



DARWINWATERFRONT
CORPORATION

Annual Report

2016–17



IMAGE COURTESY OF RESIDENT MAGAZINE

AUSTRALIA'S FIRST PUBLIC TRIAL OF A DRIVERLESS BUS WAS LAUNCHED AT THE WATERFRONT IN FEBRUARY 2017. THE BUS SUCCESSFULLY SHUTTLED OVER 3600 PASSENGERS DURING ITS SIX MONTH TRIAL. SEE PAGE 32 FOR MORE.



Letter to the minister

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The Hon. Lauren Jane Moss MLA
Minister for Tourism and Culture
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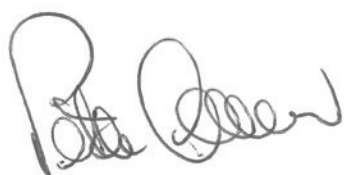
Dear Minister

I have pleasure in presenting the 2016-17 annual report of the Darwin Waterfront Corporation.

The report details the activities and operations of the corporation for the year ending 30 June 2017, in accordance with the provisions of Section 30 of the *Darwin Waterfront Corporation Act*.

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

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Peter Carew', with a stylized, flowing script.

PETER CAREW AM

Chairman, Darwin Waterfront Corporation
27 October 2017



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Chairman's overview



It is with pleasure that I present the Darwin Waterfront Corporation Annual Report, 2016-17.

The success of the Darwin Waterfront Precinct has seen it become the jewel in Darwin's crown—a great place to live, a favourite

spot for locals and a tranquil escape for visitors. The Darwin Waterfront Corporation's hard work maintains the precinct as the iconic face of Darwin—a tourism attraction and the centre of major tourism development in the Top End.

The world-class location serves as Darwin's centre stage on New Year's Eve, and the precinct has also become an entertainment hub for locals all year round, with an impressive 256 events held at the precinct in 2016-17.

The popular program of events has been made possible with our partnership and investment with Toga Group and the Waterfront retailers. We are proud of our partnerships with our many stakeholders, with whom we work closely to achieve our collective objectives.

A highlight for 2016-17 was the introduction of our Wave Lagoon Annual Pass and Darwin Waterfront Membership. This initiative is a great example of a government corporation working directly with businesses to deliver value for Territorians, while activating the Waterfront with a view to attracting more visitors to the precinct more often.

Safety continues to be a priority and is a paramount consideration in all decisions made by the Darwin Waterfront Corporation. In 2017-18, our efforts will continue to strengthen precinct-wide security and safety.

Throughout 2016-17, the corporation maintained a strong focus on developing and enhancing Stokes Hill Wharf, including introducing fair and equitable lease arrangements for all tenants. During the year, the wharf also benefited from a new children's playground, large fans in the eateries and increased car park capacity. The year was also a first for many new events at the wharf, including weekly markets in September, Darwin's Biggest Burger Graze and the Chemmart Conference.

In August 2016, the Northern Territory Government announced that a new luxury hotel will be built on vacant development land adjacent to the cruise ship terminal at the Darwin Waterfront Precinct. The Darwin Waterfront Corporation Board will continue to work closely with the Northern Territory Government and the developers and remain involved in the master planning for the new hotel. We will also maintain our involvement in the remaining Fort Hill development sites to ensure continuity and a high standard of amenity is maintained throughout the precinct.

I would like to acknowledge and thank the corporation's staff and board members for their dedication and commitment to the success of Darwin's premier lifestyle precinct.

PETER CAREW AM
Chairman



IMAGE COURTESY OF RESIDENT MAGAZINE

About the Darwin Waterfront Corporation

Our purpose

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

Who we are

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

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

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

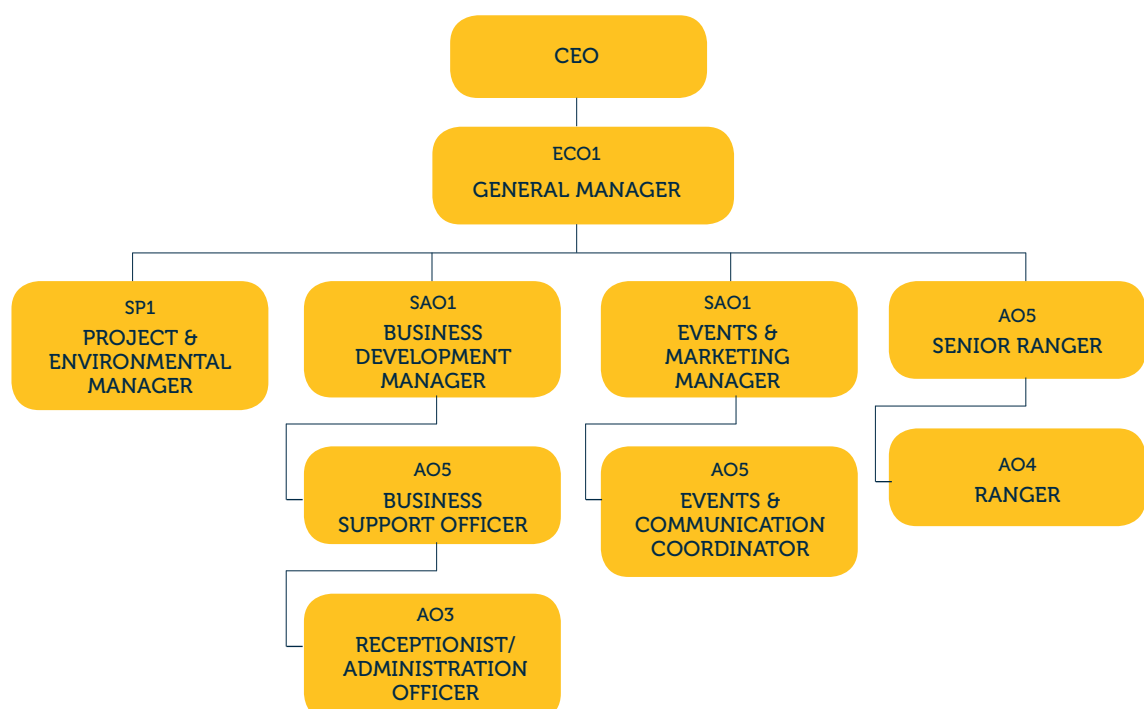
What we do

The Darwin Waterfront Corporation has four core areas of responsibility:

Place-making

Place-making is about transforming a public space into a destination that attracts people and activity, instils a sense of community pride and encourages further natural development. Our stakeholders are integral in helping us achieve that, so we engage them in our place-making activities and planning to help make the Waterfront a vibrant place where people want to be. Other ways we help 'activate' the precinct are through a year-round program of events and by supporting third-party commercial operations at the Waterfront that benefit the community.

Darwin Waterfront Corporation organisation chart



Precinct operations

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

Darwin Convention Centre

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

The convention centre was developed in a partnership between the Northern Territory Government and a private consortium. The consortium will run the centre for 25 years—until 2033—then it will be handed back to the NT Government. Until then, the corporation's role is to monitor and manage the centre's financial performance, marketing and general operation.

Development

The corporation works closely with the NT Government and private investors on the ongoing development and master planning for the remaining 10 hectares (approximately) of prime development sites within the Darwin Waterfront precinct.

Freedom of information

The corporation is subject to the *Information Act* and complies with Part 9 of the Act. The corporation received no requests for access to information in the reporting period.





Place-making



**Anchorage Court
car parks and
landscape improvements**

**Accessibility
upgrades**

**New playground and
dining area improvements**

ty

**Sea wall shade
extension**

**Mavie Street
overflow
car park**

**Stokes Hill Wharf car
park upgrades**



Place-making

Recreational activities

Wave Lagoon

In 2016-17, the Darwin Waterfront's 'coolest attraction', the Wave Lagoon, attracted 113 654 people.

An average of 311 people visit 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 2016, with 19 180 people visiting in that month—an increase of nine per cent compared to the same month of the previous year. 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 am until 6 pm seven days a week, including public holidays, other than Christmas Day.

The new Wave Lagoon Annual Pass

In May 2017, the Darwin Waterfront Corporation and businesses at the Darwin Waterfront Precinct partnered to launch the new Wave Lagoon Annual Pass, which includes Darwin Waterfront Membership.

The pass gives customers unlimited access to the Wave Lagoon all year round as well as a minimum of 10 per cent off the price of all purchases at more than 30 Waterfront businesses until 6 pm, seven days a week.

Discounts are available at a range of Waterfront businesses, from Crustaceans, Chow, the Coffee Club and Trampoline Gelato to harbour cruise operators, the Adina and Vibe hotels, and attractions such as Big Buoy Water Park and the WWII Oil Storage Tunnels. Darwin Waterfront Membership also provides free locker use at the Wave Lagoon and discounted Aqua Zumba rates.

The initiative was launched by the Darwin Waterfront Corporation to work with local businesses to deliver value for locals while activating the Waterfront and bringing more people to the precinct more often.

'The new annual pass is a fantastic example of stakeholders working in collaboration to attract more locals and visitors in a way that works for everyone', said Samuel Burke, General Manager of the Darwin Waterfront Corporation.

'The initiative makes it affordable for locals to enjoy the destination regularly.'

The introductory prices for the Wave Lagoon Annual Pass, which provides unlimited access for 12 months, were:

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

Sale of the annual pass to the end of financial year have been consistent with targets; however, more needs to be done to ensure it is embraced enthusiastically by locals and visitors. The board and management of the corporation firmly believe it is a positive initiative that will attract greater consumer interest as awareness of the benefits of the pass grows in 2017-18.



DARWIN WATERFRONT'S RECREATION LAGOON



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 by pumps located on Stokes Hill Wharf. This helps maintain a high water quality that is suitable for swimming and capable of sustaining marine flora and fauna.

Marine stings in the Recreation Lagoon are reported from time to time, with the vast majority of these confirmed as being caused by the endemic, non-life-threatening *Cassiopea* (or upside-down) jellyfish.

There was, however, one suspected marine sting from a local Irukandji species (*Gerongia rirkinae*) in January 2017. Some of the symptoms reported were consistent with Irukandji syndrome; however, it could not be confirmed that the person was stung by an Irukandji.

All care is taken to ensure the risk to the safety of users of the Recreation Lagoon is minimised if not totally neutralised. Regular review of the safety for users of the Recreation Lagoon is undertaken by operational staff and overseen by the board.

Mesh screens on pump intakes prevent stingers and other marine life from entering the lagoon and a stinger net provides additional protection for swimmers in the beach area.

Two juvenile box jellyfish were identified in the lagoon during routine jellyfish scanning. This was the first confirmed sighting of this

type of species, which appear to have entered the lagoon during pump maintenance, when some unfiltered seawater was able to enter the intakes and flow into the lagoon.

New protocols have since been introduced to minimise recurrence, and all intake pipes are now treated with doses of chlorine following pump maintenance to ensure all water that enters the lagoon is treated.

The corporation engages lifeguards to patrol the water recreation facilities daily between 9 am and 6 pm. The lifeguards ensure not just safety in the water but also liaise directly with corporation rangers to provide a level of security around the water areas of the precinct and to dispense first aid if required.

Big Buoy Water Park update

The Big Buoy Water Park, managed by entertainment operator D-Town Events, completed its first year of operations in 2016-17 and is extremely satisfied with the growth of its business, which has seen its customer base nearly double since opening.

During 2016-17, after an average opening of six days per week, 11 328 people visited the water park, with the busiest months in June 2017 and July 2016. Peak times and highest daily numbers were recorded at Easter, during school holiday periods,

on weekends and on public holidays.

In August 2016, the Big Buoy Water Park introduced paddle boarding. It was a popular addition, with more than 1000 people using the new activity since its introduction.

The Big Buoy Water Park has increased efforts to attract corporate and community groups by offering large-group sessions, such as team building and corporate days. In particular, fitness sessions have become very popular, with sporting clubs, Defence personnel and organisations such as the Clontarf Foundation and Stars Foundation, which supports young Aboriginal and Torres Strait Islander men and women. This initiative resulted in 1200 advance bookings confirmed for September to December 2017.



Events and visitation

The Darwin Waterfront Precinct attracted an estimated 1.2 million visits in 2016-17. A year-round events program is a mandatory element 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 and 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, Tai Chi, Sundays live music, Christmas lights and New Year's Eve celebrations.

The remaining events are hosted by third parties but supported by the Darwin Waterfront Corporation and Toga Group, including Pesona Indonesia, Harmony Soirée, Splashfest, Fusion 'Blast' preview night, Australia Day fun run, Saltwater Craft fairs, Gran Fondo, Variety NT Santa fun run and Threatened Species Day.

Year	No. of events	Patronage
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 2016-17 were:

30 July: Pesona Indonesia (3500 attendees)

5-21 August: Olympic screening (2000 visits)

10 September: Zoo in the City (2500 attendees)

25 September: Splashfest – Celebrating Water Safety Week (3000 attendees)

20 November: Christmas Saltwater Craft Fair (4000 attendees)

1 to 31 December: Christmas lights and snow machine (3500 attendees)

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

26 January: Australia Day fun run (4000 attendees)

15 April: Easter Saturday, Family Fun Day (5000 attendees)

7 May: Mother's Day Saltwater Craft Fair (more than 3500 attendees)

20 May: Darwin Symphony Orchestra concert and fireworks (more than 3000 attendees)

27 May: Darwin Waterfront Harmony Soirée (4000 attendees)

23 June: Fusion Fireworks 'Blast' preview night (3000 attendees).

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

Regular events at the Waterfront during 2016-17 included:

- free beginners' Tai Chi every Saturday (763 attendees)
- Wave Lagoon Aqua Zumba every Sunday (722 attendees)
- Sundays 'Live at the Lagoon' in the dry season (1900 attendees)
- live music on the wharf in the dry season (1200 attendees)
- movie under the stars - monthly from May to October (3800 attendees).

2016 Rio Olympics at the Darwin Waterfront

From 6 to 21 August 2016, hundreds of people visited the Darwin Waterfront to watch the Rio Olympics on the top of the peninsular lawns each day during the games from 8.30 am until 10 pm.

The coverage was televised on a 5.12-metre LED screen from Channel Seven's free-to-air broadcast live from Brazil. It attracted local, interstate and international visitors.

Tactile Arts on the Wharf

'Tactile Arts on the Wharf' was a twilight harbour-side market held at Stokes Hill Wharf every Saturday in September 2016 from 5 pm to 8 pm.

Each week, the market had a new mix of 15 different stalls that showcased the work of some of Darwin's finest local artists and craftspeople, from glass and bead jewellery, paintings, clothing and ceramics to mosaics, textiles, metal and wood crafts.

More than 40 artists were featured over the four nightly markets with their array of quality handcrafted items.

The event activated the wharf during dinner trade and was a new and exciting event for locals and visitors.





CHRISTMAS LIGHTS, DECEMBER 2016. PHOTO COURTESY OF @SUNDAYSOJOURN (INSTAGRAM)

Christmas at the Darwin Waterfront

For the second year, the Darwin Waterfront brought the magic of Christmas to life every night in December 2016, from 7 pm to 10 pm.

Thousands of lights, the number of which increased from the prior year, illuminated the tropical harbour-side parklands, transforming them into a Christmas wonderland.

The event's 'Waterfront Woodland Walk' saw raintrees lit in many

colours. For the first time, children and adults could make a wish at the 'Christmas Tree of Lights', which is made up of 1000 white lights surrounded by a nativity scene.

The new 'Candy Cane Lane,' giant red and white candy canes standing nearly three metres tall, was a popular spot for photos.

Visitors stood under Santa's snow station to experience a white Christmas every half hour from 7 pm until 10 pm.

New Year's Eve and New Year's Day

Darwin Waterfront has become a popular destination on New Year's Eve, often showcased in national media alongside other Australian destinations like Sydney Harbour Bridge, Glenelg and the Brisbane River.

On 31 December 2016, more than 7000 locals and visitors gathered on the lawns to see in the New Year with entertainment by Australian singer 'Diesel', who performed a free live concert from 9.30 pm.

There was also family entertainment with three Hoot and Hootabelle shows, free face painting, balloon twisting and an early fireworks show at 9 pm.

Local artists Max Fredericks and DJ UK also kept the crowd entertained throughout the evening, and a spectacular fireworks finale at midnight saw in 2017.





Stokes Hill Wharf

Leasing

Since the transfer of management of Stokes Hill Wharf from the Darwin Port Corporation to the Darwin Waterfront Corporation on 1 January 2015, the corporation had been negotiating the terms of a head lease for Stokes Hill Wharf with the Northern Territory Government. A head lease was signed by the Minister for Infrastructure, Planning and Logistics on 5 January 2017.

The head lease covers important issues of future funding arrangements, vessel berthing, reporting requirements and terms of subleases between the corporation and tenants of Stokes Hill Wharf.

The corporation is now focussed on negotiating new subleases with tenants, ensuring all future arrangements have similar terms and conditions to ensure fair and equitable leasing arrangements are in place.

Stokes Hill Wharf's Biggest Burger Graze

Stokes Hill Wharf hosted the first-ever all-you-can-eat 'burger graze' in November 2016.

The event was the idea of Darwin-born Lisa Fraser, who connects people through food with her business, Mealmates.

'One of the reasons we decided to do the burger graze was to connect the Darwin community over food', said Lisa.

'We used the burger graze concept because it hadn't been done in Darwin before, and we wanted to give it a try.'

The event, Darwin's Biggest Burger Graze, served up eight different types of burgers at the wharf from noon until 5 pm for a \$20 ticket price. Attendance far exceeded Lisa's expectations.

‘When I first sat down with the Darwin Waterfront Corporation to talk about it, we only expected 100 to 150 people to come. We kept our expectations low because the event was the first of its kind and held in the wet season—traditionally not a popular time for outdoor events’, she said.

‘We ended up selling 406 tickets. For an event that didn’t have any significant external funding or support, it was really exciting’.

The event generated plenty of positive feedback from locals and visitors who attended. ‘It was phenomenal’, Lisa said. ‘People were excited about the menu options and the variety of burgers—particularly that we had vegan and vegetarian options.

‘A lot of locals hadn’t been down to the wharf in a while either, so it was a great opportunity to remind Territorians about what we have down at the Waterfront.’

Staging the event at Stokes Hill Wharf was a conscious decision for Lisa. ‘Stokes Hill Wharf is a focal

point in Darwin’, she said. ‘Whenever you look at photos of Darwin, you always see the precinct and the wharf coming around, so we wanted to take advantage of the location. It doesn’t generally host events, but the burger graze showed that Stokes Hill Wharf is an amazing alfresco waterfront venue.’

Lisa said the Darwin Waterfront Corporation was very supportive of the event. ‘The relationship with the corporation was phenomenal through the whole process’, she said. ‘There wasn’t a lot of noes from the corporation—there were a lot more yeses—which made it work. To get more things like this happening in Darwin, you need to be a bit open minded to new and different ideas.

‘I was really happy that the Darwin Waterfront Corporation embraced the event. We’re working on another burger graze for November 2017. Last year’s success in the wet season shows you can have events all year round in Darwin—it doesn’t have to be limited to the July and August tourist season. It was great to show that.’





STOKES HILL WHARF CAR PARK UPGRADES

Stokes Hill Wharf car park upgrades

In June, the Stokes Hill Wharf car park was upgraded to increase parking spaces from 88 to 150 and improve accessibility.

The upgrades still allow access to large buses and coaches that deliver thousands of people to the wharf's iconic eateries, retailers and attractions every year.

The work was carried out over four days in June 2017, during which time the carpark was closed. A free shuttle bus operated between Indo Pacific Marine and the wharf from 9.45 am to 10 pm daily to ferry visitors in and out of the wharf precinct, and the corporation provided free all-day parking at all Stokes Hill Road off-street parking during the works.

Earlier in the year, the corporation redesigned access to Stokes Hill Wharf as a trial to allow for large coaches and larger car parking spaces', said the corporation's General Manager, Samuel Burke.

'The trial was successful, with the likes of the Big Bus Darwin now servicing this iconic attraction, carrying 40 000 visitors per annum.

'The wharf is incredibly popular with tourists and locals, and feedback from retailers was that more car parks are critical and some parking time limitations are needed to ensure car parks are available during peak times.

'We listened and responded with a new car park design that meets the changing needs of stakeholders that operate on or from the wharf.'



Children's playground and alfresco dining area improvements

The former children's playground at Stokes Hill Wharf had seen better days, so in February 2017, the corporation contracted a local playground supplier to provide a new one for the family friendly dining area. The 'Black Pearl' pirate ship, fondly named by a wharf trader, is now in place for children aged two to 10. To complement the upgrades, the dining area has new perimeter fencing, extra seating and two more umbrellas.

Chemmart Conference

The Chemmart Conference event was held at Stokes Hill Wharf on 24 October 2016.

Some 350 conference delegates were hosted exclusively in the alfresco dining area (harbour side) from 6 pm to 10 pm. Each attendee

was given 'Chemmart Cash' to spend for dinner, drinks or dessert at each of the retail outlets.

The event aimed to provide an opportunity to benefit all arcade traders and create a unique 'welcome to Darwin' experience for delegates. All reports received following the event were extremely positive.

Local business benefit

Other suppliers that benefited from this event:

- Karen Sheldon Catering – canapés and staff
- Dreamedia – event supplier, in the order of \$20 000, including Shadeworks and Allabout Party Hire
- local market stalls that traded on the night
- local musician and entertainers
- Colemans Printing.

'Big Ass Fans' new in Stokes Hill Wharf arcades

A Stokes Hill Wharf stakeholder forum held in September 2016 determined the need for improved daytime cooling in the arcades. As a result, four 12-foot 'Big Ass' 'Essence' fans in both starboard and port arcades were installed. A single Essence fan provides cooling over the same area as 64 standard ceiling fans.

Numerous other improvements have also occurred over the year, with the corporation taking a leadership role towards enhancing Stokes Hill Wharf for patrons. These include LED street lighting upgrades, replacement of existing CCTV hardware for improved monitoring and security, and improved signage to deliver a 'welcoming feel' and ensure continuity of the Waterfront theme throughout the precinct.





Stakeholders

The Darwin Waterfront 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.

In 2016–17, the corporation held three stakeholder forums and two marketing forums to share information, generate discussion and identify opportunities to work together. Stakeholder representation included Stokes Hill Wharf, retailers, hotels, Charles Darwin University, residents, the Darwin Convention Centre and property owners, Toga Group.

The corporation also coordinated three Stokes Hill Wharf forums and attended 10 Knight Frank/Toga retail forums.

During this period, the corporation sent 19 email updates and notifications to precinct-wide stakeholders and 32 email updates to Stokes Hill Wharf-specific stakeholders.

In 2016–17, the corporation also maintained its membership with Tourism Top End.

Residents

Jim Smith is the Chairman of the Residential Body Corporate for the Wharf One apartments at the Darwin Waterfront Precinct. He's held the role for one year and owns two units in the Wharf One complex.

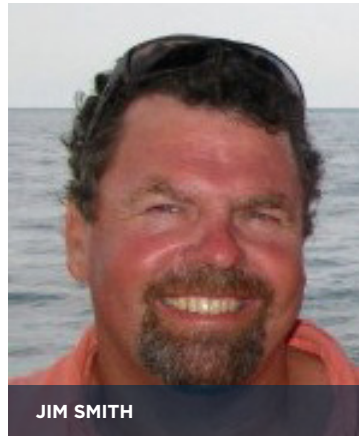
The role is an important one. 'It's a position that looks after the interests of the residents and owners at the Waterfront Precinct', Jim said. 'The Waterfront—being a mix of retail, commercial and private residences—it's a complex body corporate, so it's important the owners and residents are well represented in all aspects at the precinct.'

Jim says the Waterfront is a great space to live with lots of activity. 'It's a matter of making sure that from an owner's perspective, the balance is maintained.'

Jim said the body corporate group meets bi-monthly and as needed. 'Most issues for the Waterfront come through the principal', he explained. 'Because there are other interests down there—residential, which is the majority, but also retail and commercial—so the property as a whole is looked after by the principal. And we're an important part of that.'

Jim said the body corporate has a good relationship with the Darwin Waterfront Corporation, which maintains the greater public space at the Waterfront. 'It's really important that we keep the balance of the precinct by representing the needs of not only the owners, but making the precinct a great place for people to visit', he said.

'To me, the precinct is one of the premier places in Darwin. It's very social, and it celebrates what's great



JIM SMITH

about Darwin. In terms of open space and living and the view of the harbour—which is just sensational from there—it's all the things people love about the Waterfront.

'The corporation is heavily involved in the events, and both public and private events are rolling out at the precinct all the time', Jim continued. 'It's one of the things people love about the precinct. For a lot of people that come to Darwin, that's where they want to be because of the activity down there. It's just a lovely space for families too, and that's really important to us to maintain.'



Charles Darwin University

In 2016–17, the Charles Darwin University Business School at the Darwin Waterfront Precinct continued to use its location close to the Darwin CBD to engage with the business community for the benefit of students.

In collaboration with Deloitte, the school developed an Integrated Industry Partnership, which provides an opportunity for students to undertake a work placement subject to improve their career readiness and increase employment opportunities.

The university arranged with Deloitte to roll out its full graduate application program to CDU students through an online application system, followed by a workshop involving real-life simulations and group work.

A student also achieved success at the Northern Territory Export Awards during the year. Master of Professional Accounting student Faatih Natasha Putri was named the StudyNT International Business Student of the Year.

Retailers

The corporation works closely with retailers to achieve continued economic development, opportunities to leverage from peak visitation times (particularly through events) and a collaborative marketing approach.

At the end of 2016–17, the Darwin Waterfront had 30 tenancies, made up of 13 restaurants/food outlets, ten shops/offices and seven vacancies (four leased but not yet occupied and three vacant).

New businesses in 2016–17:

- Thirsty Zac – June 2016.

Looking ahead in 2017–18:

New businesses

- Lime Café – late 2017
- BarBQ Tonight – late 2017
- New feature restaurant – March 2018.

Expansions/refurbishments

- The Precinct Tavern refurbishment and al fresco deck – late 2017
- Curve refurbishment – early 2018.



IMAGE COURTESY OF CHARLES DARWIN UNIVERSITY



OWNERS ZAC AND DIANA GERAGHTY WITH A STAFF MEMBER ON THE FIRST DAY OF OPENING THIRSTY ZAC, JUNE 2017

Thirsty Zac

Darwin's first local bubble-tea, smoothie and juice bar, Thirsty Zac, opened its doors at the Darwin Waterfront in June 2017.

The business is owned and operated by husband and wife team, Zac and Diana Geraghty. Zac was born and raised in Darwin, and Diana is from South Korea. It's the first business for the pair. Diana's background is in hospitality and Zac is a multimedia developer for the NT Government.

Thirsty Zac serves fresh juices and smoothies and a range of bubble teas—a speciality ice tea that originated in Taiwan with toppings added. Zac and Diana spent some time in Taiwan learning about bubble tea and how to make it authentically before opening the business.

Diana said that since Thirsty Zac opened at the Darwin Waterfront in 2016-17, it's been embraced by customers.

'It is doing really great, especially when there's an event at the Waterfront, like a movie night or a festival', Diana said. 'There are always long queues then!'

Zac and Diana had originally planned to open a cafe in Darwin but changed ideas when the Waterfront location became available. 'For a Waterfront Precinct shop, we decided we needed to focus on cold drinks due to our humid climate. We identified early on that customers would appreciate having more choice for products they can enjoy walking around with', Diana said.

Zac and Diana are thrilled with the Waterfront Precinct location for their first business.

'We just feel so lucky', Diana said. 'Zac and I have always loved the Waterfront—it's the most beautiful place in Darwin. We open the counter window, look outside and see people enjoying themselves—everyone is chilled out, relaxed and happy. It's a fantastic place to open a business.'

Hotels

The precinct has two hotels: the Vibe Hotel Darwin Waterfront and the Adina Apartment Hotel Darwin Waterfront.

The Adina Hotel Darwin Waterfront offers 121 self-serviced apartments, and the Vibe has 120 hotel-style rooms.

In October 2016, a new energy-efficient water chiller was installed in the hotels as part of an ongoing sustainability project.

In March 2017, the hotels were accepted into the Indigenous Land Corporation's Real Jobs program

and received a grant to employ 10 local Indigenous candidates in full-time positions at the hotel. The hotel also launched its own Indigenous Engagement Strategy in June 2017. The strategy is aimed at creating sustainable employment and business opportunities for Aboriginal and Torres Strait Islander people.

The Adina was nominated for the Best Serviced Apartment Property at the Hotel Management Awards in 2016-17.

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

Hotel fast facts for 2016-17:

- Adina/Vibe celebrated its eight birthday in June 2017
- total guests in-house: 106 260
- average length of stay: 2.47 days
- busiest months: August and September 2016
- quietest months: January and February 2017
- average occupancy level in 2016-17: 80.61%
- Indigenous employment: 32.69% (at 30 June 2017).

2.47

average length
of stay (days)



Fort Hill Wharf – the cruise ship market

The cruise ship market is an important contributor to the NT economy, with 47 cruise ship visits to Darwin in 2016-17 bringing an estimated value to the economy of \$30.7 million annually. The major beneficiaries of cruise ship visits and passenger spending are the Darwin CBD and Waterfront Precinct as well as local tour operators.

One of the highlights of the year was on 28 February 2017 with the arrival of the 'Ovation of the Seas'. This is the largest passenger vessel to visit Australia, with 3996 passengers on board. A fantastic Top End welcome was delivered with a fly over of the

NT flag and musical entertainment at the Waterfront Precinct and in the city. The vessel drew terrific community interest from arrival to departure and delivered an amazing economic boost. Darwin also enjoys year-round cruise activity, with a number of small luxury expedition cruise ships using Darwin as a home-base to explore the remote northern Australian coastline from April to September.

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, the City of Darwin, City Retail Traders

OVATION OF THE SEAS, FEBRUARY 2017



Association, Tourism Top End, tourism operators and retailers in the CBD as well as the Waterfront.

As part of its obligations to the Northern Territory, the corporation has undertaken and will undertake various beautifying projects in and around Fort Hill Wharf. The covered sea wall walkway from the cruise ship terminal to the precinct created a positive sense of arrival and a walkable option into the CBD.

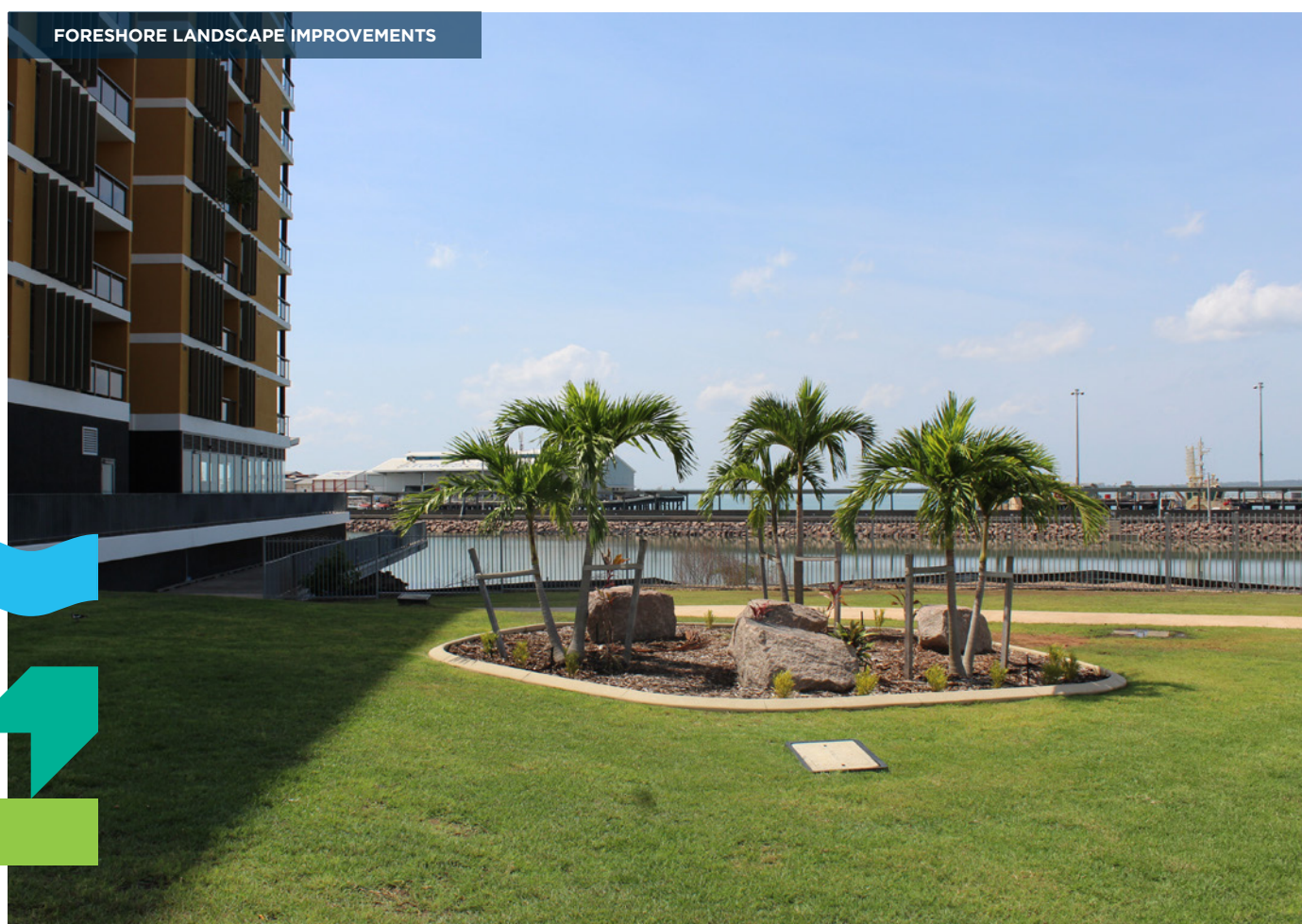
Foreshore landscape improvements

With the number of cruise ship visits to the Darwin Waterfront increasing each year, the corporation fast-tracked site improvement works in 2016-17, including hard and soft landscaping, fencing and installing

concrete seating to improve the amenity of the Recreation Lagoon foreshore along Anchorage Court.

Although temporary until further development works are undertaken along this yet-to-be developed lagoon foreshore, the works have improved the visitor experience by establishing gardens, footpaths and other amenities, which provide aesthetic relief for cruise ship visitors and adds a new area for locals to enjoy views of ships and the wharf.

The continued implementation of the NT Cruise Sector Activation Plan 2015-2020, which was developed in consultation with stakeholders, will be an active priority for the corporation.





TUNNEL NUMBER FIVE, AUGUST 2016

Heritage

Tunnel Number Five festival of underground music event

The first ever ‘festival of underground music’ was held in Darwin over five nights in August 2016. The location for this event was a little different to the norm—the five concerts were staged in Darwin’s historic World War II oil storage tunnels at the Darwin Waterfront Precinct.

The event’s oil storage tunnel—tunnel number five—is a 172-metre long steel tube that was built in WWII to protect valuable oil from bombing during the war.

‘It was such an amazing success’, said Anisha Angelroth, the event’s Darwin-based producer. ‘By the last night, we were sold out. The audience feedback and reviews were overwhelming.’

‘None of the musicians had performed in a space like the tunnels before, and they all came away saying it was one of the best experiences in their career’, Anisha said.

Anisha said the Darwin Waterfront Corporation was a great supporter of the inaugural event. ‘The corporation was incredibly supportive with their promotion of the event all over the precinct. It was very helpful.’

Improving connectivity at the Waterfront Precinct

New driverless bus

In December 2016, the NT Government, through the Department of Infrastructure, Planning and Logistics, partnered with the corporation to launch Australia's first open road autonomous passenger vehicle trial at the Darwin Waterfront Precinct.

Stage 1 of the trial lasted from 15 February to 2 June 2017 and allowed members of the public to experience a ride on the EasyMile EZ10 autonomous vehicle, linking Indo Pacific Marine to Stokes Hill Wharf. The location was chosen along a public road environment where demand exists for a transport solution to help ferry visitors between locations for dining, retail, recreation and business. A total of 3607 passengers travelled during stage 1, and 88.4 per cent of

consumer feedback received was positive.

Stage 2 of the trial saw the EasyMile EZ10 driverless bus transport visitors from the glass observation lifts to the Recreation Lagoon beach area and shops within the Waterfront Precinct every day between noon and 2 pm.

The vehicle follows a virtual line mapped and loaded into the vehicle's software and operates using GPS technology and position sensors to scan its environment. It is fully electric and autonomous, has zero emissions, is air-conditioned and can carry up to 12 passengers at a time. It can also accommodate people with reduced mobility, including wheelchairs and prams. While there is no driver, an on-board 'operator' monitors conditions and provides information for passengers.



EASYMILE EZ10 DRIVERLESS BUS

SEA WALL SHADE STRUCTURE EXTENSION



The driverless bus is a safe and efficient way to connect spaces at the precinct and move people between them in comfort.

This initiative contributes to the government's vision of a connected CBD, making the city of Darwin more liveable and transforming it into a vibrant, world-class destination using modern autonomous technology. Plans are underway to further trial the service in early 2017-18.

Sea wall shade structure extension – stage 2

Work on stage 2 of the sea wall shade canopy commenced in May 2017 to extend the canopy from the pontoon connection to the Darwin Convention Centre end of the Recreation Lagoon. When it's complete, about 500 metres of the 650 metre-long sea wall will be covered, 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 to allow the annual New Year's Eve fireworks displays to continue to be fired from the sea wall.

Both projects were awarded to local businesses and are expected to be complete by the first quarter of 2017-18.

Looking ahead to 2017-18

The corporation will continue to work on place-making initiatives and connectivity when master-planning the new development sites, including establishing a permanent free shuttle bus service.



Precinct operations

Precinct repairs and maintenance

Recreation Lagoon flushing system

In early 2017, the corporation successfully undertook cleaning of the flushing system pipework using high-pressure water blasting. This was the first time the cleaning of the pipelines was performed since the lagoon opened in 2009.

Using 10 000psi of pressure, the water blasting removed significant amounts of marine growth from inside the three pipelines, which continuously supply the lagoon with fresh sea water.

Capital works and projects

Anchorage Court car parking upgrade

Improved accessibility by increasing parking options for Waterfront visitors saw upgrades to Anchorage Court car parking during 2016-17, which delivered an extra 42 on-street parking bays in the precinct.

The works, undertaken by local small business CBS Civil Contracting, were finished just before Christmas 2016. The works also feature hard and soft landscaping, including a concrete pathway and several garbage bins on the western side of the road. Parking on this side of the road is metered, and the rate set is at \$5 per day to provide a more cost-friendly option for visitors who wish to stay longer in the precinct.

ANCHORAGE COURT CAR PARKING UPGRADE





LANDSCAPING AT THE DECKCHAIR CINEMA CAR PARK

Landscaping at the Deckchair Cinema car park

During the dry season, the Deckchair Cinema attracts thousands of movie goers to the Darwin Waterfront.

In 2016-17, the corporation upgraded the landscaping around the entrance to the cinema car park to improve the amenity of the area.

The new landscaping adds to the first view visitors on cruise ships get on landing and is another component of the corporation's improvements to the Jervois Park and Deckchair Cinema car park area since it took over management of the area, which includes roadway improvements, formalised car parking, coastline erosion protection works, pathway construction and improved lighting.

CCTV upgrades

Upgrades to the precinct's CCTV system, with the aim of improving community safety, was undertaken during 2017.

The corporation entered into a service agreement with Honeywell to install and manage the CCTV system. The agreement terms include obligations with respect to upgrade of the corporation's generic CCTV system to a turn-key package from Honeywell, including provisions for ongoing repairs and maintenance.

The work comprised full transition to Honeywell's proprietary CCTV system components including cameras, video recorders, software and user interface.





Looking ahead to 2017–18

New kiosk and amenities building

As part of improving the visitor experience, the corporation is commissioning the design of a new amenities and kiosk facility at the Wave Lagoon.

The design ensures visitors will no longer have to leave the Wave Lagoon to purchase drinks and food and will have access to amenities directly from within the facility. The new facility will be shared with the Wave Lagoon and also provide permanent additional amenities for the public lawns and domain, which are required for large events.

New Kitchener Drive multi-storey car park management system

The Kitchener Drive multi-storey car park is located close to the CBD. The corporation recognises that more can be done to attract CBD workers and secure ongoing revenue for the car park. In an effort to encourage greater patronage and ease of use, the board has approved a number of suggested improvements, including retaining Melbourne-based company Sensor Dynamics to provide state-of-the-art number plate recognition technology. The new system will also introduce ticketless parking, which will create easy access and assist in the corporation's endeavours to encourage greater usage of the car park.

The new car park management system is due to be installed in October 2017.

Risk management

Sea wall accessibility

Modifications to the sea wall pontoon gangway were undertaken in 2016-17 to improve accessibility and eliminate hazards associated with the landing on the sea wall end of the gangway. This work included redesign of the gangway support fixings to reduce the overall slope to acceptable grade guidelines in accordance with Australian Standards.

New signage was also provided to advise visitors of alternative routes into the Waterfront Precinct.

Marine stingers review

Subsequent to several marine stinger incidents at the Recreation Lagoon, the corporation has commenced a review of stinger management procedures, including preventative actions and response procedures, as part of its ongoing commitment to minimise risk.

The review is being conducted by Dr Lisa-ann Gershwin of the CSIRO, who is a renowned jellyfish expert and familiar with the facility from her initial work with the NT Government during the Recreation Lagoon's construction. Dr Gershwin developed the original stinger management plan and has first-hand knowledge of the unique characteristics of the lagoon and the context of the risk associated with marine stingers.



THE PONTOON GANGWAY CONNECTING THE SEA WALL AND WHARF ONE



KITCHENER DRIVE MULTI-STOREY CAR PARK

Roads and car parking

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

The roads in the Darwin Waterfront Precinct include Stokes Hill Road, Mavie Street, Kitchener Drive, Hughes Avenue and Jervois Road. The care and management of Anchorage Court was handed over to the corporation in May 2015, following the completion of stage 2A of the development.

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

Car parking at the Darwin Waterfront Precinct is available at 34 on-street bays along Kitchener Drive and 62 bays along Anchorage Court. There

are also off-street parking areas, including the Kitchener Drive multi-storey car park (which is free for the first two hours).

The off-street parking areas are:

- Stokes Hill Road car parking area 'B' (at Indo Pacific Marine), 19 bays
- Stokes Hill Road car parking area 'A', 74 bays
- Convention Centre rear at-grade parking area, 70 bays
- Convention Centre basement parking area, 221 bays (managed by the Convention Centre)
- Jervois Road car parking area, 114 bays
- Kitchener Drive multi-storey car park, 501 bays (360 bays available to the public).

A new overflow car park was built near Mavie Street in December 2016 to allow for 200 additional car parks at events.

The on-street car parks and the off-street car parks operate with 'pay and display' parking meters. The Kitchener Drive multi-storey car park is boom-gated and operates by 'pay on exit'.

During 2016-17, there were 71 293 parking meter transactions in the on-street and off-street, at-grade parking areas—1246 more than in 2015-16. All corporation parking meters accept credit cards as well as coins.

Kitchener Drive multi-storey car park fast facts:

- There are six levels of parking with a total of 501 parking spaces.
- Parking is free for the first two

hours, with low rates for short-term parking thereafter.

- Parking is available to everyone who visits the precinct, including people who work at the precinct, hotel guests, and visitors to the precinct's facilities, events and businesses.
- The car park only reached full capacity for short periods during large events such as the Saltwater Craft Fair, New Year's Eve and Easter.
- A total of 146 707 parking transactions were made, 38 979 fewer transactions than in 2015-16.
- The average period of stay was 1.98 hours.
- The average number of daily transactions was 400 vehicles.



ROADS AND CAR PARKS WITHIN THE DARWIN WATERFRONT PRECINCT



Darwin Convention Centre

Darwin Convention Centre update, 2016–17

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

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

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

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

The concession arrangements mean the corporation makes periodic payments to the concession holder for the life of the concession period—25 years following the construction of the centre. This payment mainly relates 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 convention 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 Darwin Waterfront Corporation is responsible for monitoring concession arrangements and negotiating Territory Operating Payments in line with government's performance expectations, budgetary constraints and business delegation return to the broader economy.

In 2016-17, the actual Territory Operating Payments totalled \$3.241 million; however, the Concession Holder confirmed the total required contributions for the year will be \$3.5 million. The extra \$260 000 will be paid in the 2017-18 year once the centre's financials are reconciled and audited. A trend of lower revenue and higher Territory Operating Payments than anticipated in the original concession deed forecasts is a matter the corporation is working closely with the Centre Operator and Concession Holder to address. It is a priority for the corporation when

negotiating with the Concession Holder to ensure revenue generation is as high as possible while minimising overhead costs.

The centre needs to present as the Northern Territory's premier convention facility and provide first class facilities to showcase capability and to attract national and international business events to the region. Marketing and business development is also vital to ensure the centre is consistently attracting national and international conventions in coming years. The lush and active surrounds of the Darwin Waterfront Precinct help secure the centre as an attractive destination for all types of business delegations. The centre operator works closely with the Northern Territory Convention Bureau (NTCB) to win business events. Initiatives like 'Meet Darwin' showcase the precinct and centre, and are an excellent example of corporate collaboration between the operator of the centre, NTCB and the corporation.

The 2017-18 year is forecast to have a higher Territory Operating Payment as the corporation continues to invest in marketing and business development opportunities in a highly competitive domestic and international market. The Concession

Holder and operator will continue to maintain overhead expenses and look for further initiatives to drive cost savings.

The centre is a world-class facility and prides itself in delivering high quality customer service and maintaining the highest level of accreditation. The Concession Holder and operator will continue to look at ways to improve audio visual enhancements, food and beverage offerings and marketing initiatives.

The corporation continues to drive these efforts to ensure, as revenue increases for the centre, Northern Territory Government operating contributions can be reduced.

In 2016-17, the Darwin Convention Centre hosted 153 events, which, attracted more than 60 720 people and contributed \$26 million in national and international delegate spend to the Northern Territory economy. Over nine years of operation, delegates have spent more than \$367 million in Darwin and the Top End.

As the closest Australian convention centre to South East Asia and with approximately four hours flight time to Singapore, Kuala Lumpur and Ho Chi Minh City, a growing number



of Australian and Australasian associations are choosing Darwin as their preferred conference destination to attract both Australian and South-East Asian delegates.

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 that promotes innovative thinking, business leadership, social engagement and authentic connections.

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

The centre hosts Australian and international scientists, researchers, government officials, Defence Force personnel, academics and business leaders in industries as diverse as chronic disease, education and training, mining, telecommunications, building and construction.

In 2016-17, the following key conferences and events were held at the Darwin Convention Centre:

- the Association of Wall and Ceiling Industries of Australia & New Zealand Conference
- Early Childhood Australia National Conference
- CPA Conference
- Australian Dental Association

Conference

- Trucking Australia Conference
- Northern Australia Defence Summit
- Territory Natural Resource Management Conference
- National NAIDOC Awards ceremony
- Qantas Australian Tourism Awards
- Suzi Quatro concert
- 10th Anniversary of the Darwin Aboriginal Art Fair
- Spirit of ANZAC Centenary Experience
- Jessica Mauboy concert.

In 2016-17, the Darwin Convention Centre:

- won the 2016 Brolga Award for Best Business Events Venue
- was awarded silver at the Qantas Australian Tourism Awards in the Business Events Venue category
- won the Meeting Venue – 500 delegates or more at the NT Meetings and Events Australia Awards
- installed a new external lighting system with 24 LED lights under the canopy and 14 above the canopy that can project 16 million different colours
- introduced an Indigenous-themed signature dining experience for VIP groups of up to 50 people
- renewed its Bronze EarthCheck accreditation, which is a global benchmarking and improvement system established by the World Travel and Tourism Council
- was benchmarked against comparable businesses in the Southern Hemisphere and exceeded best practice in energy consumption, reducing greenhouse emissions and waste sent to landfill



- demonstrated excellent customer service by increasing its customer satisfaction by five per cent to a rating of 4.56 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.

Case study – Meet Darwin

In May 2017, the Darwin Convention Centre and the Northern Territory Convention Bureau hosted 'Meet Darwin', a familiarisation program that showcases the unique and impressive strengths of Darwin as a leading Australasian business events destination to key decision makers. Darwin's close proximity to Asia, its fast-growing economy and innovative business environment, along with unique Top End experiences, are all featured in the four-day program.

Representing a diverse array of industries, including medical, education, science, automotive, information technology, transport, research and property, the national

guests were encouraged to discover, experience, learn and savour the delights of Darwin.

'As Darwin is a unique conferencing destination and a capital city that not everyone has visited, Meet Darwin is an ideal way to showcase the diversity of experiences available in the Top End of Australia as well as the capabilities of the world-class Darwin Convention Centre to national event planners', said Janet Hamilton, General Manager of the Darwin Convention Centre.

'Event planners were immersed in the tropical Darwin experience over four days and could see how their national and international

delegates, accompanying partners and speakers could benefit from attending a major conference at the Darwin Convention Centre', she said.

The 'Meet Darwin' program included:

- a welcome reception at Crocosaurus Cove with up-close-and-personal encounters with Australian saltwater crocodiles and reptiles
- the sights, flavours and entertainment at the Mindil Beach Sunset Markets
- a helicopter ride over Darwin with Nautilus Aviation
- a networking session with suppliers from the tourism, retail and hospitality industry in Darwin that can support conference organisers
- site inspections of popular hotels
- a unique VIP in-store experience at the Paspaley and di CROCO boutiques
- an exclusive Indigenous-themed fine dining experience at the Darwin Convention Centre, featuring a Northern Territory specialty menu, with entertainment by an Indigenous didgeridoo player and an inspiring contemporary dance
- a tour of the National Trauma Centre
- tourist activities including a Segway tour through the Darwin Botanic Gardens
- an evening under the stars at the Pee Wee's at the Point restaurant
- a Darwin harbour cruise on board the 'Charles Darwin', including a clap-stick workshop with an Indigenous representative from Larrakia Nation.



HELICOPTER RIDE WITH NAUTILUS AVIATION, MEET DARWIN, MAY 2017



SUZI QUATRO PERFORMING AT THE DARWIN CONVENTION CENTRE

Looking ahead to 2017–18

The Darwin Convention Centre has secured a number of national and international conferences for 2017–18, including the Australian and New Zealand Society of Nephrology Annual Scientific Meeting, Rotary Zone 8 Institute, Nuffield Australia National Conference, Australian

Disease Management Association Conference, Federation of Ethnic Communities Councils of Australia Biennial Conference, Northern Australia Food Futures Conference and the Australasian Remote Renewable Energy Conference and Exhibition.

Master planning and development

In August 2016, the Northern Territory Government and Landbridge Group entered into a 'binding heads-of-agreement' for the development of a luxury hotel and residential complex on the Fort Hill side of the Darwin Waterfront Precinct. The hotel and surrounds will set a new benchmark in luxury accommodation for Darwin and will be designed to reflect the tropical climate, rich history and lush vegetation of the Waterfront.

Master planning of the new hotel and Fort Hill development sites to ensure continuity throughout the precinct and maintain high standards of amenity continues to be the corporation's priority. Senior staff and the board work in partnership with Landbridge Group, its consultants and the Northern Territory Government to achieve these shared goals.

The Darwin Waterfront's Stokes Hill Wharf development sites and neighbouring Navy fuel installation have also been identified by the Northern Territory Government as key potential sites for a future water theme park development of international standard. 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.

In March 2017, the Development Consent Authority approved the construction of a uniquely designed alfresco deck extension to the Precinct Tavern on Darwin Waterfront Corporation land. The structure will significantly activate the area and will integrate into the 'look and feel' of existing alfresco structures.

Looking ahead to 2017-18

The corporation is investigating options for improving the short-term amenity of the Fort Hill development site between the proposed hotel site and Anchorage Court, including levelling and soft landscaping of the area for interim use as public open space.



Board members' profiles



Chairman
Peter Carew AM

Appointed as a member:

10 December 2015

Appointed as Chairman:

21 July 2016

Peter has been an active business leader in the Northern Territory for more than 30 years. He ran a successful electronics business before moving into the oil and gas sector and then joining the NT Department of Business as its CEO.

Peter established the Northern Australia Development Office for the Northern Territory Government. He is a past president of the NT Chamber of Commerce and has held director positions with the Northern Territory University, Menzies School of Health

Research and the Employment and Training Authority.

He is a director of St John Ambulance Australia (NT) Inc and a Fellow of the Australian Institute of Company Directors. Peter was appointed a Member of the Order of Australia in 2003 for services to the community and business through development of international links and vocational training in the Northern Territory.



Chief Executive Officer
(30 March 2017 – present)

[Alastair Shields](#)

Appointed as CEO:

30 March 2017

Alastair was appointed Chief Executive Officer of the Department of Tourism and Culture in September 2016. He was then appointed Chief Executive of the Darwin Waterfront Corporation in March 2017. Prior to that, Alastair was Chief Executive Officer of the Department of Land Resource Management from March 2015, and he acted as Chief Executive Officer of the Department of Business during 2014.

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. He has substantial experience in negotiating agreements, including Indigenous land use

agreements and agreements concerning Aboriginal land under the *Commonwealth Aboriginal Land Rights (Northern Territory) Act*, and the *Native Title Act*. He was part of the negotiating team that established a number of joint management arrangements for Northern Territory parks.

Alastair has also been involved in commercial negotiations for major projects in the Northern Territory, such as the North East Gas Interconnector (NEGI) project, long-term lease of the East Arm Port, the AustralAsia Railway, Darwin City Waterfront, and the Marine Supply Base. He has qualifications in law and accounting, and a Masters in Public Administration. He is also the Chair of the AustralAsia Railway Corporation.

Awards:

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



Chief Executive Officer
(1 July 2016 – 30 March 2017)

Andrew Kirkman

Appointed as CEO:
21 April 2015

Resigned as CEO:
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 the 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 and 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
David De Silva

Appointed:
21 April 2015

David is a prominent member of the Northern Territory business community and legal profession, having practised as partner and principal of De Silva Hebron Lawyers for 20 years.

His experience and reputation in the commercial world has opened a number of opportunities for him to facilitate the development of the Northern Territory. David has had extensive board experience in private companies, government and non-government organisations and sporting bodies.

He is currently Chairman of the Board of Power Connection Corporation (trading as Territory Generation) and Darwin Performing Arts Centre Ltd and is a member of the Board for Tennis NT Inc, Territory Equities Ltd and Crime Stoppers (NT) Inc.

He has held board positions with the Northern Territory Football League (1998-2001), AFL Northern Territory Ltd (2001-2004), St Marys Football and Sports Club, Top End Group Training Pty Ltd (2009-2012) and Power and Water Corporation and Indigenous Essential Services Pty Ltd (2013).



Member
Trish Brick

Appointed:

21 April 2015

Trish Brick has lived in Darwin for more than 30 years, founding her creative communication business 'First Class (NT)' in 1993.

Throughout her lengthy business operations, Trish has been involved with the continual progression of the Northern Territory and has established a proactive presence within Darwin's business community. Her extensive networks have provided a depth of local knowledge that also includes an understanding of local issues.

Her experience in listening, lateral thinking and problem solving has contributed to a number of successful projects and marketing campaigns, including the early stages of the Darwin Waterfront Precinct development. Trish is a member of the Australian Institute of Company Directors and the Australian Graphic Design Association, and she is also a Fellow of the Australian Marketing Institute.



Member
Anne Tan

Appointed:

30 March 2017

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

Anne has held various roles in a number of NT Government agencies, including Deputy Coordinator-General in the Department of the Chief Minister, Senior Executive Manager, Strategic and Business Services in the Power and Water Corporation, Executive Director, Intergovernmental Relations in the Department of the Chief Minister, and Assistant Under Treasurer (Revenue)/Commissioner of Territory Revenue in the Department of Treasury and Finance.

Anne holds degrees in law and economics and has an Executive Masters in Public Administration. She was awarded the Public Sector Medal in 2016.



Member
Suzanne Morgan

Appointed:

7 October 2014

Resigned:

7 April 2017

Suzanne Morgan leads activities to grow business performance, driving the use of market research and new technology enabling a smarter, more targeted approach to marketing with a particular focus on growing the visitor economy.

She has a passion for developing business excellence and identifying sustainable commercial opportunities and has been a judge with the Brolga Northern Territory Tourism Awards and the Telstra Business Women's Awards. She has held director positions with AANT and with Tourism NT in industry development, business events, international operations and domestic marketing. She has extensive experience in negotiation and contract management, including establishing cooperative aviation MOUs, sponsorship agreements and international representation.

Financial statement overview

For the year ended 30 June 2017

Board members' report

The Darwin Waterfront Corporation members present their report on the accounts for the year ended 30 June 2017.

Members

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

- Peter Carew AM – Chairman
- Alastair Shields – Chief Executive Officer
- Andrew Kirkman – Member
- Trish Brick – Member
- David De Silva – Member
- Anne Tan – Member
- Suzanne Morgan (resigned 7 April 2017) – former Board Member

Further details on members are provided at note 25 to the financial statements and member profiles within the annual report.

Principal activities

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

Ministerial directions

No written ministerial directions were received by the corporation under Section 20 of the *Darwin Waterfront Corporation Act* for the year ended 30 June 2017.

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 2016-17 by about four per cent. There was also a four per cent increase in patronage numbers compared to 2015-16. Owners of the retail and commercial property in the precinct, Toga Group, continued financial contributions to the staging of events, providing a welcomed boost to the promotion of the precinct.

There was a 27 per cent decline in patronage of the multi-storey car park in 2016-17 compared with 2015-16 as more on-street parking became available and free on-and-off-street parking continued on weekends and after 5 pm on weekdays.

The Darwin Convention Centre exceeded the concession deed base case requirements for the attraction of interstate delegates in 2016-17, with associated benefits flowing into the Northern Territory economy.

The corporation holds the head lease for the Stokes Hill Wharf precinct. The corporation's activities in managing commercial retail tenants and harbour cruise operators for berthing activities, promoting the venue as a place of business and ensuring the facility is maintained to the appropriate standard will continue under the lease. The corporation receives additional funding for operating and managing the Stokes Hill Wharf precinct.

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 2016-17 was a deficit of \$0.656 million (2015-16: deficit \$2.425 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 2017 that has significantly affected or may significantly affect:

- a) the operations in the financial periods subsequent to 30 June 2017 of the corporation
- b) the results of those operations
- or
- c) the state of affairs in financial periods subsequent to 30 June 2017 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 2017-18 and to 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.



Peter Carew AM

Chairman

22 September 2017



Alastair Shields

Chief Executive Officer

11 September 2017

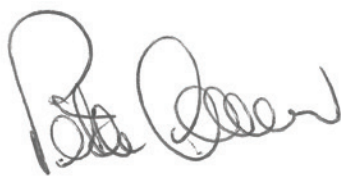


Certification of the financial statements

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 2017 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.



Peter Carew AM
Chairman

22 September 2017



Alastair Shields
Chief Executive Officer

22 September 2017

Comprehensive Operating Statement

For the year ended 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
INCOME			
Grants and Subsidies Revenue			
Current		19,236	18,710
Capital		1,710	2,571
Sales of Goods and Services	3	3,288	2,874
Interest Revenue		36	47
Other Income	3	2,146	444
Total Income		26,416	24,646
EXPENSES			
Employee Expenses		1,080	1,080
Administrative Expenses			
Purchases of Goods and Services	4	3,773	3,451
Property Maintenance	5	4,322	3,593
Agent Service Arrangements	6	1,052	1,025
Depreciation and Amortisation	7	4,603	4,587
Grants and Subsidies Expenses			
Current	8	6,974	7,109
Capital	8	15	845
Interest Expenses	9	5,253	5,381
Total Expenses		27,072	27,071
Net Deficit		(656)	(2,425)
Comprehensive Result		(656)	(2,425)

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

Balance Sheet

As at 30 June 2017

	NOTE	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and Deposits	11	1,550	1,141
Receivables	12	545	394
Prepayments	13	119	139
Total Current Assets		2,214	1,674
NON CURRENT ASSETS			
Property, Plant and Equipment	14	225,322	228,772
Heritage and Cultural Assets	15	103	105
Total Non Current Assets		225,425	228,877
TOTAL ASSETS		227,639	230,551
LIABILITIES			
Current Liabilities			
Payables	17	3,769	3,902
Borrowings and Advances	18	2,270	2,038
Other Liabilities		21	106
Total Current Liabilities		6,060	6,046
NON CURRENT LIABILITIES			
Borrowings and Advances	18	75,462	77,732
Total Non Current Liabilities		75,462	77,732
TOTAL LIABILITIES		81,522	83,778
NET ASSETS		146,117	146,773
EQUITY			
Capital		174,235	174,235
Accumulated Funds		(28,118)	(27,462)
TOTAL EQUITY		146,117	146,773

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 2017

	NOTE	Equity at 1 July \$'000	Comprehensive Result \$'000	Transactions with Owners in their Capacity as Owners \$'000	Equity at 30 June \$'000
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
2015-16 ACCUMULATED FUNDS		(25,037)	(2,425)	-	(27,462)
CAPITAL - TRANSACTIONS WITH OWNERS					
Equity Injections					
Equity Injections					
Equity Transfers In		158,346	-	198	158,544
Other Equity Injections		15,827	-	-	15,827
Equity Withdrawals					
Capital Withdrawal		(136)	-	-	(136)
		174,037	-	198	174,235
TOTAL EQUITY AT END OF FINANCIAL YEAR		149,000	(2,425)	198	146,773

(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 2017

	NOTE	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Receipts			
Grants and Subsidies Received			
Current		19,236	18,710
Capital		1,710	2,571
Receipts From Sales of Goods and Services		7,595	5,736
Interest Received		36	47
Total Operating Receipts		28,577	27,064
OPERATING PAYMENTS			
Payments to Employees		(1,176)	(1,071)
Payments for Goods and Services		(11,561)	(10,531)
Grants and Subsidies Paid			
Current		(6,974)	(7,109)
Capital		(15)	(845)
Interest Paid		(5,253)	(5,381)
Total Operating Payments		(24,979)	(24,937)
Net Cash From Operating Activities	20	3,598	2,127
CASH FLOWS FROM INVESTING ACTIVITIES			
Investing Payments			
Purchases of Assets		(1,151)	-
Total Investing Payments		(1,151)	-
Net Cash Used in Investing Activities		(1,151)	-

	NOTE	2017 \$'000	2016 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Financing Payments			
Finance Lease Payments		(2,038)	(1,823)
Total Financing Payments		(2,038)	(1,823)
Net Cash Used in Financing Activities		(2,038)	(1,823)
Net Increase in Cash Held		409	304
Cash at the Beginning of the Financial Year		1,141	837
CASH AT END OF FINANCIAL YEAR	11	1,550	1,141

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 2017

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Notes to and forming part of the financial statements

As at 30 June 2017

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 22nd of September 2017.

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 2016-17:

AASB 124 Related Party Disclosures

This standard applies to not-for-profit sector for the first time in 2016-17. The accounting standard requires disclosures about the remuneration of key management personnel, transactions with related parties, and relationships between parent and controlled entities. For any such transactions, disclosures will include the nature of the related party relationship, as well as information about those transactions' terms/ conditions and amounts, any guarantees given/received, outstanding receivables/ payables, commitments, and any receivables where collection has been assessed as being doubtful.

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

At 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 come onto the balance sheet together with a lease liability for all leases with a term of more than 12 months, 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.

The standard is not expected to have a significant impact on the future reporting of the corporation.

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.

Under AASB 15 Revenue from Contracts with Customers, goods and services revenue is not expected to have any significant impact on the financial statements of the corporation.

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

AASB 9 Financial Instruments

AASB 9 Financial Instruments changes will be effective for annual reporting periods beginning on or after 1 January 2018 and will be reported in these financial statements for the first time in 2017-18 financial year. The standard changes the way financial instruments are classified and measured and is not expected to have any significant impact on the financial reporting of the corporation.

c) Going concern basis

At 30 June 2017, the corporation had net current liabilities of \$3.846 million (2016: \$4.372 million). The corporation reported a deficit for the year of \$0.656 million (2016: \$2.425 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 2015-16 financial year has been reclassified to provide consistency with current year disclosures.

f) Presentation and rounding of amounts

Amounts in the financial statements and notes to the financial statements are presented in Australian dollars and have been rounded to the nearest thousand dollars, with amounts of \$500 or less being rounded down to zero. 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 2016-17 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 25 years until June 2033, including a three-year handover phase.

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

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

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

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

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

3. INCOME FROM RENDERING OF SERVICES

	2017 \$'000	2016 \$'000
Sales of Goods and Services		
Car Parking Fees	789	664
Rates	749	733
Wave Lagoon Admissions	576	629
Berthage Fees	94	200
Other	1,080	648
Total Sales of Goods and Services	3,288	2,874
Other Income		
Property Rental Income	477	444
Darwin Cove Convention Centre Surplus Repayment	1,500	-
Other	169	-
Total Other Income	2,146	444

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.

	2017 \$'000	2016 \$'000
4. PURCHASES OF GOODS AND SERVICES		
Audit Fees (auditors received no other benefits)	41	41
Power	847	891
Water and Sewerage	285	310
Insurance	345	338
Marketing and Promotion	1,053	677
Other Operational Costs	1,202	1,194
Total Purchases of Goods and Services	3,773	3,451
5. PROPERTY MAINTENANCE		
Cleaning	587	574
Grounds Maintenance	3,408	2,717
Security	264	252
Other	63	50
Total Property Maintenance	4,322	3,593

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

6. AGENT SERVICE ARRANGEMENTS	2017 \$'000	2016 \$'000
Department of Corporate and Information Services	64	68
Department of Infrastructure, Planning and Logistics	173	203
Department of Attorney-General and Justice	10	-
Surf Life Saving Northern Territory	723	672
City of Darwin	82	82
Total Agent Service Arrangements	1,052	1,025

7. DEPRECIATION AND AMORTISATION	2017 \$'000	2016 \$'000
Depreciation	2,496	2,480
Amortisation	2,107	2,107
Total Depreciation and Amortisation	4,603	4,587

8. GRANTS AND SUBSIDIES EXPENSES	2017 \$'000	2016 \$'000
Current Grants		
Territory Efficiency Payments	-	69
Territory Incentive Payments	700	797
Total Current Grants	700	866

Current Subsidies		
Territory Operating Payments	3,241	3,241
Territory Availability Payments	3,033	3,002
Total Subsidies	6,274	6,243
Total Current Grants and Subsidies	6,974	7,109

Capital Grants		
Goyder Park Beautification	15	845
Total Capital Grants	15	845
Total Grants and Subsidies	6,989	7,954

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

9. INTEREST EXPENSES	2017 \$'000	2016 \$'000
Interest on Obligations Under Finance Lease	5,253	5,381
Total Interest Expenses	5,253	5,381

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	2017 \$'000	No. of Trans	2016 \$'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	5	2	-	-
Total written off, postponed and waived by delegates	5	2	-	-

11. CASH AND DEPOSITS	2017 \$'000	2016 \$'000
Cash on Hand	7	4
Cash at Bank	1,543	1,137
Total Cash and Deposits	1,550	1,141

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 1.52% (2016: 1.98%).

12. RECEIVABLES	2017 \$'000	2016 \$'000
Current		
Accounts Receivable	243	265
Less: Allowance for Impairment Losses	-	(5)
	243	260
Interest Receivables	2	2
GST Receivables	85	50
Other Receivables	215	82
Total Receivables	545	394

Consisting of:

Government Agencies	87	57
External Bodies	458	337

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 ageing 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	2017 \$'000	2016 \$'000
Current		
Prepayments	119	139
Total Prepayments	119	139

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	2017 \$'000	2016 \$'000
Land		
Land	44,355	44,355
Total Land	44,355	44,355
Buildings		
Amenities Building	1,496	1,496
Lifts and Lift Landings	1,534	1,534
Office Fitout	208	184
Parking Meters	46	51
Shade Structures	3,528	3,528
Multi-Storey Car Park	11,456	11,456
Less: Accumulated Depreciation	(3,276)	(2,718)
Total Buildings	14,992	15,531
Buildings Under Finance Lease		
Convention Centre	105,346	105,346
Less: Accumulated Amortisation	(18,962)	(16,855)
Total Buildings Under Finance Lease	86,384	88,491
Infrastructure		
Marine Infrastructure	43,517	43,517
Roads and Services	13,827	13,827
Jervois Car Park	397	397
Wave Lagoon	15,987	15,987
Public Domain	16,146	16,146
Bridge Link	3,796	3,796
Less: Accumulated Depreciation	(15,805)	(13,919)
Total Infrastructure	77,865	79,751
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	953	953
Less: Accumulated Depreciation	(375)	(342)
Total Plant and Equipment	578	611

	2017 \$'000	2016 \$'000
Computer Hardware		
Computer Hardware	52	52
Less: Accumulated Depreciation	(31)	(21)
Total Computer Hardware	21	31
Transport Equipment		
Transport Equipment	25	25
Less: Accumulated Depreciation	(25)	(23)
Total Transport Equipment	-	2
Total Property, Plant and Equipment	225,322	228,772

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.

Property, Plant and Equipment Reconciliations

A reconciliation of the carrying amounts for each class of property, plant and equipment at the beginning and end of 2016–17 and 2015–16 are set out below:

2016-17	LAND \$'000	BUILDINGS \$'000	BUILDINGS UNDER FINANCE LEASE \$'000	INFRASTRUCTURE \$'000	WORK IN PROGRESS \$'000	PLANT AND EQUIPMENT \$'000	COMPUTER HARDWARE \$'000	TRANSPORT EQUIPMENT \$'000	TOTAL \$'000
Carrying Amount as at 1 July 2016	44,355	15,531	88,491	79,751	-	611	31	2	228,772
Additions	-	23	-	-	1,127	-	-	-	1,150
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

2015-16	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 2015	44,355	-	90,597	98,200	-	114	-	5	233,271
Additions	-	51	-	51	-	91	-	-	193
Depreciation and Amortisation	-	(558)	(2,106)	(1,881)	-	(27)	(10)	(3)	(4,585)
Additions/ (Disposals) from Asset Transfers	-	16,038	-	(16,619)	-	433	41	-	(107)
Carrying Amount as at 30 June 2016	44,355	15,531	88,491	79,751	-	611	31	2	228,772

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 corporation.

REVALUATIONS AND IMPAIRMENT

Revaluation of assets

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

- land
- buildings
- infrastructure assets
- heritage and cultural assets.

The corporation's property, plant and equipment are recorded at the cost of acquisition, being the purchase consideration determined at the date of acquisition plus costs incidental to the acquisition. The depreciated replacement cost of these assets is deemed to be their fair values.

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

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 surplus for that class of asset to the extent that an available balance exists in the asset revaluation surplus.

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 surplus.

The corporation's property, plant and equipment assets were assessed for impairment as at 30 June 2017. 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:

	2017	2016
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	2017 \$'000	2016 \$'000
Carrying amount		
At Valuation	115	115
Less: Accumulated Depreciation	(12)	(10)
Carrying Amount as at 30 June	103	105
Reconciliation of movements		
Carrying Amount at Beginning of Year	105	-
Depreciation	(2)	(1)
Additions from Asset Transfers	-	106
Carrying Amount at End of Year	103	105

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 2017. 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
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	103	103
Total	137,914	137,914

	LEVEL 3 \$'000	TOTAL FAIR VALUE \$'000
2016		
Asset Classes (Note 13)		
Land	44,355	44,355
Buildings	15,531	15,531
Infrastructure	79,751	79,751
Plant and Equipment	611	611
Computer Hardware	31	31
Cultural Assets	105	105
Transport Equipment	2	2
Total	140,386	140,386

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

Cost approach
Cost approach
Cost approach
Cost approach
Cost approach
Cost approach
Cost approach

There were no changes in valuation techniques from 2015-16 to 2016-17.

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 1 July 2016	44,355	15,531	79,751	611	31	2	105
Additions	-	23	-	-	-	-	-
Depreciation	-	(562)	(1,886)	(33)	(10)	(2)	(2)
Fair Value as at 30 June 2017	44,355	14,992	77,865	578	21	-	103

	LAND	BUILDINGS	COMMUNITY INFRASTRUCTURE	PLANT AND EQUIPMENT	COMPUTER HARDWARE	TRANSPORT EQUIPMENT	CULTURAL ASSETS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value as at 1 July 2015	44,355	-	98,200	114	-	5	-
Additions	-	51	51	91	-	-	-
Transfers In	-	16,038	-	433	41	-	106
Transfers Out	-	-	(16,619)	-	-	-	-
Depreciation	-	(558)	(1,881)	(27)	(10)	(3)	(1)
Fair Value as at 30 June 2016	44,355	15,531	79,751	611	31	2	105

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

	2017 \$'000	2016 \$'000
Accounts Payable	10	5
Accrued Expenses	462	1,617
Grants and Subsidies Payable	3,297	2,280
Total Payables	3,769	3,902
Consisting of:		
Government Agencies	58	221
External Bodies	3,711	3,681

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

18. BORROWINGS AND ADVANCES

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

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

	2017 \$'000	2016 \$'000
Current		
Finance Lease Liability	2,270	2,038
Non Current		
Finance Lease Liability	75,462	77,732
Total Other Liabilities	77,732	79,770

19. COMMITMENTS

Commitments are those contracts as at 30 June 2017 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 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:

	2017 \$'000	2016 \$'000
Within 1 year	3,045	2,949
Later than one year and not later than five years	13,177	12,775
Later than 5 years	47,609	51,056
Total Commitment	63,831	66,780

20. NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

The total of the corporation 'Cash and deposits' of \$1.55 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

	2017 \$'000	2016 \$'000
Operating Deficit	(656)	(2,425)
Non-Cash Items:		
Depreciation and Amortisation	4,603	4,587
Repairs and Maintenance	-	9
Doubtful Debts	-	3
Changes in Assets and Liabilities:		
(Increase) in Receivables	(151)	(101)
Decrease/(Increase) in Prepayments	20	(7)
(Decrease)/Increase in Payables	(133)	56
(Decrease)/Increase in Other Liabilities	(85)	5
Net Cash from Operating Activities	3,598	2,127

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.

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

2015-16 Categorisation of Financial Instruments

	FINANCIAL ASSETS - LOANS & RECEIVABLES	FINANCIAL LIABILITIES - AMORTISED COST	TOTAL
	\$'000	\$'000	\$'000
Cash and Deposits	1,141	-	1,141
Receivables ¹	344	-	344
Total Financial Assets	1,485	-	1,485
Payables ¹	-	3,902	3,902
Finance Lease Liabilities	-	79,771	79,771
Total Financial Liabilities	-	83,673	83,673

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

2017 \$'000	2016 \$'000
105	155
32	38
21	3
15	12
70	57
243	265
5	2
(5)	3
-	5

d) Liquidity Risk

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

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

	VARIABLE INTEREST RATE			FIXED INTEREST RATE			
	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	NON INTEREST BEARING \$'000
2016-17							TOTAL \$'000
Assets							
Cash and Deposits	1,550	-	-	-	-	-	1,550
Receivables	-	-	-	-	-	-	460
Total Financial Assets	1,550	-	-	-	-	-	2,010
Liabilities							
Payables	-	-	-	-	-	-	3,769
Finance Lease Liabilities	3,668	15,611	50,435	3,713	14,851	39,912	128,190
Less Interest Components	(2,692)	(9,994)	(14,750)	(2,419)	(8,688)	(11,915)	(50,458)
Total Financial Liabilities	976	5,617	35,685	1,294	6,163	27,997	81,501

	VARIABLE INTEREST RATE				FIXED INTEREST RATE			
	LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000		LESS THAN A YEAR \$'000	1 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	NON INTEREST BEARING \$'000
2015-16								TOTAL \$'000
Assets								
Cash and Deposits	1,141	-	-		-	-	-	1,141
Receivables	-	-	-		-	-	344	344
Total Financial Assets	1,141	-	-		-	-	344	1,485
Liabilities								
Payables	-	-	-		-	-	3,902	3,902
Finance Lease Liabilities	3,579	15,230	54,484		3,713	14,851	43,625	135,482
Less Interest Components	(2,748)	(10,326)	(17,110)		(2,505)	(9,097)	(13,925)	(55,711)
Total Financial Liabilities	831	4,904	37,374		1,208	5,754	29,700	83,673

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 CPI. 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 \$'000	100 BASIS POINTS DECREASE \$'000
30 June 2017		
Financial Assets – Cash at Bank	16	(16)
Net Sensitivity	16	(16)
30 June 2016		
Financial Assets – Cash at Bank	11	(11)
Net Sensitivity	11	(11)

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 \$87 million and a carrying value of \$78 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
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

	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
2016					
Financial Assets					
Cash and Deposits	1,141	1,141	-	-	1,141
Receivables	344	344	-	-	344
Total Financial Assets	1,485	1,485	-	-	1,485
Financial Liabilities					
Payables	3,902	3,902	-	-	3,902
Finance Lease Liability	79,771	-	-	94,668	94,668
Total Financial Liabilities	83,673	3,902	-	94,668	98,570

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 six members of the Board of Directors of the Darwin Waterfront Corporation as listed at Note 25.

iii) Remuneration of key management personnel

The details below exclude the salaries and other benefits of the 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:

	2016-17 \$'000
Short-term benefits	357
Post-employment benefits	33
Total	390

Four of the seven board members were Northern Territory public servants during the 2016-17 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.

2017	REVENUE FROM RELATED PARTIES \$'000	PAYMENTS TO RELATED PARTIES \$'000	AMOUNTS OWED BY RELATED PARTIES \$'000	AMOUNTS OWED TO RELATED PARTIES \$'000
All NT 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 KMPs 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 2016-17 year attended by:

Member	Meetings eligible to attend	Meetings attended
Peter Carew AM	6	6
Andrew Kirkman	6	5
Alastair Shields	2	2
David De Silva	6	6
Trish Brick	6	6
Suzanne Morgan	4	4
Anne Tan	2	2

Election and continuation in office of board members

The date of appointment of members:

Member	Initial date of appointment
Alastair Shields	30 March 2017
Andrew Kirkman	21 April 2015
Trish Brick	21 April 2015
David De Silva	21 April 2015
Peter Carew AM	10 December 2015
Anne Tan	30 March 2017

Suzanne Morgan resigned from the board on 7 April 2017.

26. OTHER STATUTORY INFORMATION

a) Distributions

No dividends or distributions were made during the financial period ended 30 June 2017.
No dividends or distributions are proposed.

b) Number of employees

The corporation had nine employees (2016: 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.



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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 2017, 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 2017, 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 2017, 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

27 September 2017





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