

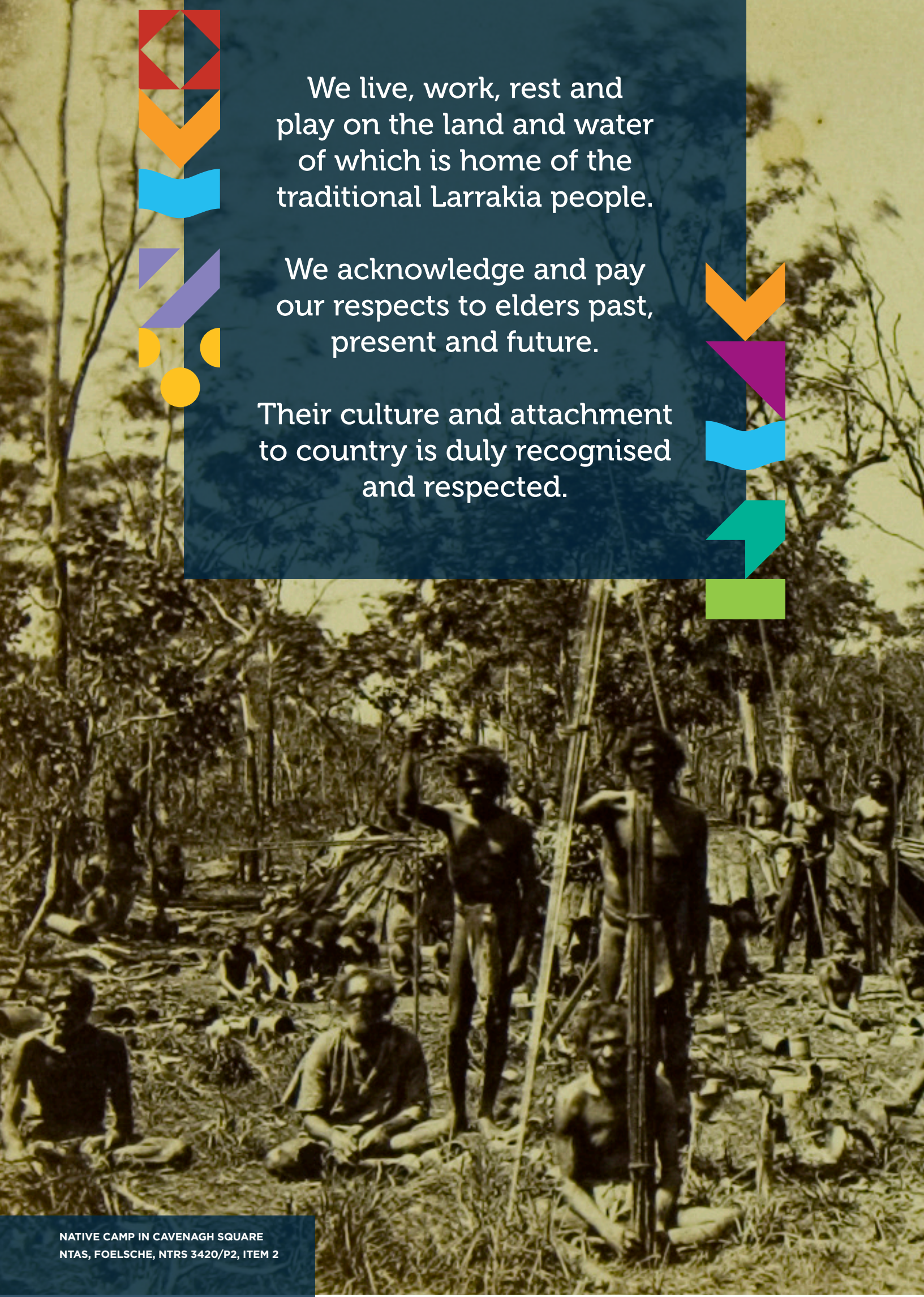


DARWIN WATERFRONT
CORPORATION

Annual Report

2017–18





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

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

Their culture and attachment
to country is duly recognised
and respected.

The Hon. Lauren Jane Moss MLA
Minister for Tourism and Culture
PO Box 3146
Darwin NT 0801

Dear Minister

I have pleasure in presenting the 2017-18 annual report of the Darwin Waterfront Corporation.

The report details the activities and operations of the Corporation for the year ending 30 June 2018 in accordance with Section 30 of the *Darwin Waterfront Corporation Act (the Act)*.

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

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

The Auditor-General has audited the Corporation's financial statements for the year ending 30 June 2018 and her comments are contained in this report.

Yours faithfully

TRACEY HAYES

Chair
Darwin Waterfront Corporation

A handwritten signature in black ink, appearing to read 'Tracey Hayes', with a stylized flourish at the end.

18 October 2018



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Overview

Purpose of this report

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



From the chair



It is with pleasure that I present the Darwin Waterfront Corporation Annual Report, 2017-18.

The Darwin Waterfront Precinct experienced another successful year attracting around 1.2 million visitors,

including people on holiday, business persons, conference delegates, students and locals.

The Precinct has become a primary gathering place where people can work, live and play in safe and scenic surrounds, and is a key contributor to the Territory Government's vision of making Darwin into one of the world's greatest tropical cities. It instils a great sense of community pride and is a credit to those who had the foresight to transform what was once industrial wasteland into a vibrant business, tourism and recreation hub that makes the most of Darwin's harbour side location.

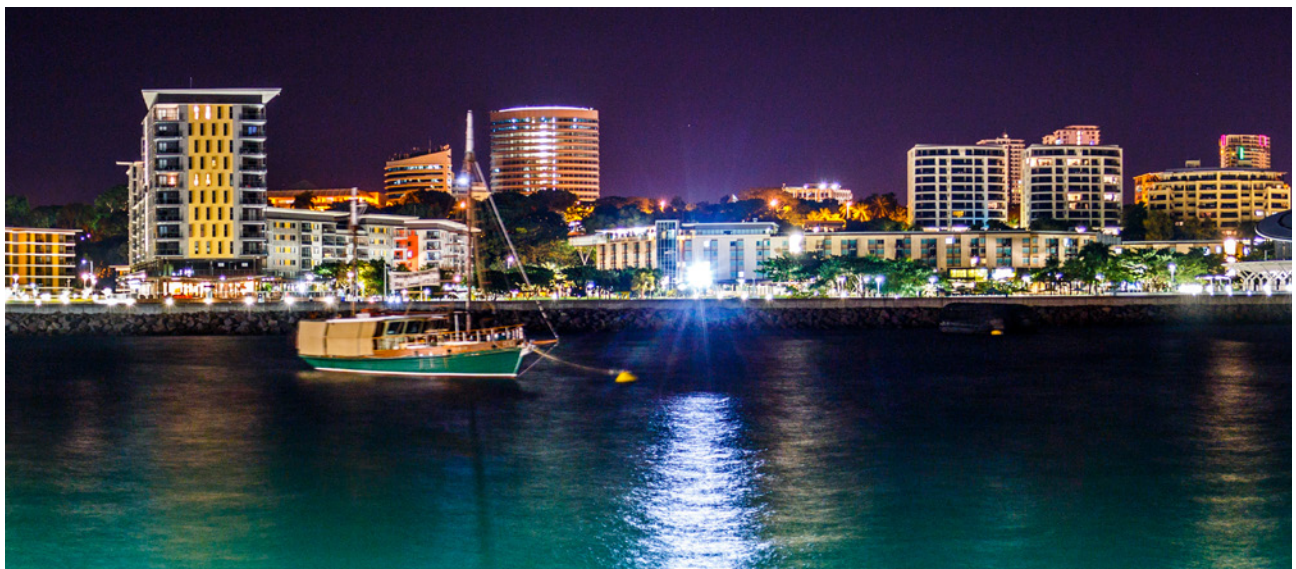
I was honoured to recently take up the position of Chair of the Darwin Waterfront Corporation and look forward to helping shape the future development of the Precinct. There is a healthy and positive working culture within the organisation and a talented team of people committed to making a difference. The Board

too share these qualities, comprising a diverse mix of skills, knowledge and experience that bring fresh ideas and varied perspectives to influence improvements.

The Darwin Convention Centre continued to be a focal point, hosting 142 events that attracted more than 63 539 people and contributed millions of dollars in delegate spend to the Northern Territory economy. The Centre celebrated its 10th anniversary this year and is now an integral part of Darwin, economically and socially.

Forging closer links between business and learning was further progressed this year with the appointment of Professor David Low as Dean of Charles Darwin University's College of Business and Law which is based at the Precinct. The Professor has worked in a variety of industries and aims to align learning programs to the needs of the business community. His diverse experience and vision should be of immediate benefit to many of the businesses located within the Precinct.

Darwin's locals and visitors have taken full advantage of the 276 events that were held during the year which attracted more than 80 700 attendees. This included first time events such as the innovative pop-up Cinema 360° that was staged at the Precinct as part of Darwin's International Film Festival. This 'full-dome' planetarium provided an immersive cinematic experience that attracted an estimated 5 000 patrons. Our recreational



facilities also continued to be extremely popular with almost 115 000 adult, child and family passes sold to the Wave Lagoon.

The Precinct was showcased on the global stage during the year with two notable events that attracted national and international media attention: the Queen's Baton Relay Celebrations which were part of the 2018 Commonwealth Games and headlined by Jessica Mauboy; and the Territory's welcome to HRH Prince Charles function that was held at the Royal Flying Doctor Service Tourist Facility on Stokes Hill Wharf. The function for HRH Prince Charles incorporated filming of an episode of the Master Chef Australia competition which was televised to an estimated 890 000 viewers.

Activities for the year were interrupted by Cyclone Marcus which hit Darwin in March. The Precinct was battered by destructive winds that caused extensive damage to trees and littered the area with organic debris. Although minimal damage was caused to the Precinct's buildings and infrastructure, cleaning up was a significant task but was completed within a short space of time due to the efforts of our staff and contractors. The damage bill was in excess of \$160 000.

The Corporation continued to invest in improvements to make the Darwin Waterfront an attractive place to do business, study and relax. This year we installed a new children's playground, introduced ticketless parking in the Kitchener Drive Multi-Storey Car Park and introduced a free shuttle bus service in response to community demand and to improve connectivity within the Precinct.

We also worked with our business stakeholders to develop new offerings and establish effective lease and operational provisions.

This year, revised leasing arrangements were implemented in consultation with commercial lease holders located on and/or berthed at Stokes Hill Wharf. This now ensures fair and equitable terms, and seasonal or permanent tenure options for vessels.

We constructed an extension of The Precinct Tavern, which is licensed by them, to establish a new alfresco dining and beverages deck which has proven to be very popular with locals and

visitors alike. Conference delegates in particular are utilising the deck as a break-out and networking space.

Business confidence is reasonable, with reported retail sales within the Precinct 1.58 per cent higher than last year which, against the background of a struggling CBD economy, is a positive result.

The future appears bright with further developments in the pipe-line including the approved development of the \$200 million Darwin Luxury Hotel that will be operated by Westin Hotels and Resorts, and the proposed Water Theme Park for which an Expressions of Interest document has been released. Consultations to pursue the establishment of an Indigenous Cultural Centre dedicated to sharing the story of the traditional owners of Darwin, the Larrakia people, are also promising.

As the Precinct continues to evolve, it will be important for the Corporation to recognise the need for improved access and amenities that support this growth. To this end we will continue to explore opportunities for new dining and entertainment options utilising a mix of public and private waterfront land, investigate upgrades and enhancements to food and beverage arcades at Stokes Hill Wharf and address the need for identified infrastructure priorities.

I take this opportunity to acknowledge and thank the Corporation's former chair, Peter Carew, and former Board members, Trish Brick and David De Silva, for their contribution over the past few years to the success of the Precinct. I also thank the Corporation's team of dedicated staff and look forward to working with them in further developing Darwin's premier lifestyle destination.



TRACEY HAYES
Chair

18 October 2018



About us

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

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

Our vision

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

Our mission

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

Our focus

Our key focus areas are:

Development and Sustainable Business Growth

We work closely with government agencies and private investors for the ongoing development and master planning of the remaining 10 hectares (approximately) of prime development sites within

the Precinct. This entails exploring opportunities and encouraging new investment to ensure the Precinct continues to be a significant contributor to the Territory's economy.

We establish and maintain effective lease and operational agreements with business entities to provide certainty for future planning, and work with them to support the revitalisation of existing and the activation of new products that provide a diversified offering for visitors and the wider community.

Within this context, we oversee the operation and performance of the Darwin Convention Centre. The Centre was developed through a public private partnership (PPP) between the NT Government and a private sector consortium, Darwin Cove Convention Centre Pty Ltd. The consortium will run the Centre for 25 years, until June 2033, at which time it will be handed back to the Territory. Consequently, the Corporation is responsible for administering the contractual arrangements for the Darwin Convention Centre to ensure the facility is operated and marketed in accordance with the Concession Deed.

Property Management, Infrastructure and Services

We are responsible for the management, operation and maintenance of the public domain infrastructure including incidents, risk management and emergency response.

We provide municipal services to the Precinct and manage its civic amenities. Responsibility encompasses capital and minor new works; sanitation, garbage collection and street cleaning; roads, footpaths, parking and traffic control; storm drainage and water quality within recreational aquatic facilities; public places including parks, toilets, elevators, the sea wall, foot bridge, art and street lighting.

Place-making

Place-making is about transforming a public space into a destination that attracts people and activity, instils a sense of community pride and encourages the natural evolution of development which leverages the location's physical, cultural and social attributes. As community-based participation is at the centre of successful place-making, we engage with our stakeholders to understand their needs and aspirations, involve them in our planning and collaborate on place-making activities to ensure

the Precinct is a vibrant place where people want to be.

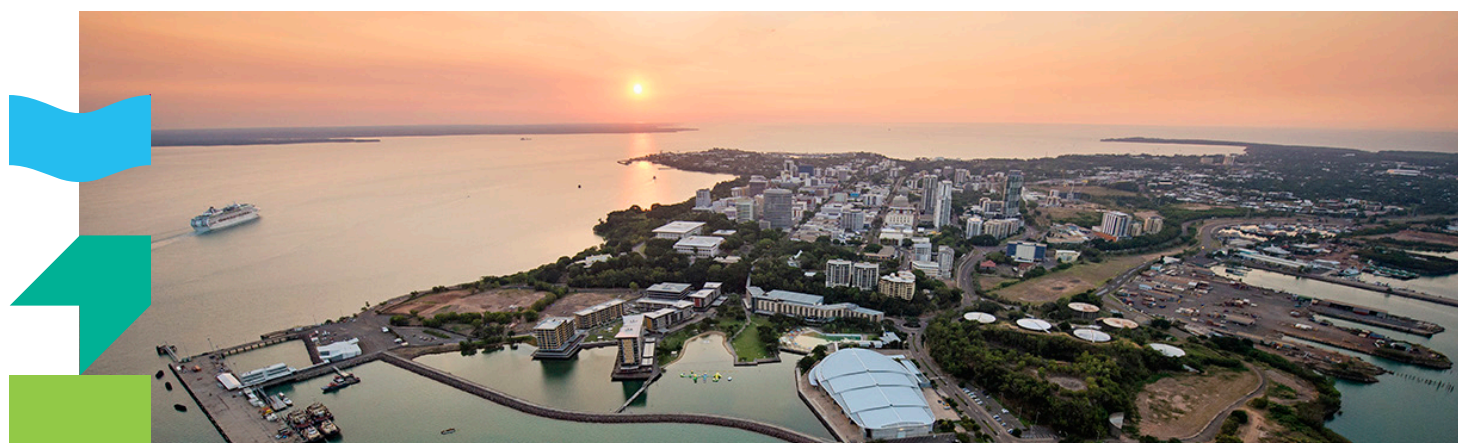
We activate our place-making aims through a year-round program of events and by supporting third-party commercial operations that benefit the community including residents, business entities, learning institutions, property owners, vessel owners, students and patrons.

Stakeholder and Community Engagement

The Precinct has a number of stakeholders with diverse needs. The Corporation works with these stakeholders to forge a collaborative, shared approach to developing and enhancing the Precinct while balancing competing needs.

The views of the wider community are also important, particularly given strategic place-making objectives and desired high-level public participation in events staged at the Precinct.





Our values

- **Collaboration** – we work in partnership across government, with our stakeholders and with the wider community to leverage strengths and learning from each other, to explore and maximise opportunities and to shape our offering and support.
- **Innovation** – we think laterally to make a difference through creativity and motivational actions.
- **Continual improvement** – we strive to deliver better outcomes through efficiencies and streamlined processes that minimise cost and avoid duplication of effort.
- **Professionalism** – we conduct our business to the highest commercial standards of ethical behaviour and transparency.
- **Responsibility** – we are committed to safety, security and sound environmental practices and reflect best practice principles in the conduct of all our activities.

Our team

Guiding our strategic direction and delivery of beneficial outcomes are our Board Members. The Chief Executive Officer is responsible for overseeing the implementation of the strategy set by the Board and, together with the General Manager, manages the day-to-day operational and administrative functions of the Corporation.

Our Employees

We employ 11 people in the organisation in four operational areas of finance, projects and operations, events and marketing and business development.

Board Members

Our Board directs and monitors the performance of the Corporation. It provides stewardship and vision through strategy formulation and policy development and ensures legislative, financial and governance obligations are met.

Board membership during the period of reporting and as at the time of writing this report comprised:



Chair
Ms Tracey Hayes

Appointed as Chair:
01 July 2018

Tracey is an experienced senior leader in business and industry as Chief Executive Officer, Board Chair, Company Director and Board Member. Tracey has a demonstrated history of working at the local, national and international level. A strong business professional with considerable Asian engagement experience, skilled in crisis management, public affairs, negotiation, corporate social responsibility and strategic development. A long term Territorian, pastoralist, pilot, Justice of the Peace and small business owner, Tracey was the first female Chief Executive Officer of the Northern Territory Cattlemen's

Association and was tasked with leading the billion-dollar NT pastoral industry. Tracey studied business management and rangeland management with the University of Queensland and has continued her agribusiness studies with the Harvard Business School short course program. Tracey is currently studying towards a Global Executive Master of Business through the University of Sydney, is a member of the Order of Australia Honours Council, on the board of the Australia Indonesia Institute, the Cooperative Research Centre for Northern Australia and Chair of the Darwin Waterfront Corporation.



Chief Executive Officer

Mr Alastair Shields

Appointed as CEO:

30 March 2017

Alastair is Chair of the AustralAsia Railway Corporation, Chair of the Racing Commission (NT) and Chief Executive Officer of the Darwin Waterfront Corporation. He is also the Northern Territory Government representative on the Joint Management Board for Kakadu National Park. Alastair also provides specialist consulting services.

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

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

He has qualifications in Law and Accounting from the Charles Darwin University, and a Master in Public Administration from ANZSOG. In 2007, he was awarded Australian Government Lawyer of the Year by the Australian Corporate Lawyers Association.

Awards:

Australian Corporate Lawyers Association – Australian In-house Lawyer of the Year Awards, 2007



Member
Mr Kelvin Costello

Appointed as a Member:
01 July 2018

Kelvin is a Larrakia man who has been involved in a broad range of major economic projects that have occurred in Darwin over the last 20 years. He has impressive employment and governance credentials.

Kelvin was previously a CEO of a number of Non-Government Organisations such as Ironbark Aboriginal Corporation, Larrakia Nation Aboriginal Corporation (LNAC) and a non-executive director on the Larrakia Development Corporation (LDC).

Kelvin was previously a committee member on the INPEX/Larrakia Advisory Committee and was also

the Chairman of the ConocoPhillips/ Northern Land Council/Larrakia – Wickham Point Liaison Committee, during the construction phase of DLNG during 2003-2005.

Kelvin has been involved in the Ichthys Project since 2008 through the LDC and worked during the construction phase of the Ichthys Onshore LNG Facilities project for 6 and a half years with JKC Australia LNG.

Kelvin has been active in the Larrakia Kenbi Land Rights and the Larrakia Native Title claims.

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



Member
[Mr Andrew Kirkman](#)

Appointed as CEO:

21 April 2015, resigned 30 March 2017

Appointed as a Member:

30 March 2017

Andrew Kirkman was appointed Chief Executive Officer of the Darwin Waterfront Corporation on 21 April 2015. He was later appointed as Chief Executive of the Department of Infrastructure, Planning and Logistics in September 2016. With Andrew's change in position and the realignment of the Darwin Waterfront Corporation under the Department of Tourism & Culture, Andrew resigned as the Chief Executive Officer of the Darwin Waterfront Corporation on 30 March 2017; however, he was reappointed as a board member by the Minister.

Prior to this, Andrew held the position of Chief Executive of the Department of Transport from July 2015. With more than 18 years' experience in the Northern Territory Public Sector, Andrew was previously the Chief Executive of Darwin Waterfront Corporation, General Manager for the Land Development Corporation and held positions as Deputy Chief Executive and Executive Director in the Department of Housing. Andrew has previously held key roles in the AustralAsia Railway Corporation, Department of the Chief Minister and NT Treasury. He has worked in finance and commercial roles in the private sector, locally in the mining industry and overseas on public private partnerships.

Andrew grew up and undertook all his schooling in the Northern Territory, he has tertiary and post-graduate qualifications in commerce and business.



Member
Mr Charles Burkitt

Appointed as a Member:

01 July 2018

Charles is a Darwin based consultant providing corporate advice and property solutions for medium-to-large corporate entities, predominantly in Northern Australia. He also has extensive board experience, being an active board member of several national and local organisations for over 20 years. Current director positions include Australian Red Cross and Chair of its Finance Committee, Power and Water Corporation and the Palmerston Sports Club where he Chairs the Board of Management. He is a former Chair of the Darwin Turf Club having served on that board for 17 years, as well as being a board member of Thoroughbred Racing NT for 7 years, and was recently Deputy Chair of the Community Benefit Fund Committee.

Charles originally commenced his career in Darwin, where he is from, as an experienced investment adviser specialising in financial markets and worked in that industry for more than 15 years, before being involved in the commercial property sector for a number of years. Charles is a passionate NT resident with a long association and interest in most community activities and sports in the NT, and very passionate about its future development.



Member
Ms Anne Tan

Appointed as a member:
30 March 2017

Anne has spent over 25 years in the Northern Territory Public Service and is General Manager, Strategic Infrastructure and Projects within the Department of Trade, Business and Innovation.

Anne has held various roles in a number of NT Government agencies including in the Department of the Chief Minister, Power and Water Corporation and Northern Territory Treasury.

Anne holds degrees in Law and Economics and has an Executive Master in Public Administration.

Awards:
Public Sector Medal 2016



Member
Ms Jacqueline Jennings

Appointed as a member:
01 July 2018

Jacqui has worked as a non-executive director for the past decade on both government and non-government boards. In this governance role she has participated in diverse, regulated industry sectors including health, education, finance and tourism. Jacqui's focus is accountability and risk, both operational and financial. This perspective is complemented by her previous senior executive experience as Vice President Marketing and Business Development for BHP Steel, ensuring she brings a vision that is commercial, strategic and sustainable.

Jacqui commenced her professional life as a Materials Engineer with BHP where she worked for 23 years traversing a variety of technical and production as well as sales and marketing roles nationally and internationally. She is currently Chair, Mt Buller & Mt Stirling Alpine Resort Management Board and a non-executive director with Australian Scholarships Group. Jacqui holds a Doctorate in Management, a Master's Degree in Management and a Bachelor Degree in Metallurgy.

Former members



Peter Carew AM

Appointed as Member:
10 December 2015, until
20 July 2016

Appointed as Chair:

21 July 2016, until
21 April 2018



David De Silva

Appointed as Member:
21 April 2015, until
21 April 2018



Trish Brick

Appointed as Member:
21 April 2015, until
21 April 2018







Performance review

Development and sustainable business growth

Darwin Convention Centre

The Darwin Convention Centre was developed under a PPP between the Northern Territory Government and the Darwin Cove Convention Centre Pty Ltd, a consortium which entered into a Concession Deed outlining agreed arrangements. The Centre is operated by AEG Ogden and maintained by Honeywell.

The concession arrangements mean that the Corporation makes periodic payments to the consortium, mainly in relation to the debt, equity, construction and maintenance aspects of the project.

Up to 75 per cent of the payment is subject to abatement if the facility is unavailable for use as a convention centre, if the facility fails to meet availability standards or the operator fails to achieve key performance indicators.

The arrangements also include payment of a Territory Operating Payment that comprises the net cash shortfall from the operation of the Centre during a year, subject to negotiation. The legal framework for the Centre includes incentives intended to encourage the operator to exceed benchmark levels of performance. The Corporation monitors concession arrangements and negotiates Territory Operating Payments in line with government's performance expectations, budgetary constraints and business delegation return to the broader economy.

In 2017-18, the actual Territory Operating Payments totalled \$3.663 million; however, the Concession Holder confirmed the total required contributions for the year will be \$3.911 million. The extra \$248 000 will be paid in the 2018-19 year once the Centre's financials are reconciled and audited. The Corporation is working with the Concession Holder to address the increases in Territory Operating Payments which exceed the original forecasts under the Concession Deed.

In 2017-18, the Darwin Convention Centre hosted 142 events that attracted more than 63 539 people and contributed millions of dollars in delegate spend to the Northern Territory economy.

On 18 June 2018, the Darwin Convention Centre marked a major milestone as it celebrated its 10th anniversary.

The Convention Centre is now an integral part of Darwin, economically and socially. In the past 10 years, events held at the Centre have attracted national and international delegates to Darwin and generated broader economic benefits in the local economy. This includes increased business for hotels, restaurants and tourism operators in the region.

Over the past 10 years the Centre has hosted some of the Northern Territory's biggest events from international and national conferences attended by thousands of delegates to bull riding championships, from charity fundraising balls to rock concerts. Guests have included dignitaries as diverse as the Dalai Lama and Chinese president Xi Jinping.

Darwin's close access to Asia, tropical setting and unique Top End experiences are some of the attractive characteristics of the Centre. Its world-class facilities, dining and service appeals to associations and organisations that want a special environment which promotes innovative thinking, business leadership, social engagement and authentic connections.

The Darwin Convention Centre's marketing campaign targets national and international associations, corporations, franchises and professional conference organisers and event planners who are looking for a world-class venue, unique Top End experiences and a memorable destination for their guests.

The Centre hosts Australian and international scientists, researchers, government officials, medical practitioners, defence force personnel, academics and business leaders in industries as diverse as tropical health, agribusiness, education and training, defence, mining, local government, telecommunications, tourism, oil and gas, building and construction.



2017-18 major events:

- Nuffield Australia National Conference
- Bridgestone World Solar Challenge
- ANZ Society of Neuroradiology Annual Scientific Meeting
- Rotary Zone 8 Institute Conference
- Travel Managers Conference
- Queens of the Stone Age concert
- Indigenous Economic Development Forum
- ANZ Association of Neurologists Annual Scientific Meeting
- Darwin Aboriginal Art Fair
- NT Resources Week
- Australian Disease Management Association Annual Conference
- Deadly 60 Downunder
- Hotondo Homes National Conference
- Federation of Ethnic Communities Councils of Australia 2017 National Conference
- World Travel Expo
- GeeCon

Gold at National MEA Awards

The Darwin Convention Centre was awarded winner of the Meeting Venue – 500 delegates or more category at the 2017 National Meetings & Events Australia (MEA) Industry Awards.

The Meeting Venue – 500 delegates or more category was judged across a range of business criteria, including their impact on the meetings and events industry as a whole. The judging panel comprises a cross section of industry experts, selected for their knowledge and experience. The national winner is determined by the final highest score in that category.

The Darwin Convention Centre competed with other convention centres around Australia to take out the award.

2017-18 highlights:

- Winner of a 2017 AHA Gold Plate Award
- Winner of the 2017 Brolga Award for Best Business Events Venue
- Winner of the Meeting Venue – 500 delegates or more at the NT & National MEA Awards.
- Renewed Bronze EarthCheck accreditation, which is a global benchmarking and improvement system established by the World Travel and Tourism Council
- Demonstrated excellent customer service by increasing their customer satisfaction by 5 per cent to a rating of 4.5 out of 5
- Achieved its target to spend 88 per cent or more supporting local businesses, including purchasing 100 per cent of its seafood locally.

DARWIN CONVENTION CENTRE 10TH ANNIVERSARY





Case study: 53rd Annual Scientific Meeting of the Australian and New Zealand Society of Nephrology.

The Annual Scientific Meeting (ASM) was hosted by Australian & New Zealand Society of Nephrology (ANZSN) at the Darwin Convention Centre 2-6 September 2017. Over 400 delegates, from nine countries, included professionals from a range of fields including nephrologists, senior scientists, trainees in nephrology, scientists undertaking higher degrees and allied health professionals, nursing professionals, dietitians, under and post graduate students and research assistants.

As is customary, Update Courses were staged at the Darwin Convention Centre in the days leading up to the ASM, with more following the conclusion of the official program.

A range of expert speakers at the ASM talked about the very latest

advances in nephrological science and clinical care, with keynote speakers including internationally-renowned specialists from the USA and Canada.

Rates of chronic and end-stage kidney disease in the Northern Territory are the highest in the world, with the problem almost exclusively among Indigenous Territorians. Hosting the Annual Scientific Meeting of the Australian and New Zealand Society of Nephrology in Darwin was particularly important to shine a light on this problem and seek to find potential solutions.

Securing this event to Darwin was a joint effort by both the NT Convention Bureau and the Darwin Convention Centre, with initial contact dating back to 2013. Professor Alan Cass, Director of the Menzies School of Health in Darwin, was one of the driving forces behind the conference coming to Darwin.

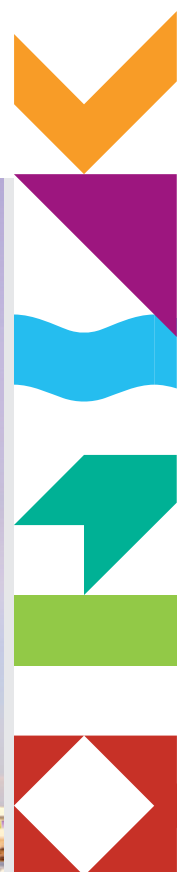
Professor Cass is a leading kidney specialist with particular interests in Indigenous health, chronic disease and research translation.

An Indigenous Patients' Voices Symposium was held In Darwin at the same time as the ASM, a first for a kidney disease conference in Australasia.

"We ran a conjoint Indigenous Patients' Voices Symposium with the conference. As well as empowering patients from across northern and central Australia, this has led to a powerful written and video report being shared with relevant politicians and bureaucrats in Canberra, in order to change government policy to support the provision of more services for very remote dwelling Indigenous Australians with kidney disease. All future annual meetings

of the Society will have a similar Patients' Voices meeting" said Dr Paul Lawton, Co-convenor, ANZSN ASM 2017.

Conference organiser, Anna Patterson, commented "We had a wonderful experience organising and delivering the 53rd Australian and New Zealand Society of Nephrology ASM at the Darwin Convention Centre in September 2017. The staff onsite were knowledgeable and responsive and always had a smile for us and our clients. The venue is laid out beautifully with loads of natural light and taking full advantage of the waterfront position which was a great pleasure when you are stuck indoors for a week. We are more than happy to bring more events back and in fact have one booked for 2018 already!"



Charles Darwin University

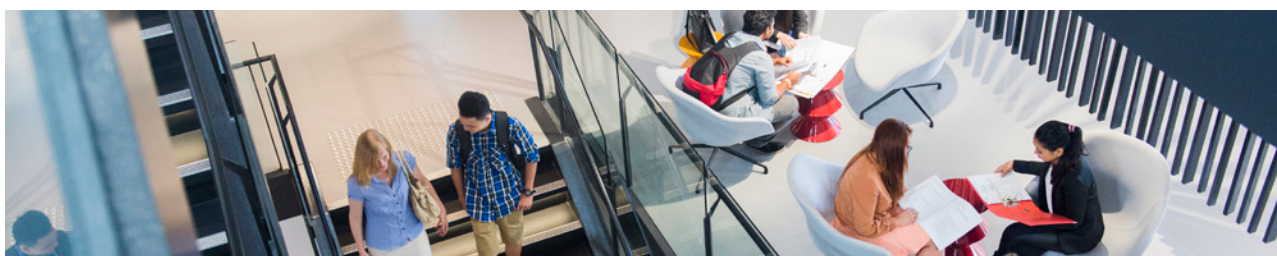
The Charles Darwin University (CDU) has a College of Business and Law located at the Darwin Waterfront Precinct. The presence of the College enhances the Precinct's positioning as a learning and business hub as well as Darwin's reputation as a University city. A new position of College Dean was established during 2017-18 with Professor David Low the successful appointee.

In outlining his vision for the College, Professor Low advised "I plan to strengthen relationships and connections with the business community, legal fraternity and government entities to ensure the College is meeting the needs of these industry sectors - what we do in academia has to be relevant in the real world!"

"The College's location at the Precinct is ideal. Its proximity to the CBD provides ready access to key players and makes it easier for them to take up invitations as guest speakers and share their knowledge with students and others at lectures and forums held here on campus," he said. "It is also convenient for the College students as many live in town to be close to where they work."

Not only does Professor Low have a demonstrated history of working at senior leadership levels in the higher education industry, he appreciates the dynamics of business operations having worked in a variety of industries before commencing to what he refers to as 'his second career' in the academic field. He understands first-hand the challenges faced by business owners, particularly within regional centres,





and knows how to apply learning in a working environment.

His diverse working career includes manufacturing, commercial retail, information technology, professional services and the entertainment industry. He has been employed in roles based in Papua New Guinea, China, Singapore, Hong Kong, Korea and Malaysia and has had significant experience working within regional Australia. He is a Board member of Regional Development Australia. His diverse background, skills and knowledge should be of immediate benefit to fellow stakeholders located at the Waterfront Precinct and wider surrounds.

“We need to create employment outcomes and career opportunities for students. My staff will be out there interacting and engaging with people to develop and introduce a robust integrated learning program that will build up the employability of students and meet employment needs,” Professor Low said.

“Plans are underway to form an Industry Advisory Group with diverse membership to discuss and inform strategy. My aim is for members of the business community to see it as essential part of their community and to view the College as an asset. That includes allowing peak bodies such as the Australian Institute of Company Directors to hold professional sessions at the College

and enabling SMEs, who may not be able to afford certain technologies, to link with business entities across the Territory and Australia via CDU’s facilities,” he continued.

The College brings over 600 students and staff to the Precinct on a weekday basis. Professor Low aims to increase this number over the next few years.

Professor Low explained that there are other lateral opportunities to be explored, such as the scheduled visit of the Ship for World Youth in February 2019. This ship will have 250 young people of university age on board. The ship is a unique international youth exchange and leadership program supported by the Government of Japan. The program provides youth from around the world the chance to engage with culture, education and the environment. “They want to look at the turtle rescue program here. I’ll be putting together a program of activities to not only showcase Darwin but also what the College has to offer as a learning institution,” commented Professor Low.

Professor Low has family and long-term friends living in Darwin. He considers it rich in culture and a great place to raise children. He is very much enjoying the multiculturalism of Darwin, especially the food.



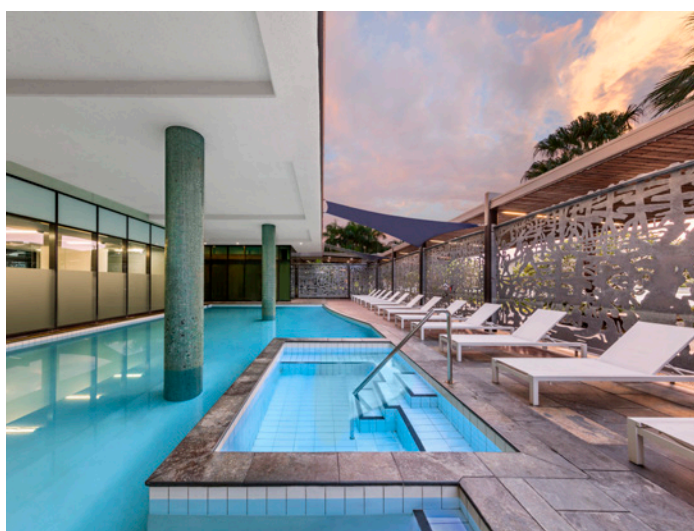
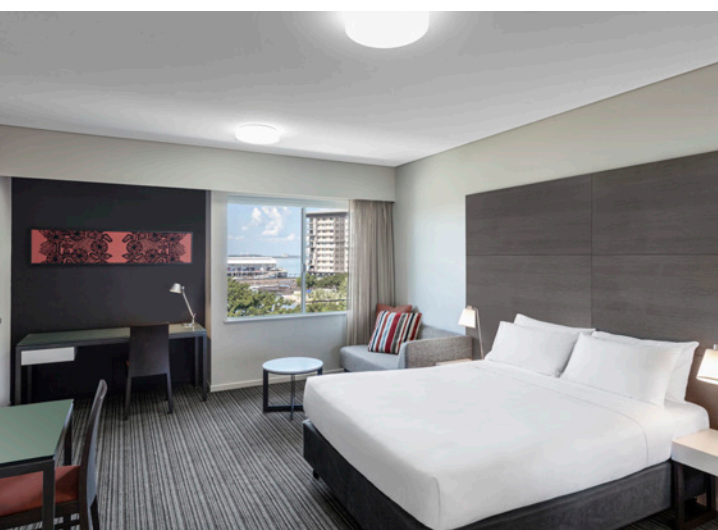
Accommodation Suppliers

Currently the Precinct has two hotels: Vibe Hotel Darwin Waterfront and the Adina Apartment Hotel Darwin Waterfront, which offer 120 hotel-style rooms and 121 self-serviced apartments, respectively. The hotels share a restaurant, swimming pool, gym and common foyer.

New environmentally friendly measures are being introduced with a new project underway that aims to

significantly reduce the hotels' total energy consumption by generating over 35 per cent of power using solar energy. Installation and operational arrangements should be completed by December 2018.

Efforts to increase Indigenous employment levels continued this year with grant funding approved to employ another 5 Indigenous staff under the Indigenous Land Corporation's Real Jobs program. This will bring Indigenous employment to 29 per cent.



2.2

average length
of stay (days)

Hotel fast facts for 2017-18:

- Total guests in-house: 106 260
- Average length of stay: 2.2 days
- Busiest months: July and August
- Quietest months: January and February
- Average occupancy level: 80.23 per cent





New Business and Investment

Lime Café

The Lime Café opened its doors in May 2018. The brainchild of owners George Skyllas, Oliver Young and Lucky Kotis, the café offers a range of food and beverage choices for all visitor types to the Precinct.

Café Manager, Bree Fowler, described the café's point of difference as being a focus on home-made cooking that provides healthy alternatives. She said "for example,

our muffins are freshly baked each day. Our sandwiches and fruit salads are also garden-fresh and our loaded fruit smoothies and bowls are made ready to order. Our smoothies are extremely popular, probably because they are loaded on top with fruit. They are perfect for Darwin's climate and are very refreshing."

Bree further explained that the café tries not to provide food high in sugar. Coconut water and almond milk are used to let the flavour of the fruit come through. "We even make our own sodas using syrup made



from fresh fruit and sparkling mineral water,” she said. “Our sauces and super muesli bowls are also home-made.”

The owners undertook a major refit of the premises to prepare it as a café, including installing plumbing and a kitchen. Bree advised that it had been a large project that took slightly longer than anticipated, meaning she and the staff had to ‘hit the ground running’ when it opened to the public during the busy tourist season. Nonetheless, the experience has been great with indicators suggesting everything is on track to achieve forecasted growth.

“We had visitors from Melbourne say our coffee is the best they’ve tasted outside of Melbourne, which is a great compliment,” Bree proudly advised.

“What we offer is very family friendly. Our customers can purchase the food and take it away to sit on the lawns near the shaded playground area, wave pool or anywhere else that appeals.”

“We also took our product beyond the café walls and did a ‘pop-up’ stall at the Precinct’s Movie Night, offering fairy floss and popcorn (acknowledging with a wry smile that this was not so much a sugarless choice but more of a treat for the children). This was very successful so we’ll do it again next year.”

Bree has lots of other innovative ideas to leverage the different types of customers that patronise the Precinct. “The Corporation staff are fantastic and very helpful. I’m sure they’ll support us in making our ideas successful realities,” she said.

The Precinct Tavern alfresco deck

A new alfresco dining and beverages deck was added to The Precinct Tavern this year. Providing an additional area of approximately 439 square metres, the deck has proven to be very popular with locals and visitors alike.

The quirky 'pop-up' caravan, affectionately called 'Van Morrison', provides convenience for patrons to refresh with a cool beverage whilst enjoying the picturesque outlook. During the dry season all seats were occupied on most nights because patrons preferred to sit outside rather than in air-conditioning.

The deck has been a particular hit with delegates attending conferences at the Darwin Convention Centre. It offers a great break-out space for groups

to network and socialise – often doing more business over a cold drink than in the formal conference environment. For example, a Property Council Conference booked a 'brunch' for 450 people, using the deck and the adjoining lawns. The feedback was excellent – the organiser said it was a great way to end the four-day conference.

The owner, Darren Lynch, reported a 25 per cent increase in bookings for functions and events since the deck was opened. He advised the most common feedback is that the deck is exactly what the Waterfront needed. "People love the architecturally designed structure and variety of areas, green spaces and 'big ass' fans to chill out on the beautiful balmy nights," said Darren. The deck is licensed by the Corporation to The Precinct Tavern until 2029.



Snapper Rocks

David Robinson, who currently owns and operates two successful businesses at the Darwin Waterfront Precinct, will soon be opening another - Snapper Rocks.

Snapper Rocks is designed to be a relaxed beach chic, accessible and affordable, modern Australian restaurant with a focus on locally sourced produce. David has been working with the Corporation to license a section of lawn at the front of the new Snapper Rocks tenancy, which is a crucial element for the venue's beach theme. This collaboration reiterates the Corporation's continued commitment to support the activation and revitalisation of areas within the Waterfront Precinct that encourage business investment and economic growth.

Fit-out commenced in June 2018, with Snapper Rocks scheduled to open in early 2019.

Commercial Retailers

The Corporation works closely with commercial retailers to support continued business growth, particularly during the peak tourist seasons and special events.

Toga/Knight Frank reported that retail sales for the fourth quarter 2017-18 were 8.5 per cent higher than the same period for the prior year, and 1.58 per cent higher across the Precinct for the year. A primary contributor to this favourable result was the addition of The Precinct Tavern alfresco deck which opened in March 2018.

Against the background of a struggling CBD economy, most of the non-hospitality retailers have shown significant growth in sales this year. The majority of the hospitality/food & beverage retailers have also done well, trading on par or slightly ahead compared to the previous year.





Stokes Hill Wharf

Royal Flying Doctor Service Tourist Facility

The Royal Flying Doctor Service (RFDS) Tourist Facility celebrated a successful second year of trade during 2017-18.

“Since we opened on 26 July 2016, we have had over 76 000 visitors through the doors,” said Samantha Bennett, Manager of the Facility. “Our visitors, which include holiday makers, students and teachers, defence personnel, corporates and function/event participants, increased by 51 per cent this financial year.”

Samantha attributes this success to the RFDS’ diverse product offering which provides tactile and interactive engagement and

learning experiences for visitors. She said “We differentiate ourselves from other attractions through the use of innovative holographic and VR technology – communication techniques that are not used elsewhere.”

“We also partner with like-minded tourism operators to jointly promote our experiences and share the reciprocal benefits, particularly with those located within the Precinct. Around 14 per cent of our visitation can be credited to these partnerships,” continued Samantha.

The connectivity between the wharf and the waterfront provided via the walk along the sea wall and the Corporation’s free shuttle service also helped significantly. “Many of our visitors are ‘walk-in’ who have seen signage about our facility while wandering around the Precinct. A lot

of these are cruise ship passengers who may not have found us had it not been for the connecting infrastructure,” explained Samantha.

The most notable achievement for the RFDS during 2017-18 was securing the opportunity to host the Chief Minister’s function to welcome HRH Prince of Wales to the Territory on 9 April 2018.

“Usually events for dignitaries of this calibre are held at Parliament House given the high level of security required. However, the Government was willing to support our venue on the basis of showing His Royal Highness something different and unique,” said Samantha.

The event included catering by Master Chef Australia, which filmed it as one of the Master Chef contest stages. “We worked with over 80 people from the Australian, Northern Territory and UK governments, Master Chef Australia and specialist security and protection organisations to stage the event. One thing we have learned about is security measures and contingency plans, and can now offer this knowledge as part of bids for future events that may require it,” Samantha advised.

The Welcome to Prince Charles function resulted in unprecedented publicity for the RFDS and the Precinct with the Master Chef episode televised to 890 000 Australian viewers and coverage of the Prince’s visit broadcasted internationally.

Samantha said “Aerial shots of the RFDS Tourist Facility and Stokes Hill Wharf with the Darwin Convention Centre and the Waterfront in the background was shown at least three

times during the broadcast. This, together with the numerous times the hosts (and the Prince) mentioned us and Darwin, was amazing. We and our fellow Precinct stakeholders could not buy such promotional coverage!”

The Corporation communicated with all Precinct stakeholders in early April to advise that a special event would be held the following week and outlined the increased activity/ disruptions that would occur along with specified timings. This included advice about the event being filmed for national and international broadcasting and the use of a drone, the set-up/set-down of cooking station marquees and equipment, on-site crew, police presence on the wharf, car parking availability, traffic and pedestrian management and public access. The free Waterfront Shuttle remained operational.





IMAGE COURTESY OF RESIDENT MAGAZINE

Stokes Hill Wharf - Leasing

A head lease for Stokes Hill Wharf was signed between the NT Government and the Corporation in early 2017, covering important issues about future funding arrangements, vessel berthing, reporting requirements and terms of sub-leases between the Corporation and the tenants of Stokes Hill Wharf.

Revised arrangements have been implemented in consultation with stakeholders that reflect the terms of the head lease and ensure fair and equitable leasing terms for all.

Changes have also been implemented for vessels, with the opportunity to secure vessels, seasonally or permanently, for a period of up to 3 years including:

- Seasonal options for berthing to avoid year-round fees, providing flexibility to secure berthing positions for periods required.
- Assurance and transparency of fees and charges, particularly for the local harbour cruise & touring industry.
- Security of tenure for the berthing of vessels.

The rate for commercial harbour tourism vessels remained unchanged in support of the industry.



Property Management, Infrastructure and Services

Cyclone Marcus

Cyclone Marcus passed directly through Darwin on Saturday, 17 March 2018, causing wide spread damage. The Darwin Waterfront Precinct was battered by destructive winds and, although there was minimal damage to building infrastructure, trees were torn from the ground and organic debris littered across the entire area.

The Corporation invoked business continuity measures to urgently address the situation and worked closely with its contractor, Regional Asset Maintenance Services Pty Ltd (RAMS), to tackle the significant task of cleaning up.

RAMS is the contractor retained by the Corporation to facilitate the maintenance and operation of the Precinct.

Garry Race of RAMS said he was contacted shortly after the cyclone had passed and advised of the extensive damage and that Hughes Avenue was blocked by fallen trees. "Clearing the road for traffic was our first priority," said Garry. "We managed to do that within a few hours and the road was open again by early evening."

“We commenced the clean-up in earnest the next day, engaging our sub-contractors Sterling NT, Active Tree Services and Fig Leaf Pool Products to assist,” continued Garry. “We brought in a 170 tonne crane, chippers and trucks from the Kitchener Drive entrance to do the job, and laid ply to protect the lawns and ensure vehicles didn’t get bogged.”

Starting at the Curve Café end of the Waterfront, Garry and the team had the area cleared by Thursday (four days). It took two weeks in total to clear the Precinct’s entire geographical footprint.

“It took some time to get the tiny leaves and twigs out of the Wave Pool. The guys were in there scooping them out by hand as it would have blocked the filtration system. But we had it operational again by Monday,” advised Garry. “Many people passing commented on the huge job were we

undertaking. We’ve received lots of positive feedback about how nice it looks since then.”

Overall, 14 large trees were lost within the Waterfront area and 7 at Jervois Park. The trees were removed and chipped and the mulch retained for future use. Parts of the lawn required repatriation and the Corporation is currently investigating options of different tree types to replace those lost, with the aim of securing a species that is more resilient to high winds.

Garry commented that RAMS has a very dedicated crew and a very good working relationship with the Corporation. “I’m proud of what we achieved in a relatively short space of time, particularly as there are still parts of Darwin that are yet to be fully cleared of fallen vegetation.”

Cost of the clean-up and repairs as a result of Cyclone Marcus was \$160 038.



Roads and Car Parking

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

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

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

There is ample car parking capacity at the Precinct to accommodate existing visitation and anticipated growth, with over 1 000 car parking bays available across multiple locations:

On-street

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

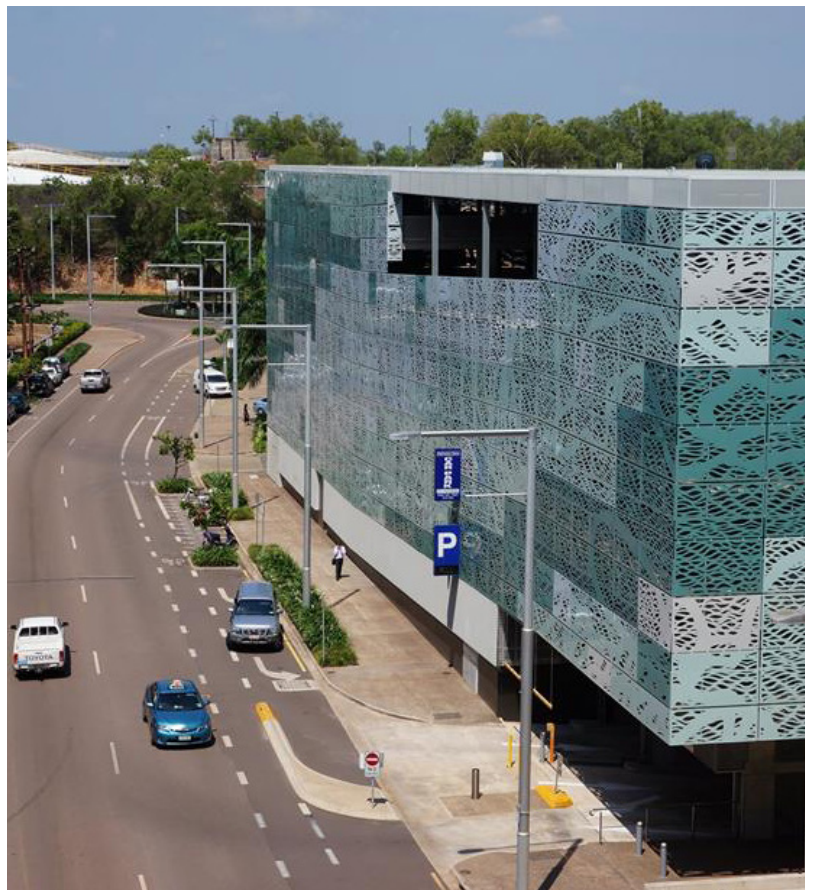
Off-street

- Jervois Road has 114 car parking bays.
- Darwin Convention Centre rear has 70 car parking bays and 4 motor bike bays.
- Darwin Convention Centre basement has 227 car parking bays (and is managed by the Convention Centre).
- Stokes Hill Wharf has 149 car parking bays.

- Stokes Hill Road has 93 car parking bays.
- Kitchener Drive Multi-Storey Car Park has 501 car parking bays (with 365 available to the public).

The majority of on-street and the off-street car parks operate with 'pay and display' parking meters that accept both credit cards and coin. The Kitchener Drive Multi-Storey Car Park is boom-gated and operates via modern number plate recognition technology.

During 2017-18, there were 76 732 parking meter transactions, 5 439 more than last year. A total of 151 109 were transactions conducted in the Multi-Storey Car Park, an increase of 4 402 on the prior year with an average of 495 vehicle transactions per day.





Kitchener Drive Multi-Storey Car Park Improvements

Parking at the Darwin Waterfront Precinct was made even more convenient this year with the introduction of 'ticketless parking' in the Kitchener Drive Multi-Storey Car Park.

Regular visitor to the Precinct, Lisa Allen, said "it's easy, fast and efficient – most times you don't even have to wind down your window."

Lisa and her family live nearby. She and her two-year old son, Jack, visit the Precinct 3 to 4 times a week to enjoy the shaded playground and wave pool. She said "The Precinct is a great place to visit with children. It's a safe environment with recreational areas away from the busy road. There's lots of shade and things to do and a variety of food and drink options."

"It's even more attractive now with undercover, ticketless parking. No more fumbling around looking for where you put the ticket!"

Lisa is also a Darwin Waterfront Member and explained that the annual member pass provides an additional hour of free parking. Lisa can now park for three hours and she and her family can enjoy the amenities, including a 10 per cent Membership discount offer available

at a variety of the food and beverage outlets. "With these benefits, plus the free unlimited access to the wave pool, the Darwin Waterfront Membership pays for itself. Easy undercover parking plus shade plus safety - it's a winner for us!"

The 'ticketless parking' initiative was introduced by the Corporation in November 2017 to encourage greater patronage, attract CBD workers and secure on going revenue for the car park. The new technology provides easier, quicker, more streamlined and convenient parking for patrons without the need to collect a paper ticket. Parking fees remain unchanged, with the first two hours free of charge (three hours for Darwin Waterfront Members).

Using number plate recognition from multiple high definition cameras, the system allows customers who have parked for less than two hours to drive directly out of the car park through automatically opening exit gates. Customers who have stayed longer than two hours can conveniently pay by credit card at the exit gate.

Payments can also be made by entering the vehicle's registration number at the Pay Stations located on the ground level. Fees for lost or damaged paper tickets are a thing of the past.

Other improvements include an electronic sign display on the exterior of the car park which advertises the number of vacant parking bays, and minor improvements to the ground level section increasing the number of 'small vehicle only' bays to improve vehicle access and ease congestion during busy periods.



Pedestrian Traffic and WiFi Use

Two pedestrian traffic counters are installed near the Kitchener Drive Multi-Storey Car Park/ATMs and outside the glass observation lifts on the Smith Street Footbridge (Sky Bridge). These locations are the two primary entry points into the precinct. An estimated 817 077 people entered the Precinct via these locations during 2017-18. NB: Estimation only as one of the traffic counters was damaged during Cyclone Marcus. Average figures were imputed for the period during which the counter was not in operation.

The Precinct also provides free WiFi access. During 2017-18, 76 035

sessions were enjoyed by patrons and the average time per session was 24 minutes and 58 seconds.

WiFi locations are conveniently located at the Waterfront playground, with plenty of shaded seating provided, and the Stokes Hill Wharf alfresco dining area. To access, patrons simply press on Darwin Waterfront Free WiFi on their smart phones, answer three brief questions and nominate if they would like to receive information about a Territory holiday from Tourism NT.

The Corporation experiences 'spikes' in usage on cruise ship arrival days.

Security

The safety of visitors, residents and business stakeholders is paramount. The Corporation has 106 CCTV cameras located across the Precinct. The footage of any incident captured is promptly provided to the NT Police for investigation.

During working hours, Corporation staff are generally on the beat to respond to breaches of the Darwin Waterfront Corporation By-Laws and attend to municipal matters where possible. In the absence of Corporation staff after hours, a security contractor (MSS Security) is engaged on behalf of the Corporation to observe public areas and, where appropriate, report to NT Police accordingly.

In response to reports of increased anti-social behaviour, illegal parking and camping at the Precinct, the Corporation increased its ranger presence by initiating parkland and roadway patrols after hours and on weekends.

While parking remains free on weekends, it is important for safety, and more generally for good order, that motorists only park in designated parking areas. Rangers issue infringements on weekends for non-compliance with parking laws including parking on verges, in loading zones, bus stops etc. Outside of ranger patrol hours, MSS Security are engaged on behalf of the Corporation to observe, discourage and, where appropriate, report issues to NT Police.

The increased presence on weekends has ensured the Precinct remains orderly, in good repair and accessible, maintaining the Darwin Waterfront as a premier destination for residents and visitors to continue to enjoy. This initiative has been positively received, particularly by residents and the business community.



Waterfront Park

The Corporation installed a new children's playground in 2017-18 to leverage the uniqueness of the surrounding seafront precinct. Waterfront Park playground provides children aged 2 to 8 with a safe and exciting playscape with features including boardwalk structures, a rope course, tunnels, a mini climbing wall, a pod swing, balance trail and a wide slippery slide.

NT Sports and Playground Surfacing was awarded the design and contract for the custom-made playground, and Top End Welding Services was awarded the contract to design and construct shade cover to protect the play equipment from the tropical sun. Both companies are locally based in Darwin.

Further, a 3 metre-wide canopy was incorporated along 35 metres of footpath between the elevators and Wharf One. The canopy has

been designed to complement existing infrastructure within the Precinct including grey steelwork, use of Danpolon roof sheeting to suppress rainfall noise and timber batten soffit treatment. The height is commensurate with the existing covered walkways, with minimal use of columns to ensure clear views of the lagoon. A by-product of providing shade to the play area is that access to Wharf One is now connected by what is almost a complete weatherproof walkway through the public domain, with sufficient supporting drainage for this area.

Waterfront Park has proven to be a very popular feature of the already much-loved Darwin Waterfront day and night lifestyle Precinct. Families who visit are known to prolong their stay to enjoy a reliably safe and clean Precinct playground due to its central location that is accessible both day and night.





Free Waterfront Shuttle Service

A free shuttle bus service was introduced in September 2017 to improve connectivity around the Precinct, linking Stokes Hill Wharf, the Cruise Ship Terminal, residential apartments, hotels and various other attractions.

This initiative evolved from the Corporation's participation last year in the Department of Infrastructure, Planning and Logistics' 'driverless bus' pilot project. The pilot project was undertaken to assess the potential of using driverless vehicles in a variety of traffic and weather conditions. While the outcomes of the pilot project are soon to be formally released, the driverless bus initiative was positively received and well patronised. Feedback and learnings from the project have been taken into consideration by the maker of the vehicle, EasyMile, who advised it incorporated the trial findings to improve the latest generation vehicle that has since been released.

The Corporation noted the popularity and uptake of the pilot project and resolved to introduce a free shuttle service along an all-encompassing route to properly connect the Waterfront Precinct during peak times all year round. Visitors and residents can travel in comfort, particularly in the hotter and wetter months of the year. Eight bus stops are clearly identified with yellow signage at locations around the Precinct.

Since its introduction, 18 920 passengers have utilised the service with the most popular links being those between Stokes Hill Wharf, the hotels and the Precinct's entry point near The Coffee Club. 40 009 kms have been traversed during this time.

The shuttle service operates at peak lunch and dinner times from 11:30am to 2:00pm and from 4:00pm to 9:00pm.

Improving Precinct Amenity

During the reporting period the Corporation completed short-term improvements to the Fort Hill development site between the luxury hotel development site and Anchorage Court. Works included site levelling, soft landscaping and relocation of the existing temporary fence from the roadway.

As part of improving the visitor experience, the Corporation is continuing to develop and plan a future amenities and kiosk facility at the Wave Lagoon. The aim is to ensure visitors can purchase drinks and food and have access to amenities directly from inside the facility. It is envisaged that the

future facility will be co-purposed to facilitate the Wave Lagoon operation and provide additional access to amenities from the parklands, especially for large events near the Lagoon. This project is aimed to coincide with a Wave Lagoon refurbishment.

The extension sea wall shade canopy is now complete with 500 metres of cover along the 650 metre-long sea wall, providing relief to visitors from the sun and rain on the sea wall pathway. As part of the works, the Corporation also commissioned fabrication of a removable platform in order to continue Precinct fireworks displays fired from the sea wall.





Place-Making

Recreational Activities

Wave Lagoon

In 2017-18 the Precinct's 'coolest attraction', the Wave Lagoon, attracted 114 921 people – an increase of 1 per cent compared to the prior year.

An average of 315 people visited the Wave Lagoon daily and it continues to be popular with both locals and visitors since it opened in 2009.

The busiest month was July with 18 254 people visiting in that month. Weekends continued to be the busiest periods.

The lifeguard-patrolled Wave Lagoon is 2.6 metres at its deepest point and also has a wading pool, which is

perfect for young children, making the Wave Lagoon a complete family attraction.

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

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

The Wave Lagoon is open from 10:00am until 6:00pm seven days a week, including public holidays, other than Christmas Day.



Recreation Lagoon

The manmade beach and saltwater Recreation Lagoon is free to use, making it popular with visitors and locals who love a leisurely swim or just a dip to cool off 'down at the beach'. The outer area of the lagoon is used by avid swimmers and swimming clubs, which often host competitions, events and classes.

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

In June we introduced the Top End's first sand screener to ensure our sandy beach is safer, fluffier

and pristine for beach goers year-round. The Barracuda sand machine intensively sifts through sand and collects small but easily buried items such as sharp objects, stones, sticks and litter. The Barracuda is operated regularly by the Corporation as part of routine maintenance at the Lagoon.

In addition the sand was reshaped as part of the twice annually beach maintenance. Approximately 250 cubic metres of new sand was added to improve the beach area.

Lifeguards patrol the Lagoon daily between 9:00am and 6:00pm and a total 179 650 patrons were observed in and around the lagoon during the year.

Supporting Snapper Stocks

The Corporation assisted the Department of Primary Industry and Resources to release 500 Golden Snapper fingerlings into the Recreation Lagoon in April 2018. The internally tagged fish are part of a research study to learn more about how the species develops. The lagoon was the chosen location for the study as fishing is not allowed, thus enabling the fingerlings to be monitored in a semi-wild environment over time.

This research is vital in order to gain valuable information on the growth and survival of hatchery produced fish when they are released into the wild. Golden Snapper was chosen because it is a popular species often targeted by recreational anglers, yet it poses no impact to swimmers. Snapper are also vulnerable to the effect of barotrauma and is a species that is classified as overfished in the Darwin area. The benefits from this project will help determine whether Golden Snapper are a species that can be reared in a hatchery and successfully released onto artificial reefs to enhance the recreational fishing experience.

GOLDEN SNAPPER RELEASE





Big Buoy Water Park

The popularity of the floating Big Buoy Water Park at the Recreation Lagoon continued, with a 98 per cent increase in attendance experienced this year compared to prior year.

Owner operator, Jarrod Berrington, attributes this growth to increased group interest and return customers, by not only local Territorians but interstate travellers who regularly visit the NT during the colder southern months.

“With our average spend per customer up from \$38.80 to \$48.92, we found that positive word-of-mouth and organic recommendations by those having

enjoyed their time is reason for this. It’s not uncommon for us to service returning patrons who are introducing 2, 3, 4 or more friends that have not been before,” he advised.

The busiest months of the year remain unchanged, being July and August; although mid-week attendance during 2018 has been much higher with Sunday remaining the busiest day of the week year on year.

Jarrod said “Some of the free school holiday services provided by the Corporation seem to reflect an increase in park attendance, with the Splashfest event being the most noticeable.”

School Holiday Activities

A range of school holiday activities were provided throughout the Precinct during 2017-18 school holiday periods, with attendance at 3 060 over 34 days of activities.

Activities varied from AFL Aus Kick Clinics to Arts and Craft, Bubble Sports, Circus Workshops, a Silent Disco, Soccer, Giant Slip n Slides and Archery Attack.

The majority of activities are planned on weekdays to coincide with the opening of the Wave Lagoon at 10:00am, and conclude at lunch time for families to enjoy a bite at the nearby restaurants and cafes.

Events and Visitation

The Precinct attracted an estimated 1.2 million visitors in 2017-18. A year-round events program is essential to maintain and grow visitor numbers. Attentive planning and management of costs by the Corporation is required to ensure the Precinct is activated to give visitors positive experiences to keep them returning.

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

Some 80 per cent of events are co-funded and supported by Toga Group, retailers and the Darwin Waterfront Corporation, including movie nights, Easter Celebrations, Sundays Live at the Lagoon, Christmas lights and New Year's Eve celebrations.

The remaining events are hosted by third parties but supported by the Darwin Waterfront Corporation and the Toga Group, including Thailand Grand Festival, Nepalese Festival, Pesona Indonesia, Harmony Soirée, Splashfest, Fusion 'Blast' preview night, Australia Day Fun Run, Saltwater Craft Fair, Top End Gran Fondo, Variety NT Santa Fun Run, Health & Wellness Festival, Darwin International Film Festival and Threatened Species Day.





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

Significant events in 2017-18 were:

2 July: Movie Night - Moana
(1 100 attendees)

8 July: Movie Night - Secret Life of
Pets (1 000 attendees)

25 July: Health and Wellness Festival
(1 500 attendees)

5 August: Pesona Indonesia
(2 500 attendees)

24 September: Splashfest
(2 500 attendees)

1 to 31 December: Christmas lights
and snow display (2 000 attendees)

31 December: New Year's Eve
Celebrations (7 000 attendees)

26 January: Australia Day Fun
Run and concluding celebrations
(3 000 and 1 200 attendees)

2 March: Queen's Baton Relay Shared
Celebration (2 600 attendees)

31 March: Easter Celebrations
(4 000 attendees)

14 April: Nepalese Festival
(2 500 attendees)

28 April: Thailand Grand Festival
(5 000 attendees)

5 May: Tactile Arts Saltwater Craft Fair (2 000 attendees)

6 May: Royal Flying Doctor Service 90th Anniversary (2 000 attendees)

19 May: Darwin Symphony Orchestra concert (3 000 attendees)

26 May: Harmony Soiree (3 000 attendees)

29 June: Fusion Fireworks Preview Night (3 000 attendees)

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

Regular events at the Waterfront during 2017-18 included:

- 7 free yoga classes were held in the Parklands in May & June attracting 345 participants.
- Free Tai Chi each Saturday from July to April with 364 participants.
- 44 Aqua Zumba classes at the Wave Lagoon every Sunday with 718 participants.
- Sundays 'Live at the Lagoon' from May to October, attracting 2 300 patrons.
- Live music on the Wharf from May to September, attracting 5 900 patrons.
- Free monthly 'movie under the stars' from May to October attracting 3 630 participants.

Royal Flying Doctor Service – 90th Anniversary Community Event

To celebrate its 90th year of operation, the Royal Flying Doctor Service (RFDS) staged a community event in partnership with the Corporation and a number of other stakeholders.

Over 2 000 people joined in the celebration and enjoyed the fun activities which included the Burning Circus Fire Show, stilt walkers, line dancing, BBQ, inflatables in the lagoon, food stalls, raffles and door prizes.

A highlight was the opportunity for members of the community to interact with a life-size replica of the RFDS' PC12 aircraft which provides life-saving services in the Territory's outback. The replica plane showcased the space in which the RFDS personnel work and is used as a training tool for external doctors and nurses so that they can adapt to and work in a tight area.

Stakeholders who convened stalls to interact with the public and/or provide food and beverage included:

- RFDS
- St Johns Ambulance
- NT Police, Fire and Emergency Services
- NORFORCE (Demonstration of a Long Range Reconnaissance Vehicle and F470 Zodiac)
- Holden Car Club
- Crocosaurus Cove
- Melli Queen
- Katja Delicious Popcorn
- Henbury School
- Curve Café
- The Precinct Tavern
- Lime Café



DIFF 360° CINEMA

Darwin International Film Festival

The third week of September saw a first for Darwin, with a pop-up Cinema 360° staged at the Precinct as part of Darwin's International Film Festival.

The pop-up Cinema 360° was an immersive 'full-dome' planetarium cinema, 18 metres in diameter and 9 metres tall and attracted an estimated 5 000 patrons. It housed state-of-the-art projector technology that caused images to overlap and filled the entire dome. This planetarium experience provided an immersive experience into some of the world's leading creative films, with cinematography that flew over patrons' heads enabling them to delve into the mysterious and colourful world of coral reefs, navigate the night skies with the help

of traditional Indigenous stories or leave Planet Earth completely behind with an intergalactic exploration of the unseen corners of the universe.

The fully air-conditioned Cinema 360° accommodated up to 250 people and screened 4 to 5 movie sessions per day. Movie sessions ranged from 45 to 60 minutes and were priced from \$12 per adult, \$10 per child or \$30 for a family of four. Patrons frequenting any of the restaurants at the Precinct could purchase two tickets for \$20 upon showing their dining receipts, thus providing flow-on benefits to other stakeholders.

The event incorporated a schools' outreach program that provided opportunities for students from across Darwin to visit the planetarium during the daytime.

Thailand Grand Festival

One of Thailand's biggest celebrations was hosted by the NT Thai Association for the first time at the Darwin Waterfront in April 2018. The Thailand Grand Festival combined the Songkran Water Festival (Thai New Year) and transformed the Waterfront parklands into a bustling space rich in Thai culture through food, cultural shows, dance performance, parades, music, children's entertainment, Muay Thai kick boxing demonstrations and a traditional water pouring ceremony.

A parade known as 'The Procession of Phi Ta Khon' opened the event with a stunning display of traditional costumes and dance. Also known as the 'The Ghost Mask' festival, the parade of colourful performers danced and struck poses while wearing huge masks, representing ghosts in a carnival style march whilst carrying a sacred Buddha image.

The Corporation was proud to facilitate an event that showcased the multicultural diversity of Darwin and exceeded expectations with patronage over 5 000.

Queen's Baton Relay Celebrations

Jessica Mauboy headlined the Queen's Baton Relay celebrations that were held at the Darwin Waterfront in February 2018 as part of the Gold Coast 2018 Commonwealth Games.

Mauboy, together with other Territory artists including Caiti Baker, Natalie Pellegrino and Melanie Grey, led the community celebrations that marked the end of the Territory's participation in the Queen's Baton Relay as it made its way to the Games' opening ceremony in the Gold Coast.

The event, which put Darwin and the Precinct in the national and international spotlight, was a festive affair with entertainment including live music, a circus show, giant bubbles, balloon twisting and face glitters. It concluded with a spectacular firework display which, together with the Games' mascot, Borobi, performance on stage, delighted children and adults of all ages.



Enhancing Public Space

A 13.5 metre hand painted mural by local artist Polly Johnstone now features on the entry of the Kitchener Drive Multi-Storey Car Park.

This piece is a colourful display of intricate circular patterns that scatter across the car park entrance. Polly was inspired by the Cassiopea Andromeda, commonly known as the upside-down jellyfish which lies at the bottom of shallow water. She showcases its frilly tentacles reaching towards the sunlight.

Each of the circular patterns reflect Polly's deep love for pattern, and as an educator of Visual Arts and previously Maths, her love for geometry and symmetry resonates in this piece.

The car park mural is a co-funded initiative by the Corporation, Adina Apartment Hotel & Vibe Hotel Darwin Waterfront and the Toga Group.

The artwork has attracted a lot of attention, with feedback from the community and visitors being very positive.





Cruise Ship Market

The cruise ship market is an important contributor to the NT economy, with 66 cruise ship visits bringing an estimated total of 50 000 passengers to Darwin. The estimated expenditure contribution to the local economy is \$29.87 million annually. Seven of the ships visiting were on maiden voyages to Darwin.

In 2017-18 Ponant Luxury French cruise ship L'Austral began home porting in Darwin, resulting in eight visits during the year. This is the first cruise ship to home port in Darwin since 2013, and marked the launch of Ponant's first season of Kimberley cruises out of Darwin.

The major beneficiaries of cruise ship visits and passenger spending are the Darwin CBD and Waterfront Precinct, as well as local tour operators.

While Fort Hill Wharf itself is not managed by the Corporation, it is imperative for the economy that the Corporation be actively involved in and contribute to the cruise ship market. This is best achieved by working with relevant stakeholders, including Tourism NT, Darwin Port, the City of Darwin, Darwin City Waterfront Retailers Association, Tourism Top End, tourism operators and retailers in the CBD as well as the Waterfront.



Stakeholder and Community Engagement

Forums

The Corporation convenes regular forums to gather the views and ideas of the Precinct's stakeholders and the wider community to inform place-making plans, development and promotion. Stakeholder representation includes Stokes Hill Wharf, retailers, hotels, Member for Port Darwin, Charles Darwin University, residents, body corporates, the Darwin Convention Centre, the Toga Group and property owners.

Representatives met four times during the year to collectively discuss and plan for the following:

- Major projects – New precinct playground, Sea Wall shade (Stage 2), luxury hotel development, proposed water theme park
- The Precinct Tavern alfresco deck development
- Various public infrastructure works, repairs and improvements
- Precinct security & anti-social behaviour
- Precinct events
- Driverless vehicle trial and the free Waterfront Shuttle
- Kitchener Drive Car Park - Ticketless parking
- Waterfront Medical Centre opening
- Anchorage Court name change to Anchorage Crescent

Residents

There are six residential buildings in the Precinct which collectively total 276 apartments. These apartments are either owner-occupied, tenanted or available as short stay accommodation.

Lucas Moore and his partner moved into the Quayside Building in December 2016. He and his partner were attracted to the amenities and relaxed atmosphere of the Waterfront Precinct.

“We enjoy living here, particularly on weekends when there is live music and lots of things to do – it’s a great vibe,” said Lucas.

“We make the most of the facilities, restaurants and events and festivals staged at the Precinct. We’re regulars at Chow. Thirsty Zac is another of our favourites,” advised Lucas.

“The clean-up after Cyclone Marcus was impressive. We didn’t feel impacted by the interruption and carried on life as usual. It was cleared very quickly, with all done within couple of weeks.”

“I reckon we live in the best block in Darwin. You feel like you’re on holiday when the weekend comes. Once you move in here you never want to leave!” said Lucas.

LUCAS AND HIS PARTNER



Community

Darwin Waterfront Annual Membership was introduced to regular patrons of the Precinct in late 2016-17 to provide the following benefits:

- A minimum of 10 per cent discount at more than 30 Waterfront businesses including restaurants, food and beverage outlets, retail stores, fitness programs, hotels, harbour cruises, tourism attractions and touring options;
 - Free and unlimited access to the Wave Lagoon; and
 - An additional hour's free parking (total of 3 hours instead of 2 hours) in the Kitchener Drive Multi-Storey Car Park.
- family (two adults and three children): \$125 per year
 - adult: \$50 per year
 - child: \$35 per year
 - senior: \$20 per year
 - under three: free

The option of becoming a member is proving to be popular with 660 membership passes sold during 2017-18, a 244 per cent increase on the prior year. The majority of the passes sold were in the Adult category (at 45 per cent). Family passes sold were 41 per cent, with the remaining 13 per cent Seniors or Children.

The annual membership pass aims to encourage repeat visitation and deliver value to the local community. Membership fees remained at the introductory price of:







Governance

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

Risk Management

Jellyfish Review

The Corporation engaged Dr Lisa-ann Gershwin of the CSIRO to review the stinger management procedures, including preventative actions and response procedures, as part of its ongoing commitment to minimise risk.

Dr Gershwin is a renowned jellyfish expert and familiar with the facility from her initial work with the NT Government during the construction of the Recreation Lagoon.

Findings of the review in August 2017 indicated best practice was being followed by the Corporation in accordance with the stinger management plan, and if harmful jellyfish were to be in the Lagoon, current procedures would likely detect them.

Public Safety & Security Review

During 2017-18, The Corporation commissioned HATAMOTO Holdings Pty Ltd (HATAMOTO) to provide security risk management advice concerning the Darwin Waterfront Precinct.

The aim was to reduce risk levels for public events and visitation across the Precinct.

As a result, the Corporation has established a Joint Security Committee to collaborate and focus on improving Precinct public safety and security. This group will use the Hatamoto advice to meet operational objectives and maintain the Corporation's culture of continuous improvement to operations, public safety and security planning at the Waterfront.





Information Management

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

Our General Manager is the decision-maker in relation to FOI applications received by the Corporation. The Corporation received no requests for access to information in the reporting period.

We are committed to adhering to the Information Privacy Principles and

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

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

Looking ahead

Darwin Convention Centre

Next year the Darwin Convention Centre will welcome back some familiar events. Amongst others, the Australian Pipelines and Gas Association Conference and Exhibition is returning which was last held at the Centre in 2010, and the Northern Australia Food Futures Conference which was first held in 2016. The Centre is also looking forward to hosting the Rural Medicine Australia Conference for the first time as well as the Australian Tourism Export Council's Meeting Place.

2019 will also see the Centre be the key venue for the Arafura Games and the Great Air Race.

Luxury Hotel for Darwin

The Development Consent Authority approved the \$200 million Darwin Luxury Hotel development on the Fort Hill side of the Darwin Waterfront Precinct on 11 July 2018. The hotel will be developed by Landbridge Australia (Landbridge), operated by Westin Hotels and Resorts (Darwin Westin) under a 25 year management agreement and is scheduled to be opened in 2021. The Darwin Westin will add around 237 additional hotel rooms to Darwin's room stock.

Set in lush, tropical gardens with a rooftop restaurant and bar, the hotel is designed to attract the lucrative luxury market, including the high-end business and corporate traveller. A five-star branded and internationally recognised hotel of the Westin's calibre will lift the standard of accommodation offering in the destination and provide a competitive boost for Darwin, particularly as a business tourism



destination and will assist the Darwin Convention Centre in bids to win international conferences.

Landbridge will construct a new sea wall, public footpaths and public boardwalk as part of the development, connecting through to Jervois Road and onto the cruise ship terminal. \$17 million will be invested by the NT Government in public infrastructure which will include a 200 metre Skywalk to connect the hotel to the CBD and stair and lift accesses into the Waterfront Precinct.

The pedestrian foreshore access (above the sea wall) will be wide, flat and level with a short and shallow ramp at the Jervois Park end. Landbridge is working with the Darwin Waterfront Corporation to ensure that the style ties into the other walkways throughout the Precinct. The sea wall has also been designed to protect against storm surges and will include overhanging vegetation from the hotel grounds.

The development will include grounds with extensive landscaping. Approximately 50 per cent of the site will be landscaped with tree species native to the Northern Territory as well as those commonly found in Darwin's tropical gardens. The curved architecture and design

of the hotel will maintain maximum views of the harbour as well as respond to the Top End's climate.

The development also includes a separate residential complex of 24 luxury apartments, the design of which is also climate responsive and promotes outdoor living with a swimming pool, gym, outdoor areas and extensive vegetation.

Landbridge has consulted widely through public session briefings, discussions with businesses and an information session with Precinct residents and other stakeholders. Landbridge also held a number of public Open Days and will continue consultation and engagement as the project progresses.

Mr Andrew Payne, Project Director Landbridge, said an early works construction package will be issued in late 2018. The early works comprise the sea wall construction, minor road works and some of the services infrastructure and site remediation work. Landbridge is working with the NT Industry and Capability Network (NTICN) to give local contractors the opportunity to tender for the project.



Larrakia Cultural Centre

The NT Government has commenced consultations for the establishment of a Larrakia Cultural Centre in Darwin with Darwin Waterfront Precinct being the preferred location.

The Centre would be housed on the Waterfront, located immediately adjacent to the sacred site 'Chinute Chinute' commonly known as 'Stokes Hill' which is one of the few remaining Larrakia sacred sites in Darwin Harbour.

It is envisaged the Cultural Centre will celebrate, showcase and preserve the rich cultural history, heritage and identity of the Traditional owners of Darwin and its surrounds, the Larrakia people.

The Centre may incorporate elements of the local Larrakia culture including the natural environment, history, language, livelihoods and linkages to other Indigenous groups and cultures. It will also provide opportunities for local performances, events, displays and engagement with visitors including other Aboriginal and non-Aboriginal groups.

The purpose, location, design, interpretive elements, management, governance, financing and other matters involved in developing a Cultural Centre will be considered in the consultation process.

The Corporation understands that the Larrakia Development Corporation (LDC) supports the Centre as a focal point and facility for the Larrakia people to maintain their culture for generations to come, particularly for sharing and developing awareness of the Larrakia people's history and culture with the world. The LDC would like the facility to be economically, socially and environmentally sustainable community centre for the Larrakia people and a welcoming space for non-Aboriginal people, as well as a significant culture drawcard that brings people into the vibrant tropical city of Darwin.

The Corporation looks forward to working closely with the LDC and stakeholders on progressing the development of the Larrakia Cultural Centre.

Proposed Water Theme Park

Expressions of Interest (EOI) were called by the NT Government in May 2018 for the development of an international standard water theme park.

The NT Government has identified that the development sites near Stokes Hill and neighbouring Navy fuel installation are the preferred sites to achieve CBD revitalisation objectives.

The Waterfront Precinct is already bursting with entertainment and recreation for families and visitors, from our packed annual calendar of events to the Wave Lagoon, Recreation Lagoon and parklands. A water theme park development could meaningfully enhance the area and greater Darwin CBD, increase visitation, boost existing and future businesses, and promote local participation.

It is expected that any Waterfront based development will incorporate the existing Wave Lagoon to ensure ease of use for visitors and continuity of recreational offerings.



Financial statement overview

For the year ended 30 June 2018

Board members' report

The Darwin Waterfront Corporation Board members present their report on the accounts for the year ended 30 June 2018.

Members

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

- Tracey Hayes - Chairperson
- Alastair Shields - Chief Executive Officer
- Andrew Kirkman - Member
- Anne Tan - Member
- Charles Burkitt - Member
- Kelvin Costello - Member
- Jacqueline Jennings - Member
- Peter Carew - Chairman (expired 21 April 2018)
- Patricia Brick - Member (expired 21 April 2018)
- David De Silva - Member (expired 21 April 2018)

Further details on members are provided at note 25 to the financial statements and member profiles at pages 9 to 16 of the annual report.

Principal activities

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

as a place of residence and business and a venue for public events and entertainment.

Ministerial directions

No written ministerial directions were received by the Corporation under Section 20 of the *Darwin Waterfront Corporation Act* for the year ended 30 June 2018.

Review of operations and significant changes during the financial period

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

- management of property (including land and marine infrastructure) in the Precinct that is owned and controlled by the Corporation
- facilitate the development of land and anything required for construction to be carried out in the precinct
- promoting the Precinct as a place of residence and business and a venue for public events and entertainment
- preservation of good order in the Precinct
- provision of municipal services in the Precinct
- maintenance of civic amenities and facilities in the Precinct
- advising the Minister about the Precinct
- development and management of land not currently forming part of the Precinct as directed by the

Minister and in accordance with regulations.

Operationally, the number of public events organised at the Precinct increased in 2017-18 by 11 per cent. There was also an 11 per cent increase in patronage numbers compared to 2016-17. Owners of the retail and commercial property in the Precinct, the Toga Group, continued financial contributions to the staging of events, providing a welcomed boost to the promotion of the precinct.

There was a 3 per cent increase in patronage of the multi-storey car park in 2017-18 compared to the prior year, with the Corporation implementing a ticketless car parking system which delivered greater convenience and security for users.

The Darwin Convention Centre continued to attract national and international delegates in 2017-18, with associated benefits flowing into the Northern Territory economy.

The Corporation holds the head lease for the Stokes Hill Wharf and receives grant funding for operating, managing and maintaining the assets. There were no other significant changes to the Corporation's operations during the financial year.

Operating results

The operating result of the Darwin Waterfront Corporation for 2017-18 was a deficit of \$1.125 million (2016-17: deficit \$0.656 million).

Matters subsequent to the end of the financial period

At the date of this report, there is no matter or circumstance that has arisen since 30 June 2018 that has significantly affected or may significantly affect:

- a) the operations in the financial periods subsequent to 30 June 2018 of the Corporation
- b) the results of those operations
- or
- c) the state of affairs in financial periods subsequent to 30 June 2018 of the Corporation.



Likely developments and expected results of operations

The Corporation expects to receive operational grants from the Northern Territory Government for payments towards operational expenditure during 2018-19, and perform any other services required under the *Darwin Waterfront Corporation Act*.

Auditor

The Auditor-General is the 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.

Tracey Hayes

Chairsperson

28 September 2018

Alastair Shields

Chief Executive Officer

28 September 2018



Certification of the financial statements

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

We further state that the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes to and forming part of the financial statements, presents fairly the financial performance and cash flows for the year ended 30 June 2018 and the financial position on that date.

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



Tracey Hayes

Chairsperson

28 September 2018



Alastair Shields

Chief Executive Officer

28 September 2018

Comprehensive Operating Statement

For the year ended 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
INCOME			
Grants and Subsidies Revenue			
Current		19,907	19,236
Capital		2,240	1,710
Sales of Goods and Services	3	3,335	3,288
Interest Revenue		54	36
Other Income	3	784	2,146
Total Income		26,320	26,416
EXPENSES			
Employee Expenses		1,207	1,080
Administrative Expenses			
Purchases of Goods and Services	4	3,774	3,773
Property Maintenance	5	4,077	4,322
Agent Service Arrangements	6	916	1,052
Depreciation and Amortisation	7	4,737	4,603
Grants and Subsidies Expenses			
Current	8	7,624	6,974
Capital	8	-	15
Interest Expenses	9	5,110	5,253
Total Expenses		27,445	27,072
Net Deficit		(1,125)	(656)
Other Comprehensive Income, Net of Income Tax			
Changes in asset revaluation reserve		44,360	-
Total Other Comprehensive Income, Net of Income Tax		44,360	-
Comprehensive Result		43,235	(656)

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

Balance Sheet

As at 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
ASSETS			
Current Assets			
Cash and Deposits	11	5,496	1,550
Receivables	12	502	545
Prepayments	13	159	119
Total Current Assets		6,157	2,214
NON CURRENT ASSETS			
Property, Plant and Equipment	14	269,374	225,322
Heritage and Cultural Assets	15	102	103
Total Non Current Assets		269,476	225,425
TOTAL ASSETS		275,633	227,639
LIABILITIES			
Current Liabilities			
Deposits Held	17	2,500	-
Payables	17	4,099	3,769
Borrowings and Advances	18	2,520	2,270
Other Liabilities		21	21
Total Current Liabilities		9,140	6,060
NON CURRENT LIABILITIES			
Borrowings and Advances	18	72,942	75,462
Total Non Current Liabilities		72,942	75,462
TOTAL LIABILITIES		82,082	81,522
NET ASSETS		193,551	146,117
EQUITY			
Capital		178,433	174,235
Reserves		44,360	-
Accumulated Funds		(29,242)	(28,118)
TOTAL EQUITY		193,551	146,117

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

Statement of Changes in Equity

For the year ended 30 June 2018

	NOTE	Equity at 1 July \$'000	Comprehensive Result \$'000	Transactions with Owners in their Capacity as Owners \$'000	Equity at 30 June \$'000
2017-18 ACCUMULATED FUNDS		(28,118)	(1,125)⁽¹⁾	-	(29,242)
RESERVES					
Asset Revaluation Reserve		-	44,360	-	44,360
TOTAL RESERVES		-	44,360	-	44,360
CAPITAL - TRANSACTIONS WITH OWNERS					
Equity Injections					
Equity Transfers In		158,544	-	4,198	162,742
Other Equity Injections		15,827	-	-	15,827
Equity Withdrawals					
Capital Withdrawal		(136)	-	-	(136)
		174,235	-	-	178,433
TOTAL EQUITY AT END OF FINANCIAL YEAR		146,118	43,235	4,198	193,551
2016-17 ACCUMULATED FUNDS		(27,462)	(656)⁽¹⁾	-	(28,118)
CAPITAL - TRANSACTIONS WITH OWNERS					
Equity Injections					
Equity Transfers In		158,544	-	-	158,544
Other Equity Injections		15,827	-	-	15,827
Equity Withdrawals					
Capital Withdrawal		(136)	-	-	(136)
		174,235	-	-	174,235
TOTAL EQUITY AT END OF FINANCIAL YEAR		146,773	(656)	-	146,117

(1) Net deficit from the Comprehensive Operating Statement.

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

Cash Flow Statement

For the year ended 30 June 2018

	NOTE	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and Subsidies Received			
Current		19,907	19,236
Capital		2,240	1,710
Receipts From Sales of Goods and Services		6,402	7,595
Interest Received		51	36
Total Operating Receipts		28,600	28,577
OPERATING PAYMENTS			
Payments to Employees		(1,207)	(1,176)
Payments for Goods and Services		(10,890)	(11,561)
Grants and Subsidies Paid			
Current		(7,439)	(6,974)
Capital		-	(15)
Interest Paid		(5,110)	(5,253)
Total Operating Payments		(24,646)	(24,979)
Net Cash From Operating Activities	20(a)	3,954	3,598
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of Assets		(238)	(1,151)
Total Investing Payments		(238)	(1,151)
Net Cash Used in Investing Activities		(238)	(1,151)
CASH FLOWS FROM FINANCING ACTIVITIES			
Deposits Received			
Deposits Received		2,500	-
Total Deposits Received		2,500	-
Financing Payments			
Finance Lease Payments		(2,270)	(2,038)
Total Financing Payments		(2,270)	(2,038)
Net Cash Used in Financing Activities	20(b)	230	(2,038)
Net Increase in Cash Held		3,946	409
Cash at the Beginning of the Financial Year		1,550	1,141
CASH AT END OF FINANCIAL YEAR	11	5,496	1,550

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

Notes to the financial statements

For the year ended 30 June 2018

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Notes to and forming part of the financial statements

As at 30 June 2018

1. OBJECTIVES AND FUNDING

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

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

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

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

The corporation's financial statements are required to include:

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


The financial statements were authorised for issue by the board members on 28th of September 2018.

b) Basis of accounting

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

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

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



The following new and revised accounting standards and interpretations were effective for the first time in 2017-18:

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This standard applies to the not-for-profit sector for the first time in 2017-18. The accounting amendment AASB 2016-2 requires the disclosure of information that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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

Standards and Interpretations Issued but not yet effective

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

AASB 16 Leases

AASB 16 Leases is effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20. When the standard is effective it will supersede AASB 117 Leases and requires the majority of leases to be recognised on the balance sheet.


For lessees with operating leases, a right-of-use asset will now be included in the balance sheet together with a lease liability for all leases with a term of 12 months or more, unless the underlying assets are of low value. The comprehensive operating statement will no longer report operating lease rental payments. Instead a depreciation expense will be recognised relating to the right-to-use asset and interest expense relating to the lease liability.

For lessors, the finance and operating lease distinction remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

Consequently, it is expected that approximately \$0.345 million in operating lease commitments will be required to be recognised in the balance sheet through a lease liability and corresponding right to use asset from 2019-20 in accordance with AASB 16 Leases. In the comprehensive income statement, the operating lease expense will be replaced with a depreciation expense, relating to the right to use asset and interest expense, relating to the lease liability. These cannot be quantified at this time.

AASB 1058 Income for not-for-profit entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 Income for Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers are effective for annual reporting periods beginning on or after 1 January 2019 and will be reported in these financial statements for the first time in 2019-20.



Under the new AASB 1058 Income for Not-for-Profit Entities, revenue from grants and donations will be recognised when any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt as currently occurs. Consequently, more liabilities will be recognised in the balance sheet after adoption of this standard.

AASB 1058 clarifies and simplifies income-recognition requirements that apply to not-for-profit entities in conjunction with AASB 15 Revenue from Contracts with Customers.

While the full impacts are yet to be determined, potential impacts identified include:

- grants received to construct or acquire a non-financial asset will be recognised as a liability, and subsequently recognised as revenue as the performance obligations under the grant are satisfied. At present, such grants are recognised as revenue on receipt
- grants with an enforceable agreement and sufficiently specific performance obligations will be recognised as revenue progressively as the associated performance obligations are satisfied. At present, such grants are recognised as revenue on receipt
- grants that have an enforceable agreement but no specific performance obligations but have restrictions on the timing of expenditure will also continue to be recognised on receipt as time restriction on the use of funds is not sufficiently specific to create a performance obligation
- grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets.

A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI').

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance.

c) Going concern basis

At 30 June 2018, the Corporation had net current liabilities of \$2.983 million (2017:

\$3.846 million). The Corporation reported a deficit for the year of \$1.125 million (2017: \$0.656 million). The ongoing operations of the Corporation are reliant on continued Northern Territory Government funding. Based on this, the board members believe the Corporation has the ability to repay all debts when due and payable and therefore the going concern basis used to prepare the financial statements is appropriate.

d) Reporting entity

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

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

Principal place of business: Level 5 Hospitality
7 Kitchener Drive, Darwin NT 0800

Postal address: GPO Box 1449, Darwin NT 0801

e) Comparatives

Where necessary, comparative information for the 2016-17 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

The Corporation is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. All amounts are presented in Australian dollars and have been rounded off in accordance with that ASIC Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar. Figures in the financial statements and notes may not equate due to rounding.

g) Changes in accounting policies


There have been no changes to accounting policies adopted in 2017-18 as a result of management decisions.

h) Accounting judgements and estimates

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

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

The Corporation has made no judgements or assumptions that would cause a material



adjustment to the carrying amounts of assets and liabilities within the next reporting period.

i) Goods and services tax

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

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

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

j) Income tax

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

k) Employee benefits

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

l) Darwin Convention Centre concession arrangements

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

The concession holder, in turn, entered into a contractual arrangement with Ogden IFC (Darwin) Pty Ltd, now AEG Ogden, ('the operator') to operate and manage the centre. The concession arrangement will operate for a period of twenty-five 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 twenty-

five years following the construction of the centre. This payment primarily represents payments made in respect of debt, equity, construction and maintenance aspects of the project. Up to 75 per cent of this payment is subject to abatement if the facility should be unavailable, if the facility fails to meet availability standards or if the operator fails to achieve key performance indicators.

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

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

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

3. INCOME FROM RENDERING OF SERVICES

	2018 \$'000	2017 \$'000
Sales of Goods and Services		
Car Parking Fees	956	789
Rates	775	749
Wave Lagoon Admissions	586	576
Berthage Fees	193	94
Other	825	1,080
Total Sales of Goods and Services	3,335	3,288
Other Income		
Property Rental Income	577	477
Darwin Cove Convention Centre Surplus Repayment	-	1,500
Other	207	169
Total Other Income	784	2,146

Income

Income encompasses both revenue and gains. Income is recognised at the fair value of the

consideration received, exclusive of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration being exchanged are not recognised as income.

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

Grants and other contributions

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Corporation obtains control over the assets comprising the contributions. Control is normally obtained upon receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Rendering of services

Revenue from rendering services is recognised by reference to the stage of completion of the contract. The revenue is recognised when:

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

	2018 \$'000	2017 \$'000
4. PURCHASES OF GOODS AND SERVICES		
Audit Fees (auditors received no other benefits)	48	41
Power	847	847
Water and Sewerage	317	285
Insurance	285	345
Marketing and Promotion	827	1,053
Other Operational Costs	1,450	1,202
Total Purchases of Goods and Services	3,774	3,773

5. PROPERTY MAINTENANCE		
Cleaning	561	587
Grounds Maintenance	2,981	3,408
Security	290	264
Other ¹	245	63
Total Property Maintenance	4,077	4,322

1. Includes Repairs and maintenance expense non-cash payment of \$9,000
Funding is received for maintenance works associated with Corporation assets and costs associated with maintenance works on the Corporation’s assets are expensed as incurred.

6. AGENT SERVICE ARRANGEMENTS

	2018 \$'000	2017 \$'000
Department of Corporate and Information Services	81	64
Department of Infrastructure, Planning and Logistics	24	173
Department of the Attorney-General and Justice	13	10
Surf Life Saving Northern Territory	715	723
City of Darwin	83	82
Total Agent Service Arrangements	916	1,052

7. DEPRECIATION AND AMORTISATION

	2018 \$'000	2017 \$'000
Depreciation	2,630	2,496
Amortisation	2,107	2,107
Total Depreciation and Amortisation	4,737	4,603

8. GRANTS AND SUBSIDIES EXPENSES

	2018 \$'000	2017 \$'000
Current Grants		
Territory Efficiency Payments	-	-
Territory Incentive Payments	828	700
Total Current Grants	828	700

Current Subsidies

Territory Operating Payments	3,663	3,241
Territory Availability Payments	3,133	3,033
Total Subsidies	6,796	6,274
Total Current Grants and Subsidies	7,624	6,974

Capital Grants

Goyder Park Beautification	-	15
Total Capital Grants	-	15
Total Grants and Subsidies	7,624	6,989

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

9. INTEREST EXPENSES

2018 \$'000	2017 \$'000
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Interest on Obligations Under Finance Lease	5,110	5,253
Total Interest Expenses	5,110	5,253

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

10. WRITE-OFFS, POSTPONEMENTS, WAIVERS, GIFTS AND EX GRATIA PAYMENTS	2018 \$'000	No. of Trans	2017 \$'000	No. of Trans
Write-offs, Postponements and Waivers Under the <i>Financial Management Act</i>				
Represented by:				
<i>Amounts written off, postponed and waived by delegates</i>				
Irrecoverable amounts payable to the Territory or an agency written off	1	5	5	2
Total written off, postponed and waived by delegates	1	5	5	2

11. CASH AND DEPOSITS	2018 \$'000	2017 \$'000
Cash on Hand	4	7
Cash at Bank	5,492	1,543
Total Cash and Deposits	5,496	1,550

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

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

The effective interest rate for cash and deposits for the year was 1.50% (2017:1.52%).

12. RECEIVABLES

Current

	2018 \$'000	2017 \$'000
Accounts Receivable	507	243
Less: Allowance for Impairment Losses	(73)	-
	434	243
Interest Receivables	6	2
GST Receivables	30	85
Other Receivables	32	215
Total Receivables	502	545

Consisting of:

Government Agencies	36	87
External Bodies	466	458

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

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

Analyses of the age of the receivables that are past due as at the reporting date are disclosed in an aging schedule under credit risk in Note 21 Financial Instruments. Reconciliation of changes in the allowance accounts is also presented.

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

13. PREPAYMENTS

Current

	2018 \$'000	2017 \$'000
Prepayments	159	119
Total Prepayments	159	119

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

14. PROPERTY, PLANT AND EQUIPMENT	2018 \$'000	2017 \$'000
Land		
Land	52,455	44,355
Total Land	52,455	44,355
Buildings		
Amenities Building	1,760	1,496
Lifts and Lift Landings	1,500	1,534
Office Fitout	-	208
Parking Meters	-	46
Shade Structures	6,111	3,528
Multi-Storey Car Park	13,680	11,456
Covered Deck at Precinct	700	-
Playground	92	-
Less: Accumulated Depreciation	(7,060)	(3,276)
Total Buildings	16,783	14,992
Buildings Under Finance Lease		
Convention Centre	137,400	105,346
Less: Accumulated Amortisation	(27,480)	(18,962)
Total Buildings Under Finance Lease	109,920	86,384
Infrastructure		
Marine Infrastructure	55,422	43,517
Roads and Services	17,427	13,827
Jervois Car Park	458	397
Wave Lagoon	19,093	15,987
Public Domain	19,413	16,146
Bridge Link	4,542	3,796
Parking Meters	46	-
Less: Accumulated Depreciation	(27,442)	(15,805)
Total Infrastructure	88,959	77,865
Work in Progress		
Sea Wall Shade Structure	-	685
Multi-Storey Car Park - Parking Management System	-	177
CCTV Car park Upgrade	-	265
Total Work in Progress	-	1,127

Plant and Equipment

Plant and Equipment	1,876	953
Less: Accumulated Depreciation	(629)	(375)
Total Plant and Equipment	1,247	578

Computer Hardware

	2018	2017
	\$'000	\$'000
Computer Hardware	52	52
Less: Accumulated Depreciation	(42)	(31)
Total Computer Hardware	10	21

Transport Equipment

Transport Equipment	25	25
Less: Accumulated Depreciation	(25)	(25)
Total Transport Equipment	-	-

Total Property, Plant and Equipment	269,374	225,322
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The property, plant and equipment of the Corporation comprises the Darwin Waterfront Precinct including land, buildings, infrastructure and related items of plant and equipment.

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

2018 Property, Plant and Equipment Reconciliations

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

	LAND	BUILDINGS	BUILDINGS UNDER FINANCE LEASE	INFRASTRUCTURE	WORK IN PROGRESS	PLANT AND EQUIPMENT	COMPUTER HARDWARE	TRANSPORT EQUIPMENT	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2017	44,355	14,992	86,384	77,865	1,127	578	21	-	225,322
Additions	-	-	-	-	-	238	-	-	238
Additions from asset transfers	-	2,137	-	2,685	(1,127)	496	-	-	4,191
Revaluation Increments/ (Decrements)	8,100	309	25,643	10,308	-	-	-	-	44,360
Depreciation and Amortisation	-	(655)	(2,107)	(1,899)	-	(65)	(11)	-	(4,737)
Carrying Amount as at 30 June 2018	52,455	16,783	109,920	88,959	-	1,247	10	-	269,374

2017 Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amount of property, plant and equipment at the beginning and end of 2016-17 is set out below:

	LAND	BUILDINGS	BUILDINGS UNDER FINANCE LEASE	INFRASTRUCTURE	WORK IN PROGRESS	PLANT AND EQUIPMENT	COMPUTER HARDWARE	TRANSPORT EQUIPMENT	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July 2016	44,355	15,531	88,491	79,751	-	611	31	2	228,772
Additions	-	23	-	-	1,127	-	-	-	1,150
Additions from asset transfers	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	(562)	(2,107)	(1,886)	-	(33)	(10)	(2)	(4,600)
Carrying Amount as at 30 June 2017	44,355	14,992	86,384	77,865	1,127	578	21	-	225,322



Acquisitions

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

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

Complex assets

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

Subsequent additional costs

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

Construction (work in progress)

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

REVALUATIONS AND IMPAIRMENT

Revaluation of assets

The entity obtained an independent valuation of its property for the end of 30 June 2018, the revaluation was performed by Herron Todd White. The following classes of non-current assets are re-valued with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at reporting date:

- land;
- buildings; and
- infrastructure assets.

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arms-length transaction.

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

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

Impairment of assets

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



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

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

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

The Corporation property, plant and equipment assets were assessed for impairment as at 30 June 2018. No impairment adjustments were required as a result of this review.

Depreciation and amortisation expense

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

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

	2018	2017
Buildings	4-100 years	4-100 years
Infrastructure Assets	4-100 years	4-100 years
Plant and Equipment	3-10 years	3-10 years
Heritage and Cultural Assets	4-100 years	4-100 years
Transport Equipment	5 years	5 years
Computer Hardware	5 years	5 years

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

Leased assets

Leases under which the corporation assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Other leases are classified as operating leases.

Finance leases

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

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

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. Lease incentives under an operating lease of a building or office space is recognised as an integral part of the consideration for the use of the leased asset. Lease incentives are to be recognised as a deduction of the lease expenses over the term of the lease.

15. HERITAGE AND CULTURAL ASSETS	2018 \$'000	2017 \$'000
Carrying amount		
At Valuation	115	115
Less: Accumulated Depreciation	(13)	(12)
Carrying Amount as at 30 June	102	103
Reconciliation of movements		
Carrying Amount at Beginning of Year	103	105
Depreciation	(1)	(2)
Additions from Asset Transfers	-	-
Carrying Amount at End of Year	102	103

Heritage and cultural assets valuation

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

Impairment of heritage and cultural assets

The Corporation's heritage and cultural assets were assessed for impairment as at 30 June 2018. No impairment adjustments were required as a result of this review.

16. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

a) Fair value hierarchy

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

	LEVEL 3 \$'000	TOTAL FAIR VALUE \$'000
2018		
Asset Classes (Note 14)		
Land	52,455	52,455
Buildings	16,783	16,783
Infrastructure	88,959	88,959
Plant and Equipment	1,247	1,247
Computer Hardware	10	10
Cultural Assets (Note 15)	102	102
Total	159,556	159,556
2017		
Asset Classes (Note 14)		
Land	44,355	44,355
Buildings	14,992	14,992
Infrastructure	77,865	77,865
Plant and Equipment	578	578
Computer Hardware	21	21
Cultural Assets (Note 15)	103	103
Total	137,914	137,914

There were no transfers between level 1 and levels 2 or 3 during the period.



b) Valuation techniques and inputs

Valuation techniques used to measure fair value are:

Asset Classes

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

**LEVEL 3
TECHNIQUES**

- Revaluation approach
- Revaluation approach
- Revaluation approach
- Cost approach
- Cost approach
- Cost approach
- Cost approach

There were changes in valuation techniques from 2016-17 to 2017-18 financial year. Land, building and infrastructure assets are stated at their revalued amounts, being the fair value at the date of revaluation.

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

c) Additional information for level 3 fair value measurements
i) Reconciliation of recurring level 3 fair value measurements

	LAND	BUILDINGS	INFRASTRUCTURE	PLANT AND EQUIPMENT	COMPUTER HARDWARE	TRANSPORT EQUIPMENT	CULTURAL ASSETS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value as at 30 June 2017	44,355	14,992	77,865	578	21	-	103
Revaluation	8,100	309	10,308	-	-	-	-
Additions	-	-	-	238	-	-	-
Additions from asset transfers	-	2,137	2,685	496	-	-	-
Depreciation	-	(655)	(1,889)	(65)	(11)	-	(1)
Fair Value as at 30 June 2018	52,455	16,783	88,959	1,247	10	-	102



	LAND	BUILDINGS	COMMUNITY INFRASTRUCTURE	PLANT AND EQUIPMENT	COMPUTER HARDWARE	TRANSPORT EQUIPMENT	CULTURAL ASSETS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value as at 30 June 2016	44,355	15,531	79,751	611	31	2	105
Additions	-	23	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Depreciation	-	(562)	(1,886)	(33)	(10)	(2)	(2)
Fair Value as at 30 June 2017	44,355	14,992	77,865	578	21	-	103



ii) Sensitivity analysis

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

Buildings, infrastructure, plant and equipment, computer hardware, cultural assets and transport equipment – unobservable inputs used in computing the fair value of infrastructure, plant and equipment and transport equipment include the historical cost and the consumed economic benefit for each asset. These assets are depreciated on useful lives ranging from 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.

17. PAYABLES

	2018 \$'000	2017 \$'000
Accounts Payable	14	10
Accrued Expenses	603	462
Grants and Subsidies Payable	3,482	3,297
Total Payables	4,099	3,769
Consisting of:		
Government Agencies	65	58
External Bodies	4,034	3,711

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

Deposits Held

Cash is held on behalf of the Department of Infrastructure, Planning and Logistics totalling \$2.50 million.

18. BORROWINGS AND ADVANCES

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

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

	2018 \$'000	2017 \$'000
Current		
Finance Lease Liability	2,520	2,270
Non Current		
Finance Lease Liability	72,942	75,462
Total Other Liabilities	75,462	77,732

19. COMMITMENTS

Commitments are those contracted as at 30 June 2018 where the amount of the future commitment can be reliably measured.

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

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

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

	2018 \$'000	2017 \$'000
Within 1 year	3,143	3,045
Later than one year and not later than five years	13,587	13,177
Later than 5 years	44,006	47,609
Total Commitment	60,736	63,831

20. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Cash

The total of the corporation 'Cash and deposits' of \$5.49 million recorded in the Balance Sheet is consistent with that recorded as 'Cash' in the Cash Flow Statement.

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

	2018 \$'000	2017 \$'000
Operating Deficit	(1,125)	(656)
Non-Cash Items:		
Depreciation and Amortisation	4,737	4,603
Repairs and Maintenance	9	-
Doubtful Debts	73	-
Changes in Assets and Liabilities:		
(Increase) in Receivables	(30)	(151)
Decrease/(Increase) in Prepayments	(40)	20
(Decrease)/Increase in Payables	330	(133)
(Decrease)/Increase in Other Liabilities	-	(85)
Net Cash from Operating Activities	3,954	3,598

b) Reconciliation of liabilities arising from financing activities 2017-18

CASH FLOWS							NON CASH					
	1 JULY	LOANS AND ADVANCES	SECURI-TIES	FINANCIAL LEASE	OTHER	TOTAL CASH FLOWS	SUBSID-IARIES	FOREIGN EX-CHANGE	FAIR VALUE	OTHER	TOTAL NON-CASH	30 JUNE
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Deposits held	-	-	-	-	2,500	2,500	-	-	-	-	-	2,500
Borrowings	77,732	-	-	(2,270)	-	(2,270)	-	-	-	-	-	75,462
Provisions	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	4,198	4,198	4,198
Total	77,732	-	-	(2,270)	2,500	230	-	-	-	4,198	4,198	82,161

21. FINANCIAL INSTRUMENTS

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

Financial instruments

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

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

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

a) Categorisation of Financial Instruments

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

2017-18 Categorisation of Financial Instruments

	FINANCIAL ASSETS - LOANS & RECEIVABLES	FINANCIAL LIABILITIES - AMORTISED COST	TOTAL
	\$'000	\$'000	\$'000
Cash and Deposits	5,496	-	5,496
Receivables ¹	472	-	472
Total Financial Assets	5,968	-	5,968
Payables ¹	-	4,099	4,099
Deposits Held	-	2,500	2,500
Finance Lease Liabilities	-	75,462	75,462
Total Financial Liabilities	-	82,061	82,061

¹ Total amounts disclosed here exclude statutory amounts

2016-17 Categorisation of Financial Instruments

	FINANCIAL ASSETS - LOANS & RECEIVABLES	FINANCIAL LIABILITIES - AMORTISED COST	TOTAL
	\$'000	\$'000	\$'000
Cash and Deposits	1,550	-	1,550
Receivables ¹	460	-	460
Total Financial Assets	2,010	-	2,010
Payables ¹	-	3,769	3,769
Finance Lease Liabilities	-	77,732	77,732
Total Financial Liabilities	-	81,501	81,501

¹ Total amounts disclosed here exclude statutory amounts.

Classification of Financial Instruments

AASB 7 Financial Instruments: Disclosures requires financial instruments to be classified and disclosed within specific categories depending on their nature and purpose.

Financial assets are classified into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- loans and receivables
- available-for-sale financial assets.

Financial liabilities are classified into the following categories:

- financial liabilities at fair value through profit or loss (FVTPL)
- financial liabilities at amortised cost.

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.

Financial Assets or Financial Liabilities at Fair Value through Profit or Loss

Financial instruments are classified as at FVTPL when the instrument is either held for trading or is designated as at FVTPL.

An instrument is classified as held for trading if it is:

- acquired or incurred principally for the purpose of selling or repurchasing it in the near term with an intention of making a profit

or

- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking

or

- a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

A financial instrument may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise

or

- the instrument forms part of a group of financial instruments, which is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the grouping is provided internally on that basis

or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 Financial Instruments: Recognition and Measurement permits the contract to be designated as at FVTPL.
- Financial liabilities at fair value through profit or loss include deposits held excluding statutory deposits, accounts payable and accrued expenses. Financial assets at fair value through profit or loss include short-term securities and bonds.

Held-to-maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the entity has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

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

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets, principally equity securities that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for-sale securities are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously



reported in equity is recognised in the Comprehensive Operating Statement.

Financial liabilities at amortised cost

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

Impairment of financial assets

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

b) Financial risk management objectives

The board has overall responsibility for the determination of risk management objectives and policies and, 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.

c) 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 Corporation has limited credit risk exposure (risk default) with government agencies. In respect of any dealings with organisations external to the government, the corporation has adopted a policy of only dealing with credit worthy organisations and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

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.

Receivables

Receivable balances are monitored on an ongoing basis to ensure that exposure to bad debts is not significant. A reconciliation and ageing analysis of receivables is presented below.

Ageing of past due but not impaired

Not overdue
Overdue for less than 30 days
Overdue for 30 to 60 days
Overdue for 60 to 90 days
Overdue for more than 90 days

Total

Reconciliation of the allowance for impairment losses

Balance as at 1 July
Impairment Loss

Balance as at 30 June

2018 \$'000	2017 \$'000
238	105
113	32
33	21
1	15
122	70
507	243
-	5
73	(5)
73	-

d) Liquidity Risk

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

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

VARIABLE INTEREST RATE

	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000
2016-17			
Assets			
Cash and Deposits	1,550	-	-
Receivables	-	-	-
Total Financial Assets	1,550	-	-

FIXED INTEREST RATE

	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	NON INTEREST BEARING \$'000	TOTAL \$'000
2016-17					
Assets					
Cash and Deposits	-	-	-	-	1,550
Receivables	-	-	-	460	460
Total Financial Assets	-	-	-	460	2,010

Liabilities

Payables	-	-	-
Finance Lease Liabilities	3,668	15,611	50,435
Less Interest Components	(2,692)	(9,994)	(14,750)
Total Financial Liabilities	976	5,617	35,685

	-	-	-	3,769	3,769
	3,713	14,851	39,912	-	128,190
	(2,419)	(8,688)	(11,915)	-	(50,458)
Total Financial Liabilities	1,294	6,163	27,997	3,769	81,501



e) Market Risk

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

i) Interest rate risk

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

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

Market sensitivity analysis

Changes in the variable rates of 100 basis points (one 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 2018		
Financial Assets – Cash at Bank	55	(55)
Net Sensitivity	55	(55)
30 June 2017		
Financial Assets – Cash at Bank	16	(16)
Net Sensitivity	16	(16)

f) Net fair value

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

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

When measuring fair value, the valuation techniques used maximise the use of relevant observable inputs and minimise the use of unobservable inputs. Unobservable



inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

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

Unobservable inputs are data, assumptions and 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.

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

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

Other than the finance lease liability, the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their respective net fair values. The finance lease liability has a fair value of \$83 million and a carrying value of \$75 million.

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

	TOTAL CARRYING AMOUNT	NET FAIR VALUE LEVEL 1	NET FAIR VALUE LEVEL 2	NET FAIR VALUE LEVEL 3	NET FAIR VALUE TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Financial Assets					
Cash and Deposits	5,496	5,496	-	-	5,496
Receivables	472	472	-	-	472
Total Financial Assets	5,968	5,968	-	-	5,968

Financial Liabilities					
Payables	4,099	4,099	-	-	4,099
Deposits Held	2,500	2,500	-	-	2,500
Finance Lease Liability	75,462	-	-	83,521	83,521
Total Financial Liabilities	82,061	6,599	-	83,521	90,120

	TOTAL CARRYING AMOUNT	NET FAIR VALUE LEVEL 1	NET FAIR VALUE LEVEL 2	NET FAIR VALUE LEVEL 3	NET FAIR VALUE TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Financial Assets					
Cash and Deposits	1,550	1,550	-	-	1,550
Receivables	460	460	-	-	460
Total Financial Assets	2,010	2,010	-	-	2,010

Financial Liabilities					
Payables	3,769	3,769	-	-	3,769
Finance Lease Liability	77,732	-	-	86,848	86,848
Total Financial Liabilities	81,501	3,769	-	86,848	90,617

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

There were no changes in valuation techniques during the period.

22. RELATED PARTIES

(i) Related parties

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

- the portfolio minister and key management personnel (KMP) because they have authority and responsibility for planning, directing and controlling the activities of the department directly
- spouses, children and dependants who are close family members of the portfolio minister or KMP
- all public sector entities that are controlled and consolidated into the whole-of-government financial statements
- any entities controlled or jointly controlled by KMPs or the portfolio minister or controlled or jointly controlled by their close family members.

ii) Key management personnel (KMP)

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

iii) Remuneration of Key Management Personnel

The details below excludes the salaries and other benefits of Minister for Tourism and Culture as the Minister’s remunerations and allowances are payable by the Department of the Legislative Assembly and consequently disclosed within the Treasurer’s Annual Financial Statements.

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

	2017-18
	\$'000
Short-Term Benefits	341
Post-employment benefits	32
Total	373

Three of the six board members were Northern Territory public servants during the 2017-18 financial year and were remunerated by their respective agencies.

iv) Related Party Transactions

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

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

2018

RELATED PARTY	REVENUE FROM RELATED PARTIES	PAYMENTS TO RELATED PARTIES	AMOUNTS OWED BY RELATED PARTIES	AMOUNTS OWED TO RELATED PARTIES
	\$'000	\$'000	\$'000	\$'000
All NTG Government departments	22,514	1,521	7	92
Associates	-	-	-	-
Subsidiaries	-	-	-	-

2017

RELATED PARTY	REVENUE FROM RELATED PARTIES	PAYMENTS TO RELATED PARTIES	AMOUNTS OWED BY RELATED PARTIES	AMOUNTS OWED TO RELATED PARTIES
	\$'000	\$'000	\$'000	\$'000
All NTG Government departments	21,347	1,615	-	61
Associates	-	-	-	-
Subsidiaries	-	-	-	-

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

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

considered material in influencing the financial statements.

23. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

a) Contingent Liabilities

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

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

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

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

b) Contingent Assets

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

24. EVENTS SUBSEQUENT TO BALANCE DATE

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



25. DETAILS OF BOARD MEMBERS

Full Meetings of Board Members

There were six meetings in the 2017–18 year attended by:

Member	Meetings Eligible to Attend	Meetings Attended
Peter Carew	6	6
Andrew Kirkman	6	4
Alastair Shields	6	3
David De Silva	6	4
Patricia Brick	6	5
Anne Tan	6	4
Charles Burkitt	-	-
Kelvin Costello	-	-
Tracey Hayes	-	-
Jacqueline Jennings	-	-

Election and Continuation in Office of Board Members

The date of appointment of members:

Member	Initial Date of Appointment	Expired Date
Alastair Shields	30 March 2017	-
Andrew Kirkman	21 April 2015	-
Patricia Brick	21 April 2015	21 April 2018
David De Silva	21 April 2015	21 April 2018
Peter Carew	10 December 2015	21 April 2018
Anne Tan	30 March 2017	-
Charles Burkitt	01 July 2018	-
Kelvin Costello	01 July 2018	-
Tracey Hayes	01 July 2018	-
Jacqueline Jennings	01 July 2018	-

26. OTHER STATUTORY INFORMATION

a) Distributions

No dividends or distributions were made during the financial period ended 30 June 2018. No dividends or distributions are proposed.

b) Number of Employees

The corporation had 11 employees (2017: nine) during the financial period, who were fully remunerated by the Northern Territory Government.

c) Indemnifying Officers

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

d) Segments

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



Auditor-General
Independent Auditor's Report
to the Board

Darwin Waterfront Corporation

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Opinion

I have audited the accompanying financial report of Darwin Waterfront Corporation, which comprises the balance sheet as at 30 June 2018, and the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the certification of the financial statements by the Board.

In my opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Darwin Waterfront Corporation as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of Darwin Waterfront Corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

The Board is responsible for the other information. The other information comprises the information included in Darwin Waterfront Corporation's financial statement overview for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Board for the Financial Report

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

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

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



Auditor-General

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Julie Crisp

Auditor-General for the Northern Territory

Darwin, Northern Territory

1 October 2018





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