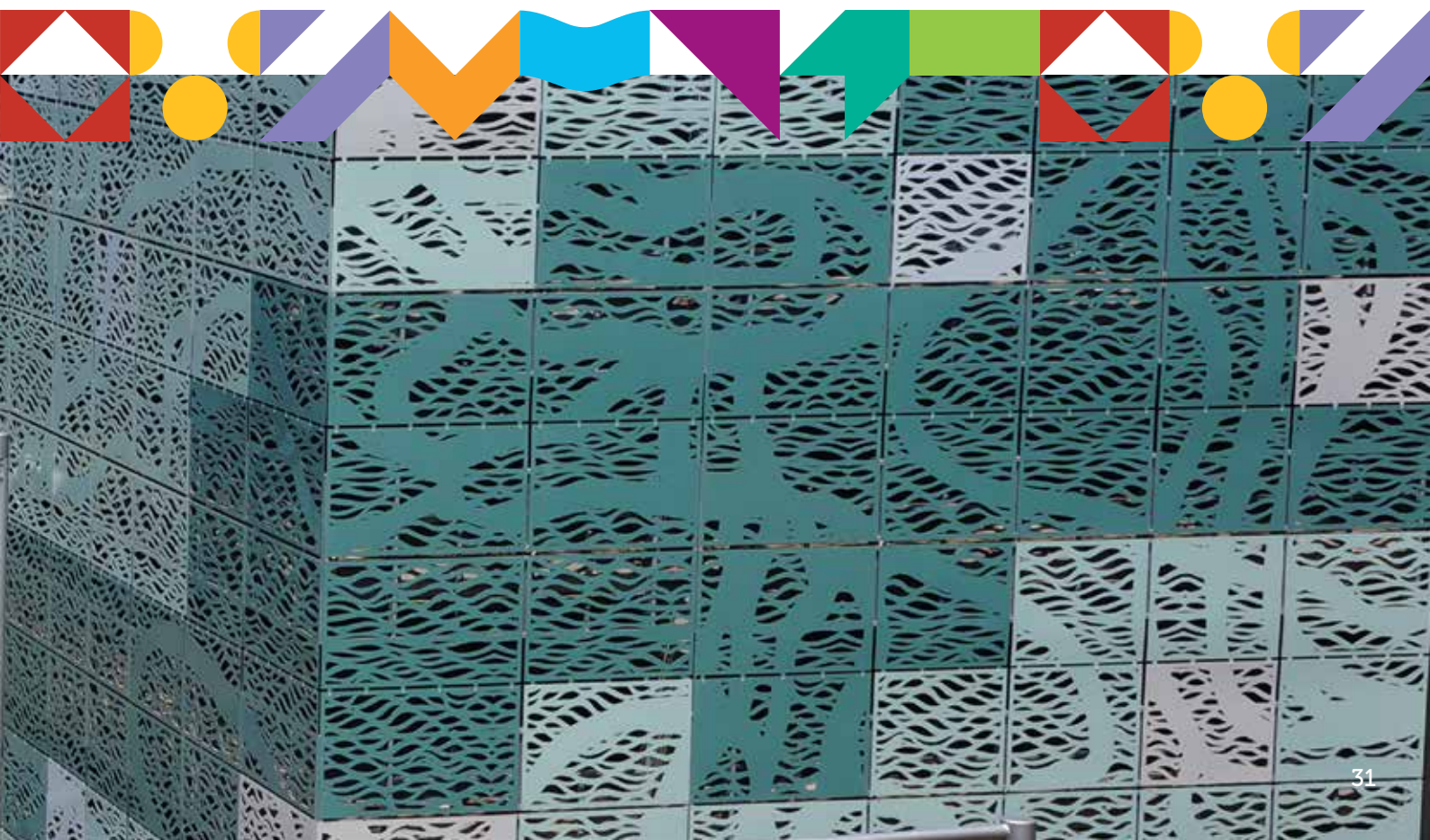


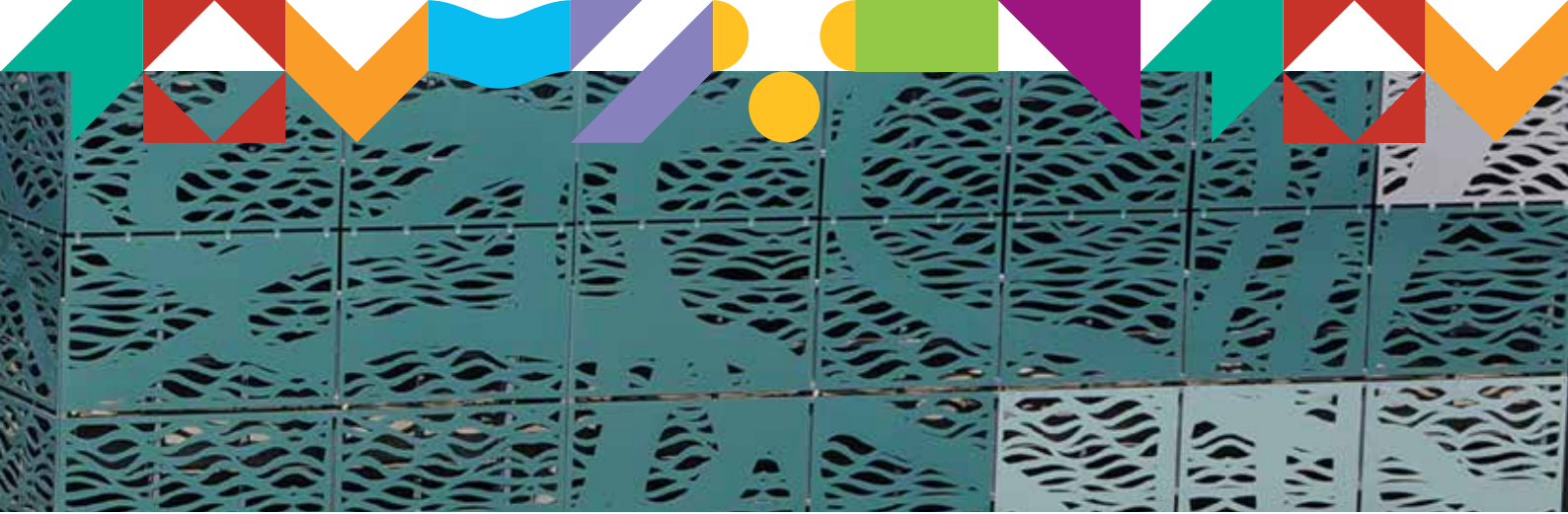
The precinct's off-street parking areas are:

- Stokes Hill Road car parking area 'B' (at Indo Pacific Marine): 19 bays
- Stokes Hill Road car parking area 'A': 74 bays
- convention centre rear at-grade parking area: 70 bays
- convention centre basement parking area: 221 bays (managed by the centre)
- Jervois Road car parking area: 114 bays
- Kitchener Drive multistorey car park: 501 bays (360 public bays).

The on-street car parks and the off-street at-grade car parks are operated with 'pay and display' parking meters. The Kitchener Drive multistorey car park is boom gated and patrons pay on exit.

During 2014-15, there were 61 633 parking meter transactions in the on-street and off-street at-grade parking areas, 28 264 fewer than the previous year.





Kitchener Drive multistorey car park fast facts:

- There are six levels of parking with a total of 501 parking spaces.
- Parking is free for the first two hours, with low rates for short-term parking thereafter.
- Parking is available to everyone who visits the precinct, including people who work at the precinct, hotel guests, and visitors to the precinct's facilities, events and businesses.
- The car park only reached full capacity for short periods during large events, such as the Saltwater Craft Fair, New Year's Eve and Easter.
- A total of **187 117** parking transactions were made in 2014-15, 3674 transactions fewer than in 2013-14.
- The average period of stay was **1.91 hours**.
- The average number of daily transactions was **512 vehicles**.

Changes to parking in 2014-15

In 2014-15, the corporation implemented changes to parking conditions to make visiting the precinct more affordable and convenient.

From 1 July 2014, the corporation launched free parking on weekends and after 5pm on weekdays for all on-street and off-street parking at grade. The change was made to align the precinct's parking regime with the wider Darwin CBD. The new conditions include on-street parking on Kitchener Drive and Anchorage Court and off-street parking at Stokes Hill Road car parks A and B, rear convention centre and Jervois Road car park (Deckchair Cinema).

In May 2015, the corporation also introduced credit card payment options in all Darwin Waterfront parking meters. The new electronic payment system means more convenience for patrons with quick and safe parking payment through mainstream chip and PIN credit cards.



Darwin Convention Centre

The Darwin Convention Centre was developed under a 'public private partnership' between the Northern Territory Government and the Darwin Cove Consortium.

The 'build, own, operate and transfer' arrangement means the consortium is responsible for the design, construction and operation of the centre for 25 years from the date it opened. Therefore, in June 2033, the facility will revert to Territory ownership.

The convention centre concession is held by Darwin Cove Convention Centre. The centre is operated by AEG Ogden and maintained by Honeywell.

On behalf of the Northern Territory Government, the Darwin Waterfront Corporation is responsible for ensuring the convention centre operates in accordance with the Concession Deed.

In 2014-15, the Darwin Convention Centre hosted 173 events that attracted more than 60 000 people and contributed \$63 million in national and international delegate spend to the Northern Territory economy.

Image courtesy of Darwin Convention Centre







Darwin Convention Centre – A Place Like No Other

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2014–15 events and highlights

In 2014–15, the Darwin Convention Centre hosted 173 events that attracted more than 60 000 people to the centre and contributed \$63 million in national and international delegate spend to the Northern Territory economy.

Some of the major events were:

- the Australia-Japan Joint Business Conference, the most important economic summit ever held in Darwin
 - the mining industry’s SEAAOC 2014 (South East Asia Australia Offshore and Onshore Conference), the largest petroleum conference in the Territory
 - the biennial scientific meeting of the Asia Pacific Paediatric Endocrine Society
 - the Northern Australian Defence Summit
 - Bendigo Bank’s annual national conference
 - Tupperware’s national managers’ conference.
- 

Darwin Convention Centre – a place like no other

In June 2015, the Darwin Convention Centre will launch a dynamic new marketing campaign called 'A Place Like No Other' to highlight the special and unique environment Darwin and the Darwin Convention Centre offers as an events destination.

The Darwin Convention Centre is the closest Australian convention centre to South East Asia, with approximately four hours flight time to Singapore, Kuala Lumpur and Ho Chi Minh City. A growing number of Australian and Australasian associations are choosing Darwin as their preferred conference destination to attract both Australian and South-East Asian delegates.

The campaign promotes Darwin's close access to Asia, its stunning tropical setting and unique Top End experiences along with the centre's world-class facilities, outstanding dining and exceptional service.

These are all key attributes that appeal to event organisers from progressive associations and organisations and who want a special environment that promotes innovative thinking, business leadership, social engagement and authentic connections.

The campaign targets national associations, corporations and franchises as well as local professional conference organisers and event planners.

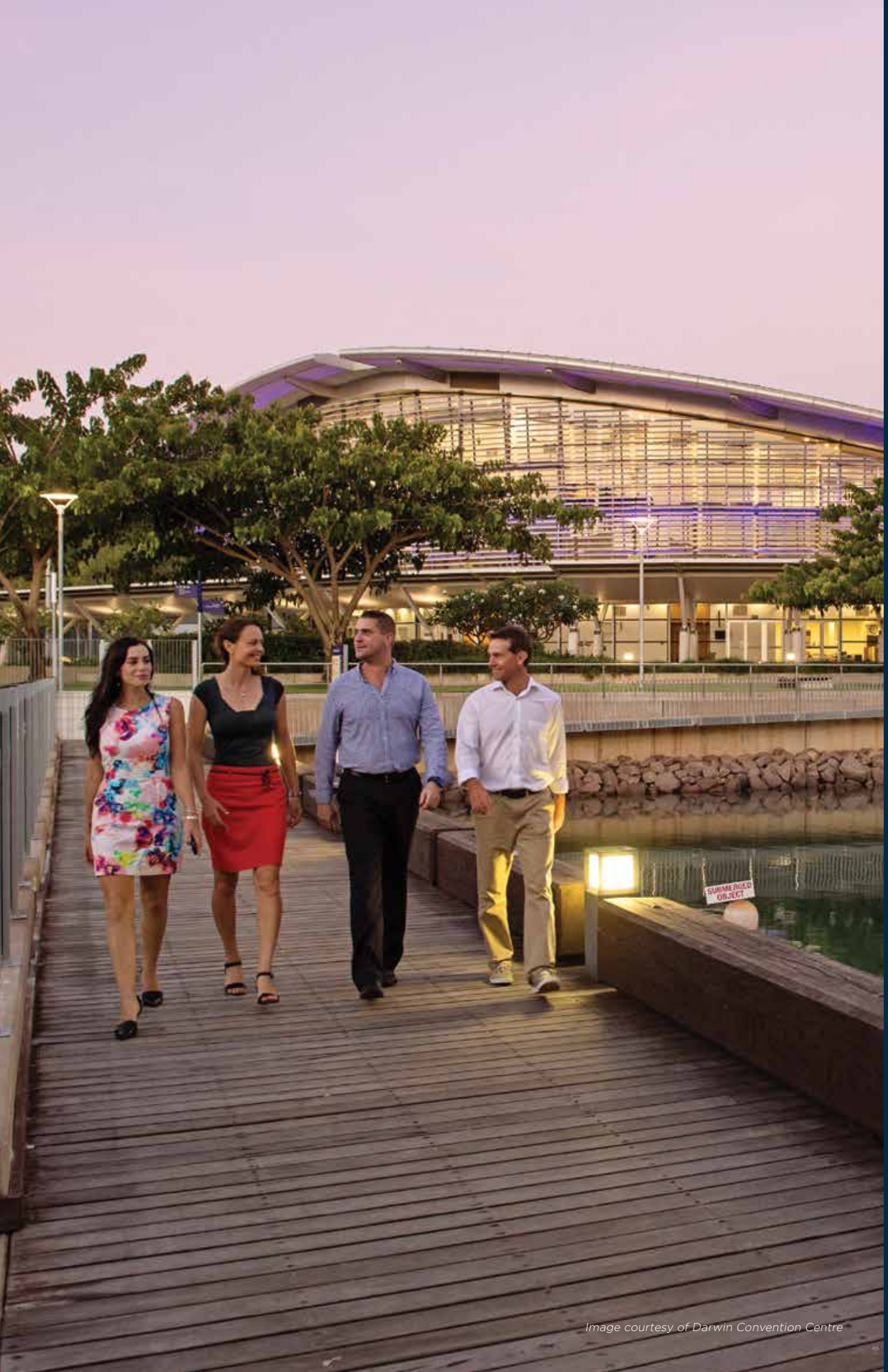
Underpinning the campaign is the new website—www.darwinconvention.com.au—which features 360-degree virtual tours of all the centre's internal event spaces and outdoor areas in the Waterfront Precinct. The virtual tours are an excellent planning tool for event planners to better understand the centre's spaces and layouts.

Darwin Welcomes Delegates

Darwin has formally extended its warm hospitality for the 2015-16 conference season with the new 'Darwin Welcomes Delegates' program, a joint initiative of the Darwin Convention Centre, the Northern Territory Convention Bureau and Tourism Top End.

On arrival in Darwin, delegates will receive a special 'Darwin Welcomes Delegates' card, enabling them to enjoy a range of privileges and special offers available at shops, restaurants, hotels and tourist attractions where the program symbol is displayed. The program aims to highlight Darwin's reputation as the most hospitable destination in Australia for business events.









Development

Development – stage 2A

The vision

The Toga Group has a public private partnership with the Northern Territory Government to develop the Wharf 2 project at the Darwin Waterfront, which commenced in October 2012 with the first sub-stage—stage 2A.

The stage 2A development is called ‘Wharf 2’ and comprises three buildings and various public infrastructure components. The structures are similar to the three buildings of Wharf One and are located to the west of the stage 1 development, towards the Fort Hill end of the site and extending from Kitchener Drive to the Recreation Lagoon on Kitchener Bay.

The Wharf 2 complex includes:

- Building 4, ‘The Pavilion’: comprising the new 4050 square metre Charles Darwin University Business School and 18 park-frontage residential apartments.
- Building 5 (‘Parkside’): comprising 48 residential apartments with basement car parking facilities.
- Building 6 (‘Quayside’): comprising 72 residential apartments and 540 square metres of ground-level mixed use commercial and retail space with basement parking facilities.

The development

Wharf 2, the Waterfront Precinct’s new residential and business complex, was completed in 2014–15, enriching the existing ‘lifestyle hub’ feel of the precinct.

Titles were issued for all 138 new apartments in the three residential buildings of Wharf 2: 18 in ‘the Pavilion’, 48 in ‘Parkside’ and 72 in ‘Quayside’.

Wharf 2 also encompasses CDU’s new business school, 4050 square metres of commercial space, 500 square metres of retail space, a residential pool and new parklands.

‘Wharf 2 has combined world-class residential, leisure, business and educational spaces to create something truly unique’, said Fabrizio Perilli, Chief Executive Officer of TOGA Development & Construction, the developer and builder of the precinct.

Also part of the \$90 million Wharf 2 development delivered last year are new boardwalks, a new road to complete the ring road loop from Kitchener Drive to Anchorage Court and public parklands, including the first stage of Goyder Park—named after the camp of early European settler George Goyder and his surveying party, who set up beneath Fort Hill in 1869 (Goyder Park is due for completion in 2015-16).

A Territory centrepiece

Mr Perilli said Wharf 2 and the lifestyle precinct it creates will not only serve the Darwin community, but will also become a centrepiece in the promotion of the Northern Territory, both domestically and internationally.

‘The Waterfront has already become the go-to spot for people to socialise, swim, shop, dine, study, exercise and unwind, and Wharf 2 is heading in the same direction’, he said.

‘Right from the outset, developing Darwin was about raising the standard of public amenities in the waterfront area and building a precinct that will become a key component of the promotion of the Northern Territory, now and for many years to come.’

Charles Darwin University’s new five-storey business school is the centrepiece of building 4 in the Wharf 2 development.

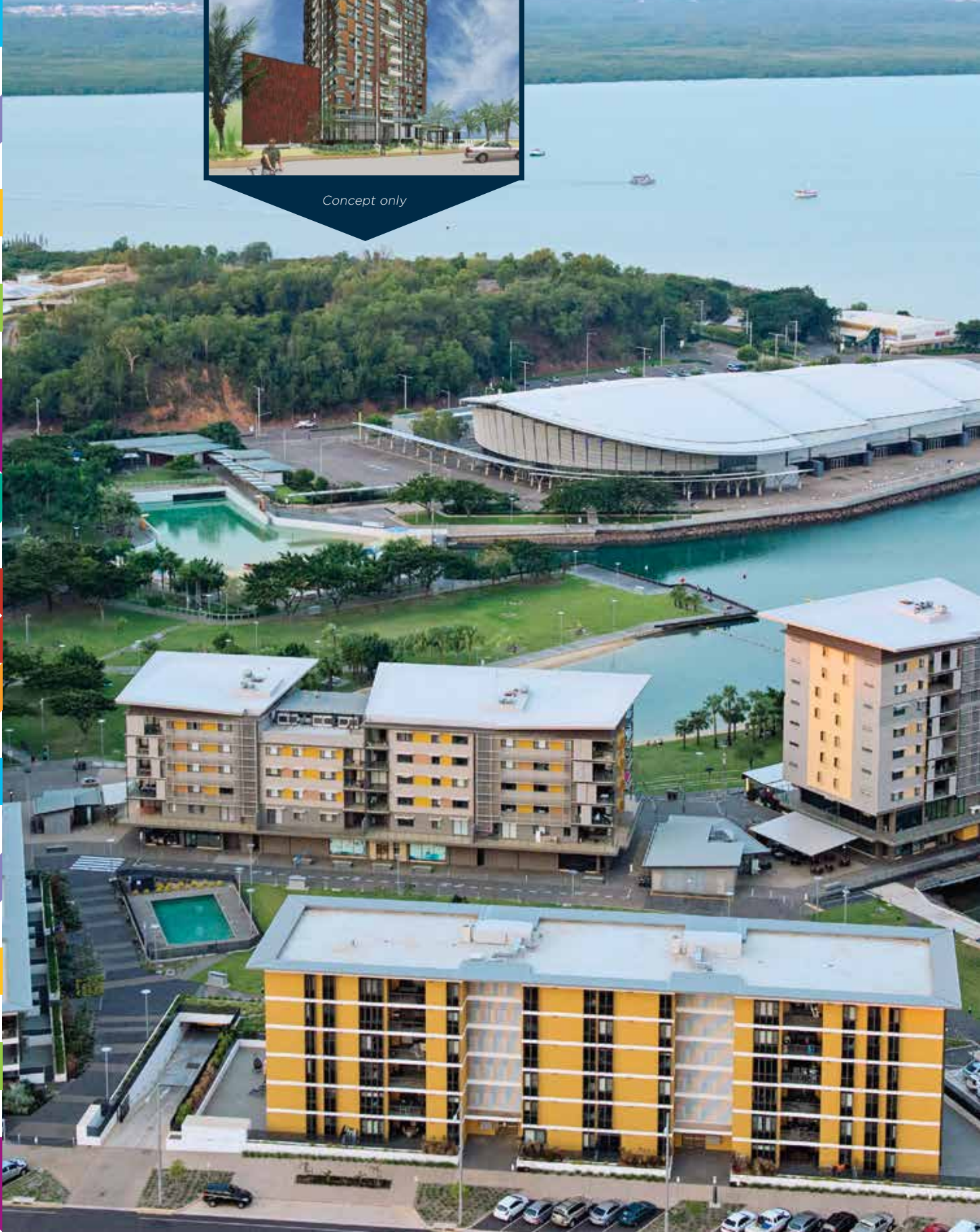
‘We worked with Charles Darwin University to construct a facility that will inject life, energy and movement into the precinct and attract students from all over the world’, Mr Perilli said.







Concept only





New residential hub

The 138 new apartments in Wharf 2 were completed in 2014-15 and set the standard in luxury waterfront living, with resort-style interiors, high-quality finishes and outstanding outdoor living.

‘The feedback from residents is that the precinct is welcoming, vibrant and a sought-after address’, Mr Perilli said.

Cheryl Richardson moved into her new second-floor apartment in the Quayside building of Wharf 2 in April 2015 and couldn’t be happier with her new home.

‘It’s just beautiful; I’m on the eastern side overlooking the wharf, so I get the beautiful views and sunrises. It’s so tranquil’, she said.

‘It’s easy to exercise around the precinct; I go for runs along the breakwater and out to the wharf, which is gorgeous at sunrise. It’s just a lovely place to live.’

Cheryl particularly loves the feeling of community at the precinct. ‘There’s a real vibrancy down here; a feeling that you’re part of something’, she said.

‘Living in a typical apartment block, it can be hard to make that connection with people because you’re all locked away in your own apartments. But there’s just something about the Waterfront where everyone’s really open to meeting new people, making friends and catching up at one of the venues. That’s been a really lovely thing about living in the complex.’

Looking ahead to 2015–16

Stage 2k2

The next stage of precinct’s development will rejuvenate the Stokes Hill area. ‘Stage 2k2’ will include a 20-storey residential building with 161 apartments at Stokes Hill and a new access road between Stokes Hill Road and Mavie Street.



Charles Darwin University


A major milestone was reached in 2014–15 with the opening of Charles Darwin University's new School of Business, a key component of the Wharf 2 development.

Staff moved into the new facility at the beginning of 2015, and some 500 students in the business stream spent their first semester at the Waterfront studying certificate-level programs through to bachelor degrees and masters programs.

In a first for Darwin and one of only six Australian universities to adopt the model, the new 'dual sector' school also offers both vocational education and training (VET) and higher education courses.

The new CDU facility, the centrepiece of building 4, comprises five storeys: a ground floor café and gallery with exhibition space, mixed-use spaces with classrooms, meeting rooms, staff office and common areas on the middle floors and a theatrette on the upper level.





‘Still to be completed on the top floor, in conjunction with the NT Government, is a presentation suite that will be used, in part, to show visiting groups a highly interactive presentation on activity going on around the Top End’, said CDU Vice-Chancellor, Professor Simon Maddocks.

‘We chose the Waterfront Precinct location partly because of its proximity to Darwin’s CBD and its centre of government, so our expectation is that this facility also will allow public servants to engage in programs for leadership, management and development at CDU.’

Professor Maddocks said that as well as providing state-of-the-art teaching facilities, the new business school is being very well received by both staff and students. ‘I’m surprised anyone gets any work done down there, to be honest!’ he said. ‘The views of the waterfront environment are just amazing.

‘Students are really appreciating being in that environment; we’re getting very good feedback about the building itself and its location. And businesses in the precinct are very positive about the student flow and the business it brings in as well as the vibe the school adds to the waterfront.

‘I’m receiving very positive feedback from all quarters; the centre certainly seems to be bringing to life the ‘university city’ concept here in Darwin.’



New business: Oyster Bar

After refining the business model in South Australia and Western Australia, the owners of the Oyster Bar opened a new restaurant at the Darwin Waterfront in June 2015.

Kirsty and Jarrad Carter purchased their first Oyster Bar in a marina precinct in Glenelg, SA, in 2010 and their second in Mandurah, WA, two years later. The popular wine bar concept was successful in both states, and they knew it would work just as well in Darwin.

‘A lot of our customers in South Australia are from Darwin, and they’d all tell us the concept would be perfect in Darwin’, said owner-operator Kirsty Carter. ‘We were looking for a new location, and after visiting Darwin and the Waterfront, we knew it was a perfect fit for us.’

Like its sister outlets, the Waterfront’s new Oyster Bar has a simple but very popular formula: an excellent wine list, craft beer and a focus on fresh, simple food. The oysters are flown in from Coffin Bay and shucked daily, but the menu also caters for wider tastes with popular share-food menu options.

Kirsty said the response to the new restaurant has been overwhelming. ‘We were hoping for a softer opening, but being the busy dry season, that didn’t quite go to plan!’ she said. ‘It was extremely busy from the start, which was fabulous.’

Kirsty said the new business attracts a mix of locals and tourists.

‘We see a lot of locals, especially the people living in the waterfront apartments’, she said. ‘Once word spread that we were open, tourists and locals and our customers from SA and WA started flocking in. It’s just been a wonderful response.’

The smaller, more intimate style restaurant is a fantastic addition to the Waterfront’s varied mix of food outlets. It’s open all week and offers live music on some days as well as discount specials all day Wednesdays, where oysters are on special from open to close, plus ‘Oyster Hour’ on Friday 5pm to 7pm. The venue can also host functions.

‘A lot of people tell us they’ve been waiting for something like this up here in Darwin—the smaller wine bar concept’, Kirsty said. ‘There are a lot of bigger venues, but that’s not what we’re about. We’re about a personalised experience with a really good wine list and a great choice of fresh food.’









New businesses in 2014–15:

- Top End Nutrition – May 2015
- Wharf One – May 2015
- Oyster Bar – June 2015

Hotels

The precinct has two hotels: the Vibe Hotel Darwin Waterfront and Adina Apartment Hotel Darwin Waterfront (formerly called the 'Medina Grand'). The Adina offers 121 self-serviced apartments and the Vibe has 120 hotel-style rooms.

Both share a swimming pool, gym and common foyer, which is also the location of the Curve Cafe and Bar.

Hotel fast facts:

- Adina/Vibe celebrated its sixth birthday in June 2015
- total guests in 2014–15: 113 407 (increase of 11 022 compared to 2013–14)
- average length of stay: 2.77 days (increase of 0.04 days compared to 2013–14)
- busiest months – July and October
- quietest months – December and January
- average occupancy level in 2014–15: 84.57%.




Image courtesy of TFE Hotels

Board member profiles 2014-15



CHAIRMAN

MR GRAEME LEWIS

Appointed as a member:

3 December 2012

Appointed as Chair:

19 August 2013

Long-term Territorian Graeme Lewis has close to 40 years' experience in accounting and finance positions in Darwin, including 11 years as Partner with Peat Marwick Mitchell, seven years as Darwin Private Hospital's General Manager and nine years as a Chartered Accountant with Lowry's Accountants.

On 3 December 2012, Graeme was appointed to the management board of the Darwin Waterfront Corporation and the advisory board of the Land Development Corporation. On 19 August 2013 he was appointed Chair of the Darwin Waterfront Corporation Board.

Graeme is a long-term member of the Country Liberal Party, Darwin Turf Club, Cullen Bay Marina Management Board and Tourism Top End. He's also a Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Accountants.



CHIEF EXECUTIVE OFFICER

MR ANDREW KIRKMAN

Appointed as CEO: 21 April 2015

Andrew Kirkman was appointed as CEO on 21 April 2015, after holding the position of General Manager, Darwin Waterfront Corporation and Land Development Corporation for 12 months.

Prior to this, Andrew held positions in the Department of Housing since 2009, including that of Deputy Chief Executive, Executive Director of Remote Housing and Executive Director of the Darwin Region. Andrew previously worked at the Darwin Waterfront Corporation between 2005 and 2008 as the Chief Financial Officer and Commercial Advisor for the Darwin Waterfront development. Andrew played a key role in the establishment of the corporation and its Act.

Andrew has worked in the Northern Territory Public Service since 1999 in areas also including the AustralAsia Railway Corporation, the Department of the Chief Minister and NT Treasury.

Previously, Andrew worked in finance and commercial roles in the private sector, locally in the mining industry and overseas on public private partnerships.

Andrew has undertaken all his schooling in the Northern Territory. He is a Certified Practicing Accountant and has tertiary qualifications in business.



CHIEF EXECUTIVE OFFICER (FORMER) MR JOHN COLEMAN

Appointed as CEO: 11 December 2012

Resigned: 3 March 2015

Appointed on 11 December 2012, John Coleman has nearly 40 years' experience in the Northern Territory Public Sector, with 12 years as Senior Ministerial Officer in numerous portfolio areas, including Treasury.

John's agency experience includes Primary Industry; Fisheries; Mines and Energy; Parks and Wildlife; Tourism; Sacred Sites Authority; Corrections; Health; Public Service Commission; Archives; Museums; Police, Fire and Emergency Services; Racing and Gaming; TIO; Asian Relations and Trade; and Lands and Planning.

Since 2007, John oversaw the operations of the Land Development Corporation as General Manager, as well as remaining part of the executive within the Department of Lands and Planning.

In this role, John was involved in the strategic planning for key developments such as the Gas Task Force, Major Projects, Defence Estate negotiations, Marine Supply Base, Alcan G3, Trans Territory Pipeline, ConocoPhillips gas plant and INPEX onshore plant and support site negotiations.

John held the post of Chief of Staff, Office of the Chief Minister and then returned to the Department of Lands, Planning and the Environment as Executive Director, Economic Development. John was appointed Chief Executive of the Department of Lands, Planning and the Environment in April 2013 until March 2015 when he became CEO of the Department of the Chief Minister. He remains CEO of Land Development Corporation but resigned in March from the CEO role at the Darwin Waterfront Corporation.

Board member profiles 2014-15



MEMBER

Suzanne Morgan

Appointed: 7 October 2014

Suzanne leads activities to grow business tourism, driving the use of market research and new technology enabling a smarter, more targeted approach. Development of business excellence, via the Brolga Awards, is a key focus as is growing visitation through third party endorsement with key sponsorships. Suzanne is a former Executive Director, Industry Development and since 2000 has been Director of International Operations for Tourism NT, twice. She has extensive experience in international operations, including establishing cooperative aviation agreements and growing NT visitation from the USA, Europe and Asia.



MEMBER

David De Silva

Appointed: 21 April 2015

David is a prominent member of the Northern Territory business community and legal profession, having practised as partner and principal of De Silva Hebron for 20 years. David is a community-minded practitioner who is focussed on adding value to the local community, and he actively encourages the philanthropic activities of the firm.

David is also a keen businessman who fosters and nurtures strong relationships with key stakeholders in the Northern Territory. His reputation in the commercial world has opened a number of opportunities for him to facilitate the development of the Northern Territory. David has had extensive board and other experience in relation to private companies, non-government organisations and sporting bodies.

He is currently chairman of the board for Crime Stoppers (NT) Inc., Territory Generation and Darwin Performing Arts Centre Ltd and is a member of the Board for Tennis NT Inc and Territory Equities Ltd.

In the past he has been a board member for the Northern Territory Football League (1998-2001), AFL Northern Territory Ltd (September 2001 - April 2004), St Marys Football and Sports Club, Top End Group Training Pty Ltd (February 2009 - April 2012) and the Director of Power and Water Corporation and Indigenous Essential Services Pty Ltd (2013).





MEMBER

Trish Brick

Appointed: 21 April 2015

Trish Brick has lived and worked in Darwin for 30 years, where she's established a reputation in the Darwin business community, developed a broad knowledge of local issues and built extensive personal and business networks.

Trish operated her business, First Class (NT), for nearly 22 years, delivering strategic communication services to a broad range of corporate and government clients.

Trish's skills are in developing creative solutions to build her clients' brand and image and strengthen their market position. Her experience in listening, lateral thinking and problem solving has contributed to a number of successful marketing campaigns and projects, including the early stages of the Darwin Waterfront Precinct development.

Trish is a member of the Australian Institute of Company Directors, the Australian Marketing Institute and the Australian Design Association.



MEMBER (FORMER)

MR TONY MAYELL

Appointed: 15 February 2013

Resigned: 15 July 2014

Tony Mayell was appointed Chief Executive Officer of Tourism NT, based in Alice Springs, in November 2012.

Tony has more than 35 years' experience in tourism in both the private and public sectors, including senior management roles in transport, aviation, resort accommodation and destination marketing.

He has held the positions of CEO and Managing Director of the Northern Territory Tourist Commission, CEO of Tourism Tasmania, Resort General Manager of Voyages Ayers Rock Resort, Managing Director, Domestic and Online for AOT Group, CEO of World Travel Headquarters and General Manager, Europe for the Australian Tourist Commission.

Tony has been a member of the Uluru-Kata Tjuta Park Management Board, Business Events Tasmania, Desert Knowledge Australia and the Parks and Wildlife Commission of the Northern Territory, as well as Chair of the NT Aviation Committee. Tony is a board member of Tourist NT, the Australian Standing Committee on Tourism, the Australian Tourism Data Warehouse and the Kakadu Board of Management. He's also a member of the Tourism CEOs Forum, and sits on the Economic Development Sub Committee of the Northern Territory Government's Central Coordination Committee.

Board member profiles 2014-15



MEMBER (FORMER)

MS JENNIFER PRINCE

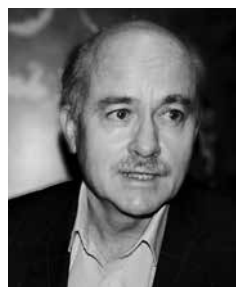
Appointed: 3 December 2006

Resigned: 31 December 2014

Jennifer Prince was appointed to the Waterfront Development Corporation Board when it was established 2006.

Jennifer was the Under Treasurer of the Northern Territory from June 2002 to September 2012 and has a deep understanding of the Northern Territory economy and the Territory's financial arrangements.

Jennifer has contributed to the development of a number of significant projects sponsored by the Territory Government that have contributed to the Territory's economic growth and diversification. She has represented the Territory in a range of complex negotiations with the Commonwealth, including ensuring the Territory receives a fair share in the distribution of national revenue.



MEMBER (FORMER)

MR MICHAEL BURGESS

Appointed: 21 February 2008

Resigned: 31 December 2014

Mike Burgess has been a resident of the Northern Territory since 1979. Mike has worked in areas ranging from water supply, wastewater and electricity supply to sustainable natural resource management and major project development.

Mike has held senior positions in the Northern Territory Government, including Chief Executive of various agencies including the Department of the Chief Minister. He has also served on the Boards of various NT Authorities and research institutions, including the Power and Water Corporation, Savannas CRC, the Darwin Port Corporation, the Land Development Corporation, the Major Events Company, the Conservation Land Corporation and the Tourism NT Advisory Board. He is now the Director of MNT Consulting and a partner in Bespoke Territory, both based in Darwin.

Board members' report

The Board members present their report on the accounts for the year ended 30 June 2015.

Members

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

- Graeme Lewis - Chairman
- Andrew Kirkman - Chief Executive Officer
- Patricia Brick - Member
- Suzanne Morgan - Member
- David De Silva - Member
- John Coleman (resigned 3 March, 2015) - former Chief Executive Officer
- Jennifer Prince (resigned 31 December, 2014) - former Member
- Michael Burgess (resigned 31 December, 2014) - former Member
- Anthony Mayell (resigned 15 July, 2014) - former Member

Further details on members are provided at Note 22 to the financial statements and member profiles at pages 33 and 34 of the annual report.

Principal activities

The Darwin Waterfront Corporation is a statutory corporation established to develop, manage and service the Darwin Waterfront Precinct for the benefit of the community and on behalf of the NT Government. The corporation is promoting the precinct as a place of residence and business and a venue for public events and entertainment.

Ministerial directions

No written ministerial directions were received by the corporation under Section 20 of the *Darwin Waterfront Corporation Act* for the year ended 30 June 2015.

Review of operations and significant changes during the reporting period

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

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



- preserve good order in the precinct
- provide municipal services in the precinct
- maintain civic amenities and facilities in the precinct
- advise the minister about the precinct
- develop and manage land not currently forming part of the precinct as directed by the minister and in accordance with regulations.

Operationally, the number of public events organised at the precinct increased by about 28 per cent in 2014-15, resulting in a three per cent increase in patronage numbers compared to 2013-14. Owners of the retail and commercial property within the precinct, Toga Group, continued financial contributions to events staged at the precinct, providing a welcome boost to the precinct's promotion.

2014-15 saw a slight decline in patronage numbers of the multi-storey car park; a two per cent decrease on 2013-14 as on and off-street parking became free on weekends and after 5pm on weekdays.

The Darwin Convention Centre exceeded the concession deed base case requirements for the attraction of interstate and international delegates,

with associated benefits flowing into the Northern Territory's economy.


Toga Group completed the Stage 2A development during the year, which comprises the Charles Darwin University's School of Business campus, 138 residential apartments and various commercial premises.

The corporation undertook responsibility for the management and operation of the Stokes Hill Wharf precinct on 1 January 2015. This includes managing commercial retail tenants and harbour cruise operators for berthing activities, promoting the venue as a place of business, and ensuring the facility is maintained to the appropriate standard. The corporation received additional funding for operating and managing the Stokes Hill Wharf precinct.

There have been no other significant changes to the corporation's operations during the financial year.

Operating results

The operating result of the Darwin Waterfront Corporation for 2015 was a Deficit of \$4.232 million (2014: deficit \$3.296 million). The increase in the deficit is mainly due to the corporation recording an expense for the gifting of the West Bennet Feeder asset to the Power and Water Corporation during the year. The corporation also recorded an additional depreciation



expense as a result of the transfer of new depreciable assets from the Department of Infrastructure to the corporation.

Matters subsequent to the end of the financial period

At the date of this report, there is no matter or circumstance that has arisen since 30 June 2015 that has significantly affected or may significantly affect:

a) the operations, in the financial periods subsequent to 30 June 2015, of the corporation

b) the results of those operations

or

c) the state of affairs, in financial periods subsequent to 30 June 2015, of the corporation.



Graeme Lewis
Chairman

September 2015

Likely developments and expected results of operations

The corporation expects to receive operational grants from the Territory Government for payments towards operational expenditure during the 2015-16 financial year and to perform any other services 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.



Andrew Kirkman
Chief Executive Officer

September 2015



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 the *Corporations Act 2001* and complIES 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 2015 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.



Graeme Lewis
Chairman

September 2015



Andrew Kirkman
Chief Executive Officer

September 2015

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Statement of Comprehensive Income

For the year ended 30 June 2015

	NOTE	2015 \$'000	2014 \$'000
REVENUE			
User Charges		2,175	2,044
Other		248	40
Operating Grants and Other Contributions		19,113	17,842
Total Revenue	3	21,536	19,926
EXPENSES			
Employee Expenses		961	857
Property Maintenance	4	2,619	1,924
Agent Service Arrangements	5	982	1,039
Asset Expenses	6	5,831	4,360
Grants and Subsidies	7	6,842	6,531
Finance Costs	8	5,495	5,597
Other Expenses	9	3,038	2,914
Total Expenses		25,768	23,222
Deficit for the year		(4,232)	(3,296)
Other Comprehensive Income		-	-
Total Comprehensive Income		(4,232)	(3,296)

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 2015

	NOTE	2015 \$'000	2014 \$'000
CURRENT ASSETS			
Cash and Cash Equivalents	10	837	714
Trade and Other Receivables	11	293	157
Other Assets	12	133	128
Total Current Assets		1,263	999
NON-CURRENT ASSETS			
Property, Plant and Equipment	13	233,277	224,546
Total Non-Current Assets		233,277	224,546
TOTAL ASSETS		234,540	225,545
CURRENT LIABILITIES			
Trade and Other Payables	15	3,845	3,704
Finance Lease Liability	16	1,823	1,624
Other Liabilities		101	-
Total Current Liabilities		5,769	5,328
NON-CURRENT LIABILITIES			
Finance Lease Liability	16	79,771	81,594
Total Non-Current Liabilities		79,771	81,594
TOTAL LIABILITIES		85,540	86,922
NET ASSETS		149,000	138,623
EQUITY			
Contributed Equity		174,037	159,428
Accumulated Funds		(25,037)	(20,805)
TOTAL EQUITY		149,000	138,623

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 2015

	NOTE	2015 \$'000	2014 \$'000
BALANCE AT 1 JULY		138,623	141,103
CONTRIBUTED EQUITY			
Balance at 1 July		159,428	158,612
Equity Injections		14,745	816
Equity Withdrawal		(136)	-
Balance at 30 June		174,037	159,428
ACCUMULATED FUNDS			
Balance at 1 July		(20,805)	(17,509)
Total Comprehensive Income for the Year		(4,232)	(3,296)
Balance at 30 June		(25,037)	(20,805)
BALANCE AT 30 JUNE		149,000	138,623

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

Cash Flow Statement

For the year ended 30 June 2015

	NOTE	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Operations		4,398	4,095
Grants and Subsidies Received		19,113	17,842
Interest Received		50	41
Payments to Employees		(960)	(856)
Payments for Goods and Services		(8,546)	(7,678)
Interest Paid		(5,495)	(5,597)
Grants and Subsidies Paid		(6,842)	(6,531)
Net cash provided by operating activities	19	1,718	1,316
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment		-	-
Net cash used in investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance Lease Payments		(1,624)	(1,439)
Equity Withdrawal		(136)	-
Equity Injections		165	-
Net cash used in financing activities		(1,595)	(1,439)
Net decrease in cash and cash equivalents		123	(123)
Cash and cash equivalents at the beginning of the financial year		714	837
Cash and cash equivalents at the end of the financial year	10	837	714

The Cash Flow Statement 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 2015

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 Darwin Waterfront Precinct for the benefit of the community and on behalf of Government.

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 comply with other requirements of the law.

The financial statements were authorised for issue by the Board members on 25 September 2015.

Basis of Preparation

The financial statements have been prepared on an accrual basis using historical costs. The corporation is a not-for-profit entity for financial reporting purposes.

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

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.

Going Concern Basis

At 30 June 2015, the corporation had net current liabilities of \$4.506 million (2014: \$4.329 million). The corporation reported a deficit for the year of \$4.232 million (2014: \$3.296 million). The ongoing operations of the corporation are reliant on the continued funding by the Northern Territory Government. Based on this, the Directors believe the corporation has the ability to repay all debts when due and payable, and therefore the going concern basis used to prepare the financial statements is appropriate.

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.

Adoption of new and revised Accounting Standards

The corporation has adopted all the new, revised and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

AASB 1031 Materiality (2013), AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments, AASB 2014-1 Amendments to Australian Accounting Standards (Part C – Materiality)

The revised AASB 1031 is an interim standard that cross references to other standards and the *Framework for the Preparation and Presentation of Financial Statements* that contain guidance on materiality. This standard does not impact the financial statements.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

The amendments to AASB 136 *Impairment of Assets* address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The standard does not impact the financial statements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of the standard makes amendments to various Australian Accounting Standards (AASB 2, 3, 8, 9, 13, 116, 119, 124, 137, 138, 139, 140 & 1052 and Interpretation 129) arising from the issuance by IASB of IFRSs *Annual Improvements to IFRS 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*. The standard does not impact the financial statements.

Australian Accounting Standards and Interpretations Issued but not yet Effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The corporation did not early adopt any new standards, amendments to standards and interpretations that were available for early adoption at 30 June 2015.

Standard/ Interpretation	Summary	Effective for annual reporting periods beginning on or after	Impact on financial statements
AASB 9 Financial Instruments (Dec 2014), AASB 2014-1 Amendments to Australian Accounting Standards (Part E – Financial Instruments), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2014)	The final version of AASB 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace AASB 139 Financial Instruments: Recognition and Measurement. This version adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets.	1 Jan 2018	Evaluation still being undertaken

AASB 15 <i>Revenue from Contracts with Customers</i> , AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It replaces several Standards and Interpretations, including AASB 111 <i>Construction Contracts</i> , AASB 118 <i>Revenue</i> , and Interpretation 15 <i>Agreements for the Construction of Real Estate</i> , and Interpretation 18 <i>Transfers of Assets from Customers</i> .	1 Jan 2017	Evaluation still being undertaken
AASB 2014-4 <i>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation</i> [AASB 116 & 138]	Amends AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> to provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.	1 Jan 2016	Will have minimal impact on financial statements when adopted
AASB 2015-1 <i>Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle</i> [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]	Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle.	1 Jan 2016	Will have minimal impact on financial statements when adopted
AASB 2015-2 <i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i> [AASB 7, 101, 134 & 1049]	Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements, and to ensure entities are able to use judgement when applying a standard in determining what information to disclose.	1 Jan 2016	Will have minimal impact on financial statements when adopted
AASB 2015-6 <i>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i> [AASB 10, 124 & 1049]	Extends the scope of AASB 124 <i>Related Party Disclosures</i> to not-for-profit public sector entities.	1 July 2016	Will have minimal impact on financial statements when adopted

Other new standards that were issued prior to the sign-off date and are applicable to the future reporting period and are not expected to have a future financial impact on the corporation have not been reported.



a) Revenue

Revenue is measured at the fair value of the consideration received or receivable exclusive of the amount of GST. Corporation revenue from ordinary activities comprises grants received from the Northern Territory Government, municipal rates, property rental income and user charges from admission to the wave lagoon, car parking, berthing and venue hire. Municipal rates are recognised when levied, while user charges are recognised upon provision of the particular service.

b) Government grants

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

c) Income tax

The corporation is exempt from income tax.

d) Cash and cash equivalents

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

e) Financial instruments

Non-derivative

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables, finance lease liability, 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 balance sheet date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition that indicates that it is probable that the entity will be unable to collect all amounts due. The carrying amount of a financial asset identified as impaired is reduced to its estimated recoverable amount.

f) 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, minus any reduction (directly through the use of an allowance account) for impairment or uncollectibility.

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 ageing schedule in Note 11. Reconciliation of changes in the allowance accounts is also presented.

g) 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.

While 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 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 Corporation's 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.

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.

Any gain or loss on disposal of an item is recognised in the Statement of Comprehensive Income.

The depreciated replacement cost of these assets is deemed to be their fair values.

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:

	2015	2014
Buildings and community infrastructure	4-100 years	4-100 years
Plant and equipment	3-10 years	3-10 years
Transport equipment	5 years	5 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.

h) 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.

i) Leases

Finance leases

Finance leases are capitalised. A lease 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.

Darwin Convention Centre Concession Arrangements

The Northern Territory Government 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 three-year handover phase.

The Concession Holder has also entered into separate contractual arrangements with Honeywell Ltd (the Facilities Manager) for the maintenance, repair and refurbishment of the facility over the period until the centre is handed over to the Territory.

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

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

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

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

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.

j) 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.

k) 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 the Northern Territory Government.

l) Comparative amounts

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

m) Commitments

Disclosures in relation to capital and other commitments are shown at note 17 and are consistent with the requirements contained in AASB 101. Commitments are those contracted as at 30 June 2015 where the amount of the future commitment can be reliably measured.

n) Fair-value measurement

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

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

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

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

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

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

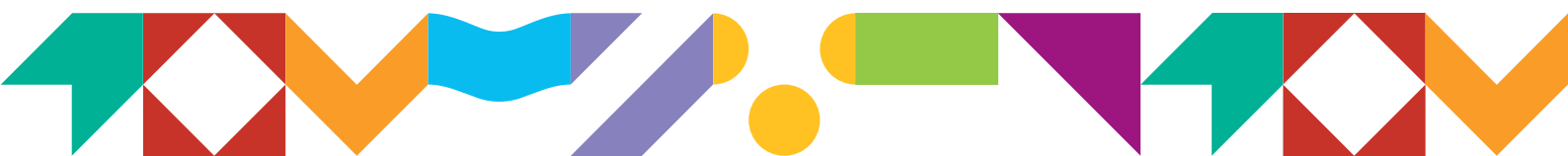
Level 1 – inputs are quoted prices in active markets for identical assets or liabilities

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

Level 3 – inputs are unobservable.



3. REVENUE	NOTES	2015 \$'000	2014 \$'000
Revenue from Rendering of Services			
User Charges			
Car Parking Fees		592	751
Rates		513	471
Wave Lagoon Admissions		583	574
Berthage Fees		76	-
Other Income		411	248
Other			
Interest on Cash Balances		50	40
Property Rental Income		198	-
Operating Grants and Other Contributions			
Northern Territory Government		19,113	17,840
Other		-	2
Total Revenue		21,536	19,926
4. PROPERTY MAINTENANCE			
Cleaning		529	518
Grounds Maintenance		1,774	1,057
Security		267	276
Other		49	73
Total Property Maintenance		2,619	1,924
5. AGENT SERVICE ARRANGEMENTS			
Department of Corporate and Information Services		51	41
Department of Lands, Planning and the Environment		203	294
Surf Life Saving Northern Territory		672	658
City of Darwin		56	46
Total Agent Service Arrangements		982	1,039
6. ASSET EXPENSES			
Depreciation		2,464	2,253
Amortisation		2,107	2,107
Gifted Asset		1,260	-
Total Depreciation and Amortisation		5,831	4,360



7. GRANTS AND SUBSIDIES	NOTES	2015 \$'000	2014 \$'000
Grants			
Territory Efficiency Payments		-	-
Territory Incentive Payments		786	775
Total Grants		786	775
Subsidies			
Territory Operating Payments		3,094	2,870
Territory Availability Payments		2,962	2,886
Total Subsidies		6,056	5,756
Total Grants and Subsidies		6,842	6,531
8. FINANCE COSTS			
Interest on obligations under finance lease		5,495	5,597
Total Finance Costs		5,495	5,597
9. OTHER EXPENSES			
Audit Fees (auditors received no other benefits)		40	38
Power		684	515
Water and Sewerage		254	195
Insurance		342	448
Marketing and Promotion		636	595
Other Operational Costs		1,082	1,123
Total Other Expenses		3,038	2,914
10. CASH AND CASH EQUIVALENTS			
Cash at Bank		832	711
Cash Advances		3	3
Cash in Transit		2	-
Total Cash and Cash Equivalents		837	714

The effective interest rate for cash and cash equivalents for the year was 2.36%



11. TRADE AND OTHER RECEIVABLES

Current

	NOTES	2015 \$'000	2014 \$'000
Trade Receivables		172	90
Less: Allowance for impairment losses		(2)	-
		170	90
Other		70	28
Goods and Services Tax Recoverable		53	39
Total Trade and Other Receivables		293	157
Consisting of:			
Government Agencies		60	40
External Bodies		233	117

The average credit period on sales of goods and rendering of services is 30 days. No interest is charged on the trade receivables. An allowance has been made for overdue trade receivable amounts arising from the past sale of goods and rendering of services, as these are considered impaired or irrecoverable.

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

Ageing of past due but not impaired

30-60 days	-	24
60-90 days	5	-
90+ days	43	-
Total	48	24

12. OTHER ASSETS

Current

Prepayments		133	128
Total Other Assets		133	128

13. PROPERTY, PLANT AND EQUIPMENT

Land		44,355	36,825
Total Land		44,355	36,825
Buildings Under Finance Lease			
Convention Centre		105,346	105,346
Less: Accumulated Amortisation		(14,749)	(12,642)
Total Buildings Under Finance Lease		90,597	92,704

	NOTES	2015 \$'000	2014 \$'000
Community Infrastructure			
Marine Infrastructure		43,466	43,411
Roads and Services		14,066	13,826
Multistorey Car Park		11,456	10,920
Jervois Road Car Park		397	-
Wave Lagoon		16,989	16,816
Amenities Building		1,496	1,472
Public Domain		20,788	16,558
Bridge Link		3,796	3,796
Less: Accumulated Depreciation		(14,254)	(11,808)
Total Community Infrastructure		98,200	94,991
Construction Work in Progress			
Construction Work in Progress		6	-
Total Construction Work In Progress		6	-
Plant and Equipment			
Plant and Equipment		392	280
Less: Accumulated Depreciation		(278)	(263)
Total Plant and Equipment		114	17
Transport Equipment			
Transport Equipment		25	25
Less: Accumulated Depreciation		(20)	(17)
Total Transport Equipment		5	8
TOTAL PROPERTY, PLANT AND EQUIPMENT		233,277	224,546

In the corporation's review of impairment of assets at balance date, it has determined that both Buildings under Finance and Community Infrastructure assets had no diminution of service potential since the date of their handover and as such no impairment loss has been recognised.

Reconciliations

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

	NOTES	2015 \$'000	2014 \$'000
Land			
Carrying amount at beginning of year		36,825	36,433
Additions (via equity transfer)		7,530	392
Carrying Amount at End of Year		44,355	36,825
Buildings Under Finance Lease			
Carrying amount at beginning of year		92,704	94,811
Amortisation		(2,107)	(2,107)
Carrying Amount at End of Year		90,597	92,704
Community Infrastructure			
Carrying amount at beginning of year		94,991	96,779
Additions (via equity transfer)		5,655	410
Depreciation		(2,446)	(2,198)
Carrying Amount at End of Year		98,200	94,991
Construction Work in Progress			
Carrying amount at beginning of year		-	-
Additions		6	-
Carrying Amount at End of Year		6	-
Plant and Equipment			
Carrying amount at beginning of year		17	53
Additions		112	14
Depreciation		(15)	(50)
Carrying Amount at End of Year		114	17
Transport Equipment			
Carrying amount at beginning of year		8	13
Depreciation		(3)	(5)
Carrying Amount at End of Year		5	8

14. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

a) Fair value hierarchy

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

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL FAIR VALUE \$'000
2015				
Asset Classes (Note 13)				
Land	-	-	44,355	44,355
Community Infrastructure	-	-	98,200	98,200
Plant and Equipment	-	-	114	114
Transport Equipment	-	-	5	5
Total	-	-	142,674	142,674
2014				
Asset Classes (Note 13)				
Land	-	-	36,825	36,825
Community Infrastructure	-	-	94,991	94,991
Plant and Equipment	-	-	17	17
Transport Equipment	-	-	8	8
Total	-	-	131,841	131,841

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

b) Valuation techniques and inputs

Valuation techniques used to measure fair value are:

	LEVEL 2 TECHNIQUES	LEVEL 3 TECHNIQUES
Asset Classes		
Land	-	Cost Approach
Community Infrastructure	-	Cost Approach
Plant and Equipment	-	Cost Approach
Transport Equipment	-	Cost Approach

There were no changes in valuation techniques from 2013-14 to 2014-15.

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

c) Additional information for level 3 fair value measurements

(i) Reconciliation of recurring level 3 fair value measurements

	LAND	COMMUNITY INFRASTRUCTURE	PLANT AND EQUIPMENT	TRANSPORT EQUIPMENT
	\$'000	\$'000	\$'000	\$'000
Fair value as at 1 July 2014	36,825	94,991	17	8
Additions	7,530	5,655	112	-
Depreciation	-	(2,446)	(15)	(3)
Fair value as at 30 June 2015	44,355	98,200	114	5

	LAND	COMMUNITY INFRASTRUCTURE	PLANT AND EQUIPMENT	TRANSPORT EQUIPMENT
	\$'000	\$'000	\$'000	\$'000
Fair value as at 1 July 2013	36,433	96,779	53	13
Additions	392	410	14	-
Depreciation	-	(2,198)	(50)	(5)
Fair value as at 30 June 2014	36,825	94,991	17	8

(ii) Sensitivity analysis

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

Community Infrastructure, Plant and Equipment and Transport Equipment – Unobservable inputs used in computing the fair value of community infrastructure, Plant and Equipment and Transport Equipment include the historical cost and the consumed economic benefit for each asset. These assets are depreciated on useful lives ranging from three to 100 years. In respect of sensitivity of fair values to changes in input values, a higher historical cost results in a higher fair value and a greater consumption of economic benefits or useful lives, lowers the fair value.

15. TRADE AND OTHER PAYABLES

	NOTES	2015 \$'000	2014 \$'000
Current			
Trade Payables		14	24
Grants and Subsidies Payable		1,527	1,508
Accrued Expenses		2,304	2,172
Total Trade and Other Payables		3,845	3,704

Consisting of:			
Government Agencies		270	176
External Bodies		3,575	3,528

16. FINANCE LEASE LIABILITY

	NOTES	2015 \$'000	2014 \$'000
Current			
Finance Lease Liability		1,823	1,624
Non-current			
Finance Lease Liability		79,771	81,594
Total Finance Lease Liability		81,594	83,218

17. COMMITMENTS

Under the Darwin Convention Centre Concession Arrangements (refer to Note 2(i)), the corporation has commitments in relation to the Darwin Convention Centre. These commitments relate to the Territory Availability Payment (TAP) and include payments in relation to debt, equity, construction and maintenance aspects of the project.

The debt principal commitments are recognised as a liability and are disclosed at Note 16. Principal and related interest commitments are disclosed at Note 20(h).

Additional TAP commitments excluding Principal and Interest can be quantified as follows:

	NOTES	2015 \$'000	2014 \$'000
Due within 1 year		2,854	2,761
Due within 2-5 years		12,380	11,991
Due after 5 years		54,400	57,643
Total Commitment		69,634	72,395

18. 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(i), gives rise to contingent liabilities associated with:

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

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

Contingent assets

A contingent asset also arises as a consequence of the concession arrangement. As described in note 2(i), a TAP is recognised as a liability on the corporation's 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.

19. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of operating deficit for the period to net cash flows from operating activities:

	NOTES	2015 \$'000	2014 \$'000
Operating Deficit		(4,232)	(3,296)
Non-cash items			
Depreciation and Amortisation		4,571	4,360
Gifted Asset Expense		1,260	-
Repairs and Maintenance		16	-
Doubtful Debt		2	-
Changes in assets and liabilities			
(Increase)/Decrease in receivables		(136)	40
(Increase)/Decrease in prepayments		(5)	180
(Decrease)/Increase in payables		141	32
(Decrease)/Increase in other liabilities		101	-
Net cash from operating activities		1,718	1,316

20. 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 and cash equivalents, trade and other receivables, finance lease liability, and trade and other payables.

b) Categories of financial instruments

		2015 \$'000	2014 \$'000
Financial Assets			
Cash and Cash Equivalents		837	714
Trade and Other Receivables		293	157
Total Financial Assets		1,130	871
Financial Liabilities			
Trade and Other Payables		3,845	3,704
Finance Lease Liability		81,594	83,218
Total Financial Liabilities		85,439	86,922

c) Financial risk management objectives

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

d) 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.

e) 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.

f) Market risk

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

i. Interest rate risk

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

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

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

	PROFIT OR LOSS AND EQUITY	
	100 BASIS POINTS INCREASE	100 BASIS POINTS DECREASE
	\$'000	\$'000
30 June 2015		
Financial assets – cash at bank	8	(8)
Net Sensitivity	8	(8)
30 June 2014		
Financial assets – cash at bank	7	(7)
Net Sensitivity	7	(7)

g) 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 \$91 million and a carrying value of \$82 million.

	TOTAL CARRYING AMOUNT \$'000	NET FAIR VALUE LEVEL 1 \$'000	NET FAIR VALUE LEVEL 2 \$'000	NET FAIR VALUE LEVEL 3 \$'000	NET FAIR VALUE TOTAL \$'000
2015					
Financial Assets					
Cash and Cash Equivalents	837	837	-	-	837
Trade and Other Receivables	293	293	-	-	293
Total Financial Assets	1,130	1,130	-	-	1,130
Financial Liabilities					
Trade and Other Payables	3,845	3,845	-	-	3,845
Finance Lease Liability	81,594	-	-	91,056	91,056
Total Financial Liabilities	85,439	3,845	-	91,056	94,901
2014					
Financial Assets					
Cash and Cash Equivalents	714	714	-	-	714
Trade and Other Receivables	157	157	-	-	157
Total Financial Assets	871	871	-	-	871
Financial Liabilities					
Trade and Other Payables	3,704	3,704	-	-	3,704
Finance Lease Liability	83,218	-	-	88,874	88,874
Total Financial Liabilities	86,922	3,704	-	88,874	92,578

The fair value of the finance lease liability is estimated by discounting the remaining liability until contractual maturity date using the Australian Financial Markets Association (AFMA) swap reference rates plus NT Treasury Corporation's lending margin rate.

h) Maturity analysis

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

	CARRYING AMOUNT \$'000	1 YEAR OR LESS \$'000	2 TO 5 YEARS \$'000	OVER 5 YEARS \$'000
2015				
Financial Liabilities				
Trade and Other Payables	3,845	3,845	-	-
<i>Lease Commitments</i>				
- Fixed (including interest)	65,901	3,713	14,851	47,337
- Variable (including interest)	76,784	3,491	14,859	58,434
Less Interest Components	(61,091)	(5,381)	(20,092)	(35,618)
Total Lease Liabilities	81,594	1,823	9,618	70,153
Total Financial Liabilities	85,439	5,668	9,618	70,153
Financial Assets				
Cash and Cash Equivalents	837	837	-	-
Trade and Other Receivables	293	293	-	-
Total Financial Assets	1,130	1,130	-	-
2014				
Financial Liabilities				
Trade and Other Payables	3,704	3,704	-	-
<i>Lease Commitments</i>				
- Fixed (including interest)	69,614	3,713	14,851	51,050
- Variable (including interest)	80,190	3,406	14,497	62,287
Less Interest Components	(66,586)	(5,495)	(20,696)	(40,395)
Total Lease Liabilities	83,218	1,624	8,652	72,942
Total Financial Liabilities	86,922	5,328	8,652	72,942
Financial Assets				
Cash and Cash Equivalents	714	714	-	-
Trade and Other Receivables	157	157	-	-
Total Financial Assets	871	871	-	-



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

	2015 \$'000	NO. OF TRANS.	2014 \$'000	NO. OF TRANS.
Gifts Under Other Legislation	1,260	1	-	-

The corporation had no write-offs, postponements, waivers and ex gratia payments during the financial year.

22. DETAILS OF BOARD MEMBERS

Members Remuneration

The number of members of the corporation whose income from the corporation falls within the following bands:

	2015	2014
\$0	2	2
\$40,000 to \$89,999	3	3
Total income paid or payable, or otherwise made available to all Members of the corporation from the corporation	158	165

Two of the five Board members were Northern Territory public servants during the 2014-15 financial year and were remunerated by their respective agencies. The Chief Executive Officer's remuneration is included in key management personnel remuneration below.

Key management personnel remuneration

	2015 \$'000	2014 \$'000
Short-term employee benefits	78	78
Other long-term benefits	-	-
Total Remuneration	78	78

Short-term benefits as stated above incorporate the services of the Chief Executive Officer for the year. 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 four meetings for the 2014–15 year attended by:

Member	Meetings eligible to attend	Meetings attended
Graeme Lewis	4	4
Andrew Kirkman	2	2
Patricia Brick	2	2
Suzanne Morgan	3	3
David De Silva	2	2
John Coleman	2	1
Jennifer Prince	2	2
Michael Burgess	2	2

Election and continuation in office of Board members

The date of appointment of members:

Member	Initial date of appointment
Graeme Lewis	3 December 2012
Andrew Kirkman	21 April 2015
Patricia Brick	21 April 2015
Suzanne Morgan	7 October 2014
David De Silva	21 April 2015
Anthony Mayell	15 February 2013
John Coleman	11 December 2012
Jennifer Prince	3 December 2006
Michael Burgess	21 February 2008

Anthony Mayell resigned from the Board on 15 July 2014.

Jennifer Prince resigned from the Board on 31 December 2014.

Michael Burgess resigned from the Board on 31 December 2014.

John Coleman resigned from the Board on 3 March 2015.

23. OTHER STATUTORY INFORMATION

Distributions

No dividends or distributions were made during the financial period ended 30 June 2015.
No dividends or distributions are proposed.

Number of employees

The corporation had eight employees (2014: seven) during the financial period who were 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.

24. EVENTS SUBSEQUENT TO BALANCE DATE

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



Auditor-General

Independent Auditor's Report to the Board

Darwin Waterfront Corporation

I have audited the accompanying financial report of Darwin Waterfront Corporation which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Board.

The Board's Responsibility for the Financial Report

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

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. Those 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, 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

In my opinion the financial report gives a true and fair view of the financial position of Darwin Waterfront Corporation as at 30 June 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Julie Crisp

Auditor-General for the Northern Territory
Darwin, Northern Territory

25 September 2015





Image courtesy of Resident Magazine



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