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**Government
of South Australia**

ADELAIDE FESTIVAL CORPORATION

2020-21 Annual Report

ADELAIDE FESTIVAL CORPORATION

Level 9, 33 King William St, Adelaide SA 5000

www.adelaidefestival.com.au

Contact phone number: +61 (8) 8216 4444

Contact email: info@adelaidefestival.com.au

ISSN: 0431

Date presented to Minister: 30 September 2021

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2020-21 ANNUAL REPORT for the Adelaide Festival Corporation

To:

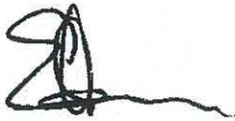
Hon Steven Marshall MP
Premier of South Australia

Dear Premier

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Adelaide Festival Corporation Act 1998* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Adelaide Festival Corporation by:



Elaine Chia
Executive Director
Adelaide Festival Corporation

Date 27 September 2021 Signature



From the Executive Director

The 2021 Adelaide Festival was successfully presented in full despite the many challenges and changing landscape due to COVID-19. Over 17 days from 26 February to 14 March, the Festival achieved artistic acclaim through a mix of local, national and international productions, attracting an audience of more than 160,800 (including WOMADelaide).

This was the fifth Festival presented by Joint Artistic Directors Neil Armfield AO and Rachel Healy.

The 2021 Adelaide Festival offered 70 events and 896 performances across opera, music, dance, theatre, literature and visual arts, encompassing festivals-within-the-Festival: Adelaide Writers' Week, Chamber Landscapes at UKARIA and WOMADelaide. There were 10 world premieres and 16 Australian premieres, with 18 events exclusive to Adelaide.

Sold out events including *The Pulse* by South Australian company Gravity & Other Myths, the Live from Europe performance of *Eugene Onegin*, *Ngarku'adlu* fine-dining dinners at the South Australian Museum, the world premiere of the documentary *My Name is Gulpilil* at the Adelaide Festival Theatre, the *1:1 CONCERTS* in locations around Adelaide, and many concerts in the *Chamber Landscapes* series at UKARIA.

Despite operating at reduced venue capacity, the Festival sold 60,958 tickets and generated an estimated gross expenditure of \$42.5 million for South Australia. Festival shows were also seen by audiences in regional South Australia through a partnership with Country Arts SA which saw performances livestreamed to Renmark, Port Pirie, Mount Gambier and Whyalla.

Free events were again a staple of the Adelaide Festival program and as always were very well attended with more than 66,000 visitors taking advantage of concerts, exhibitions and installations. *The Plastic Bag Store* by artist Robin Frohardt, the environmental public art installation coming from New York's Times Square to Adelaide's Rundle Mall attracted over 12,000 visitors across the festival. Other free events included the Opening Weekend Concert with Jessica Mauboy; Birmingham-based performer Selina Thompson's *Race Cards* at the Institute Building, and Breakfast with Papers and Festival Forums.

Adelaide Writers' Week which ran from 27 February to 4 March was the third for director Jo Dyer. One hundred and forty-four writers, poets, journalists, historians, scientists, politicians, academics and chairs from around the world came together live and virtually across the six days of free open-air readings, panel sessions and literary conversations. Live streaming into libraries, schools, retirement villages and nursing homes saw an increase in the number of organisations who participated in 2021 (up 34% from 2020).

The Adelaide Festival schools program saw a total of 4,545 students from 64 different schools across South Australia including five regional schools, two Aboriginal and Torres Strait Islander schools and three tertiary institutions (NIDA students from Sydney, The University of Adelaide Creative Arts students and

Adelaide Central School of Art). Eleven disadvantaged schools accessed 300 tickets through the Tix For Next To Nix program.

Corporate partnerships and philanthropic support have again significantly contributed to the success of the Festival, with 37 sponsors and over 500 donors making up 15% of total revenue. This was an especially pleasing result given the challenging economic conditions of the past year.

The Festival attracted 4,690 visitors from interstate resulting in 35,301 visitor nights. Total new expenditure in South Australia related to the Festival was \$18.6 million while net impact or newly created incomes on the Gross State Product is estimated at \$23.5 million including the creation of the equivalent of 218 full time jobs.

Whilst the overall quantitative results are lower than in the previous (pre-pandemic) year, the results clearly demonstrate the continued strength and reputation of the Festival in delivering social, cultural and economic returns for South Australia.



Elaine Chia
Executive Director
Adelaide Festival

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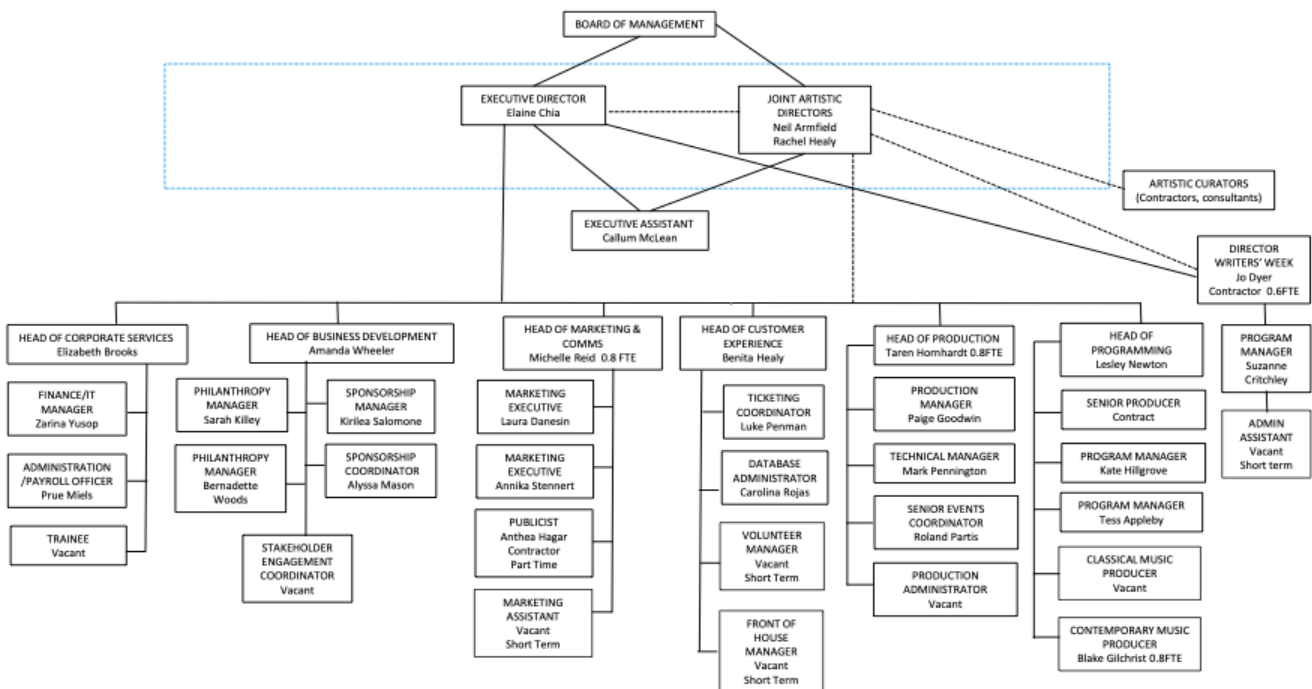
Overview: about the agency

Our strategic focus

Our Purpose	<p>The Adelaide Festival, established in 1960, is recognised as one of the world's most prestigious large-scale, multi-arts festivals.</p> <p>Its aim is to create and present an annual festival program that connects the works of local, national and international artists with audiences, stimulates community engagement and celebrates the transformative power of the arts.</p>
Our Vision	<p>To be one of the world's most celebrated arts festivals, pursuing new creative horizons, enthralling audiences, and placing Adelaide at the centre of Australia's cultural life.</p>
Our Values	<p>ORIGINALITY, EXCELLENCE AND DRAMATIC INGENUITY We value creative ambition, virtuosity, and the ability of artists to innovate.</p> <p>RELEVANCE, RIGOUR AND CONNECTION TO COMMUNITY Our Festival seeks to reflect our society through the arts. We fearlessly engage with big ideas and broker connections between artists and the communities we serve.</p> <p>LEGACY Adelaide Festival experiences will resonate for a lifetime. They will affect the way our culture grows.</p> <p>LEADERSHIP, INTEGRITY AND COLLABORATION Our business practices are based on trust, respect and collaboration with our stakeholders; our organisation reflects the rich diversity of our country, and the primacy of its First Nations people.</p> <p>SUSTAINABLE Our actions demonstrate our commitment to social, environmental and economic sustainability.</p>
Our functions, objectives and deliverables	<p>1. Artistic Inspiration Goal: To present a multi-arts program that speaks to our times and offers audiences the transformative power of the arts.</p> <p>2. Adelaide Experience Goal: To have a transformative cultural impact on our city.</p> <p>3. National Market and Cultural Tourism Goal: To attract artists and audiences from across Australia and around the world.</p>

	<p>4. Audience Growth, Accessibility and Diversity</p> <p>Goal: To attract and inspire a growing and more diverse audience.</p> <p>5. Adelaide Festival (Organisation)</p> <p>Goal: To invest in the capabilities of the organisation to ensure it is fit for the future.</p>
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Our organisational structure



Changes to the agency

During 2020-21 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- To address the need to better engage with Adelaide Festival stakeholders and audiences, a new Customer Experience department was established in April 2021.

Our Minister

The Hon Steven Marshall MP is the Premier of South Australia. The Minister oversees:

- Aboriginal Affairs and Reconciliation
- Defence and Space Industries
- Tourism
- The Arts
- Veterans' Affairs
- Multicultural Affairs

Our Executive team

Neil Armfield AO – Joint Artistic Director with Rachel Healy, responsible for curating and developing the annual Festival program.

Rachel Healy – Joint Artistic Director with Neil Armfield, responsible for curating and developing the annual Festival program.

Elaine Chia – Executive Director, responsible for managing the Corporation.

Legislation administered by the agency

Adelaide Festival Corporation Act 1998

The agency's performance

Performance at a glance

The 2021 Adelaide Festival, curated by Artistic Directors Neil Armfield AO and Rachel Healy, was a remarkable result for the Festival and the state. During a global pandemic the full 17 day Festival was able to proceed unimpeded, reaching new audiences including those in regional South Australia.

The 2021 Festival offered 70 events in theatre, music, opera, dance, film, writing and visual arts, along with its festivals-within-the-Festival: Adelaide Writers' Week, *Incredible Floridas: Chamber Landscapes* at UKARIA, and WOMADelaide. Altogether it comprised 10 world premieres, 14 world premieres and 18 events exclusive to Adelaide.

A total audience of 160,800 attended Adelaide Festival events (including WOMADelaide). The Festival has sold 60,958 tickets, across 70 events and 896 performances. The accessibility of the Festival was again increased with more than 66,000 visitors taking advantage of free events, and through the generosity of the Balnaves Foundation a record 1500 tickets were made available through the Open House program which encompassed Pay What You Can and Tix for Next to Nix initiatives.

The 2021 Adelaide Festival by numbers:

\$42.5 million gross expenditure generated for South Australia

\$18.6 million new expenditure in South Australia

\$23.5 million net impact on the Gross State Product

4690 visitors to the state

35,301 visitor bed nights

218 jobs (full time equivalent)

70 events 896 performances (includes 95 Writers' Week sessions + Kids' day +YA day and 140 WOMADelaide performances)

10 world premieres and 16 Australian premieres

18 events exclusive to Adelaide

847 artists from 22 countries

Agency response to COVID-19

The Adelaide Festival provided strategic input to support the national arts and cultural sector's response to COVID-19 and worked closely with SA Health throughout the year to achieve several COVID-safe protocols to successfully produce and present live performance events.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	The Festival has a core staff of 26. For the six months leading up to the 2021 Festival a further 30 staff were added. During the festival period, over 200 staff and artists are directly employed. The Economic Impact Study commissioned by the Festival shows that the Festival created the equivalent of 218 full time jobs.
Lower costs	The Festival has a rigorous procurement system with monthly forecast of expenditure across all department and regular reporting to the Audit and Risk Committee. The purchase order system allows managers of budgets to monitor actual spend against budget prior to approval.
Better Services	<p>The Festival initiated several new initiatives to ensure more South Australians had access to festival events, including a livestream performing arts series to regional SA. Adelaide Writers' Week was similarly livestreamed to libraries, nursing homes and schools.</p> <p>Program information was made freely available and delivered to ticket buyers via digital daybills.</p> <p>The Festival continued its status as the only Australian major international multi-arts festival to be certified carbon neutral and encourages all artists and audiences to reduce their carbon footprint.</p>

Agency specific objectives and performance

Agency objectives	Indicators	Performance
<p>To present a multi-arts program that speaks to our times and offers audiences the transformative power of the arts</p>	<p>Multi-arts performances and events that speak to contemporary issues</p> <p>Maintain commitment to programming major centrepiece events, and works of varying scale including large scale free events</p> <p>Collaborate with international and national partners</p> <p>Ensure local creativity and participation</p> <p>Commission and present First Nation arts and artists</p>	<p>In 2021, the Adelaide Festival presented:</p> <ul style="list-style-type: none"> • Major centrepiece events in opera, theatre and physical theatre • 70 events including 7 free events and Adelaide Writers' Week • 896 performances • 10 world premieres • 16 Australian premieres including with national partners Sydney Festival, Sydney Dance Company and Belvoir • Over 300 South Australian artists <p>First Nations artists featured in Ngarku'adlu events, <i>My Name is Gulpilil</i> (with Adelaide Film Festival), and First Nations artists' performance in The Summerhouse.</p>
<p>To have a transformative cultural impact on our city</p>	<p>Program across a diversity of locations including non-traditional spaces</p> <p>Outdoor spaces activated</p>	<p>Festival events across 30 Adelaide locations including Adelaide Festival Centre, UKARIA Cultural Centre and non-traditional spaces in Rundle Place, Carrick Hill grounds, Kingpin Norwood and Adelaide Oval scoreboard</p> <p>Adelaide Writers' Week at Pioneer Women's Memorial Garden, <i>Ngarku'adlu</i> picnics at</p>

		Barr Smith Lawns, Adelaide University and <i>Small Metal Objects</i> at Moseley Square, Glenelg.
To attract artists and audiences from across Australia and around the world	<p>Maintain exclusivity of core high-profile events, including opera</p> <p>Adelaide seen as a focal point for tourists in March</p> <p>Position the festival as a key contributor to Adelaide's status as a UNESCO City of Music</p>	<p>18 events exclusive to Adelaide</p> <p>4,690 interstate visitors resulting in 35,301 visitor bed nights</p> <p>Music a key component of the 2021 Festival with <i>Chamber Landscapes: Incredible Floridas</i> at UKARIA Cultural Centre, <i>A Child of Our Time</i> at the Festival Theatre, <i>1:1 CONCERTS</i> across various new locations in Adelaide and Adelaide Hills, and contemporary music at the new venue Adelaide Festival Summerhouse.</p>
To attract and inspire a growing and more diverse audience.	<p>Engage audiences across age groups, demographics and diverse cultures</p> <p>Develop new pilot programs that identify and remove barriers to participation</p> <p>Develop and grow youth and education programs</p>	<p>Events such as Ngarku'adlu picnics and Fangirls attracted audiences across a broad demographic, including many younger audiences</p> <p><i>Open House</i> program supported by The Balnaves Foundation provided over 1,500 tickets across Tix For Next To Nix and Pay What You Can</p> <p>New initiatives in providing access for <i>1:1 CONCERTS</i> for Hutt St Centre and Catherine House clients</p> <p>Education program reached 64 schools across South Australia including five regional schools, two Aboriginal and Torres Strait Islander Schools and three tertiary institutions.</p>

<p>To invest in the capabilities of the organisation to ensure it is fit for the future</p>	<p>Embed effective management and governance</p> <p>Cultivate a positive and proactive team culture supported by efficient systems</p> <p>Develop Sustainability Program</p>	<p>2021 Adelaide Festival achieved small surplus</p> <p>Implementation of new CRM, event scheduling and rostering systems</p> <p>Maintained Adelaide Festival carbon neutral certification.</p>
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Corporate performance summary

In 2021, the Festival achieved a total box office income of \$3.538 million. Festival events attracted 160,800 attendances (including Festival Shows, and un-ticketed events such as Adelaide Writers Week). The program provided opportunities for 847 artists.

The Government percentage contribution to the Festival income was an increase above 50%. While the South Australian Government's overall contribution to the Festival Program was slightly reduced, it represented 54% of total income. This was due to a reduction of box office income by 31% because of COVID-19 restrictions on audience numbers.

Employment opportunity programs

Program name	Performance
Aboriginal ArtsReady Traineeship Program	The trainee hired the previous financial year went on to secure full time employment in the arts. However due to the COVID-19 pandemic, Adelaide Festival deemed it would be unfair and unreasonable to a new trainee to have a lesser experience under these circumstances. Adelaide Festival plans to resume the program when it is safe and reasonable to do so.
Adelaide University internships	As above. Adelaide Festival plans to resume the program when it is safe and reasonable to do so.
NIDA secondments	As above. Adelaide Festival plans to resume the program when it is safe and reasonable to do so.

Agency performance management and development systems

Performance management and development system	Performance
Six Monthly Review	FTE staff undertake six monthly review and regular informal and formal feedback.
Post-performance review training plans	Through the review process all staff can discuss future training prospects and access to job improvement programs.

Work health, safety and return to work programs

Program name	Performance
I-Learn Training	All staff are inducted with workplace WH&S and government requirements.
First Aid	There are three First Aiders in the organisation, as well as one Floor Manager and two Fire Wardens. The organisation currently has three Mental Health First Aiders.
DPC Committee	The Head of Corporate Services is a member of the DPC WHS Committee Arts Sector, looking at exposure to risks from an arts industry perspective to identify and document risks that Government would not normally be exposed to.

Workplace injury claims	Current year 2020-2021	Past year 2019-2020	% Change (+ / -)
Total new workplace injury claims	6 Minor	6 Minor	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2020-2021	Past year 2019-2020	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2020- 2021	Past year 2019- 2020	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

***before third party recovery*

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

Executive employment in the agency

Executive classification	Number of executives
Non Public Service executives	3
Heads of Departments	7

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2020-2021 are attached to this report.

Statement of Comprehensive Income	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	Past year 2019-20 Actual \$000s
Total Income	16,290	16,204	86	18,913
Total Expenses	16,290	15,987	303	18,838
Net Result	0	217	217	75
Total Comprehensive Result	0	217	217	75

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	Past year 2019-20 Actual \$000s
Current assets	2,218	2,455	237	2,213
Non-current assets	681	881	200	770
Total assets	2,899	3,336	437	2,983
Current liabilities	747	895	(148)	629
Non-current liabilities	214	290	(76)	420
Total liabilities	959	1,185	(224)	1,049
Net assets	1,938	2,151	213	1,934
Equity	1,938	2,151	213	1,934

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	N/A	N/A

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Trellis Technologies Ltd	Carbon Offset management	\$ 24,200
	Total	\$ 24,200

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	N/A	N/A

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Anthea Hagar	Publicity	\$ 44,560
Petrina Egan	Publicity	\$ 27,600
Lee Francis	Risk Management	\$ 20,000
Softread Enterprises	Writers Week Director	\$ 102,500
Imprints	Book Tent Managers	\$ 40,000
Mary Vallentine	Classical Music Adviser	\$ 12,500
Adelaide Festival Centre/Town Hall	Bar/Front of House Management	\$ 555,160

Contractors	Purpose	\$ Actual payment
	Total	\$ 802,320

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Risk management

Risk and audit at a glance

The Audit and Risk Committee met six times in the financial year and the Committee are satisfied that all reporting and statutory requirements of the Festival have been met.

Fraud detected in the agency

Category/nature of fraud	Number of instances
None detected	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The Fraud and Corruption Policy was reviewed and adopted by the Board in June 2020 and 2021. The Adelaide Festival Corporation has in place internal control procedures to minimise the risk of fraud, corruption and other criminal conduct, misconduct and maladministration. The objectives of this policy are to:

- demonstrate that the Adelaide Festival Corporation has a zero tolerance to fraud and corruption;
- ensure management, employees, contractors, volunteers, and suppliers of goods and services to the Adelaide Festival Corporation understand their responsibilities to mitigate against fraud and corruption;
- ensure there is a clear process for management, employees and other stakeholders to follow when fraud or corruption is suspected or detected; and
- assist the South Australian Police in the investigation and prosecution of suspected fraudsters.

The Adelaide Festival Corporation always requires that all staff act with honesty and integrity and to safeguard the public resources for which they are responsible. All Adelaide Festival Corporation employees are required to understand and adhere to the *Code of Conduct for South Australian Public Sector Employees* and the *South Australian Public Sector Fraud and Corruption Control Policy*.

The Code of Conduct outlines the underlying principles of respect, integrity, accountability and ethical decision making that is expected from Adelaide Festival Corporation employees.

The Policy is designed to assist public sector agencies in the prevention, detection and response to activities labelled or defined as fraud or corruption, other criminal conduct, misconduct and maladministration within the sector.

As a part of its responsibility for ensuring the values of integrity and honesty are upheld, the Adelaide Festival Corporation is committed to the prevention, detection and reduction of fraud and corruption by establishing a fraud and corruption prevention culture throughout all levels of the Organisation.

The Adelaide Festival Corporation will pursue all suspected acts of fraud, corrupt practices or other similar malpractices and report to the police as required by state government policy and the law.

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

Public interest disclosure

There were no occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
N/A	N/A

Adelaide Festival Corporation Act 1998

Reporting required under the *Carers' Recognition Act 2005*

The organisation is aware of its obligations under section 6 of the *Carers Recognition Act 2005*. For the period of the 2020-21 financial year there was no person or body contracted with the organisation to provide relevant services under the Act.

The organisation continues to support Companion Card to allow cardholders companion free entry into participating venues and events.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	4
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	4
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	6
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	4
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	23
		Total	41

Additional Metrics	Total
Number of positive feedback comments	886
Number of negative feedback comments	41
Total number of feedback comments	927
% complaints resolved within policy timeframes	100%

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/adelaide-festival-corporation>

Service Improvements

A great majority of complaints received were regarding the mandated wearing of masks in theatres or dissatisfaction with other various COVID restrictions placed on customers during the Festival. Many of the other complaints were intended for third party organisations such as venues, ticketing providers, catering providers, carparking stations etc.

The Festival has, however, recently purchased a license to run a good proportion of its own ticketing in the future so the service level provided for the proportion that we will be selling ourselves, will be more under our control.

Compliance Statement

Adelaide Festival Corporation is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Adelaide Festival Corporation has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2020-21

Please see next page.



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chair Adelaide Festival Corporation

Opinion

I have audited the financial report of the Adelaide Festival Corporation for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Festival Corporation as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Executive Director and the Head of Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and 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 the Adelaide Festival Corporation. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independent Standards)* have been met.

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

Responsibilities of the Executive Director and members of the Board for the financial report

The Executive Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Director is responsible for assessing the entity'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 the assessment indicates that it is not appropriate.

The members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19(3) of the *Adelaide Festival Corporation Act 1998*, I have audited the financial report of the Adelaide Festival Corporation for the financial year ended 30 June 2021.

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 this financial report.

As part of an audit in accordance with 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 the Adelaide Festival Corporation's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director
- conclude on the appropriateness of the Executive Director'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 the entity'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 the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Executive Director and the members of the Board about, 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 the audit.



Andrew Richardson

Auditor-General

24 September 2021

Certification of the Financial Statements

We certify that the:

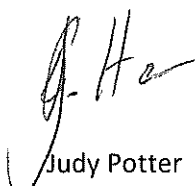
- financial statements of the Adelaide Festival Corporation:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Adelaide Festival Corporation for the financial year over its financial reporting and its preparation of financial statements have been effective.



Elaine Chia
Executive Director



Elizabeth Brooks
Head of Corporate Services



Judy Potter
Chair

17/9/21

Date

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Income			
SA Government grants	2.1	8 867	9 077
Non-SA Government grants	2.1	321	109
Box Office sales	2.5	3 538	5 152
Other sales	2.5	342	495
Interest	2.2	13	70
Other income	2.3	1 155	1 967
Sponsorship	2.4	1 968	2 043
Total income		16 204	18 913
Expenses			
Employee benefits expense	3.3	4 210	4 129
Supplies and services	4.1	11 204	14 373
Depreciation and amortisation	4.2	556	329
Borrowing costs	4.3	4	7
Net loss from the disposal of property, plant and equipment	4.4	13	-
Total expenses		15 987	18 838
Net result		217	75
Total comprehensive result		217	75

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2021

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	2 023	1 886
Receivables	6.3	432	327
Total current assets		2 455	2 213
Non-current assets			
Property, plant and equipment	5.1	794	671
Intangible Assets	5.4	87	99
Total non-current assets		881	770
Total assets		3 336	2 983
Current liabilities			
Payables	7.1	323	253
Financial liabilities	7.2	215	195
Employee benefits	3.4	100	74
Provisions	7.3	4	4
Contract liabilities	7.4	253	103
Total current liabilities		895	629
Non-current liabilities			
Payables	7.1	19	14
Financial liabilities	7.2	61	261
Employee benefits	3.4	185	139
Provisions	7.3	25	6
Total non-current liabilities		290	420
Total liabilities		1 185	1 049
Net Assets		2 151	1 934
Equity			
Retained earnings		2 151	1 934
Total Equity		2 151	1 934

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2021

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Retained earnings \$'000	Total Equity \$'000
Balance at 1 July 2019	1 859	1 859
Net Result for 2019-20	75	75
Total Comprehensive Result for 2019-20	75	75
Balance at 30 June 2020	1 934	1 934
Net Result for 2020-21	217	217
Total Comprehensive Result for 2020-21	217	217
Balance at 30 June 2021	2 151	2 151

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2021

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		8 867	9 077
Receipts from customers, sponsors, donors and others		7 488	8 924
Receipts from Commonwealth-sourced grants		301	40
Receipts from Overseas Governments		20	69
Interest received		13	70
GST recovered from the ATO		-	716
Cash generated from operations		16 689	18 896
Cash outflows			
Employee benefit payments		(4 102)	(4 245)
Payments for supplies and services		(11 364)	(14 383)
Interest paid		(4)	(5)
GST paid to the ATO		(239)	-
Cash used in operations		(15 709)	(18 633)
Net cash provided by operating activities		980	263
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment		(640)	(124)
Purchase of Intangibles		(23)	(18)
Net cash used in investing activities		(663)	(142)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(180)	(140)
Net cash used in financing activities		(180)	(140)
Net increase/(decrease) in cash and cash equivalents		137	(19)
Cash and cash equivalents at the beginning of the period		1 886	1 905
Cash and cash equivalents at the end of the period	6.1	2 023	1 886

The accompanying notes form part of these financial statements.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

1. About the Adelaide Festival Corporation

The Adelaide Festival Corporation (the Corporation) was established pursuant to the *Adelaide Festival Corporation Act 1998*. Our vision is to be recognised nationally and internationally, as one of the world's greatest large-scale, multi-arts festivals that:

- brings to its audience the power of great art;
- pursues new creative horizons;
- places Adelaide at the centre of Australia's cultural life;
- creates a transformational impact on our city, making art central to the culture of our society.

The Corporation does not control any other entity and has no interest in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Corporation.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurers Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the purposes of preparing the financial statements, the Corporation is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2. Objectives

The functions of the Corporation, as prescribed under the *Adelaide Festival Corporation Act 1998*, are to:

- (a) Conduct in Adelaide and other parts of the State the multifaceted arts event that is known as the Adelaide Festival of Arts;
- (b) Continue and further develop the Adelaide Festival of Arts as an event of international standing and excellence;
- (c) Conduct or promote other events and activities;
- (d) Provide advisory, consultative, managerial or support services within areas of the Corporation's expertise;

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

- (e) Undertake other activities that promote the arts or public interest in the arts, or that otherwise involve an appropriate use of its resources; and
- (f) Carry out other functions assigned to the Corporation by or under the *Adelaide Festival Corporation Act 1998* or any other Act, or by the Minister.

1.3. Impact of COVID-19 pandemic on the Corporation

The March 2021 Festival of Arts completed successfully on 14 March. Box office targets were set 30% lower than the previous years. However, expenditure was also reduced by 22% due to very little international content being available for the 2021 Festival.

By 31 March 2021, the core staff had been reduced to 26 FTEs as planned and all were successfully set up for flexible working arrangements with no lost hours. The core staff continue to work on flexible working arrangements by working from home and attending the office when safe to do so.

Due to future uncertainties the Management and Board continue to monitor the progress of the pandemic so as to minimise any impact on the Corporation.

2. Income

The 2021 Festival program exceeded targeted box office from it's original budget as permitted attendances was increased from 50% to 75% due to easing of COVID-19 restrictions. The level of funding from SA Government remained at a similar level as 2020 and the SA Government's overall contribution to the Festival Program was 54.7% (2020: 47.9%) of total income.

2.1. Revenues from Governments

	2021 \$'000	2020 \$'000
SA Government grants	8 867	9 077
Commonwealth-sourced grants	301	40
Overseas Government grants	20	69
<i>Non-SA Government grants</i>	321	109
Total revenues from Governments	9 188	9 186

Revenues from Governments mainly relate to a recurring annual operating grant with the Department of the Premier and Cabinet (DPC) through a Memorandum of Administrative Arrangement (MOAA). The Corporation has concluded that the MOAA does not contain sufficiently specific performance obligations, therefore the grant funding is recognised under AASB 1058 upon receipt.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

2.2. Interest

	2021 \$'000	2020 \$'000
Interest on short term deposits with SAFA	13	70
Total interest	13	70

2.3. Other income

	2021 \$'000	2020 \$'000
Sundry	247	531
Friends membership	111	110
Donations	797	1 326
Total other income	1 155	1 967

Donations are recognised upon receipt under AASB 1058. The Corporation engaged volunteers to provide ushering and information services during the Festival events, these services were not recognised because they did not form a core part of the Festival program and services of this nature would not have otherwise been purchased.

Friends membership and sundry income are recognised under AASB 15 and refer note 2.5 for further information.

2.4. Sponsorship

	2021 \$'000	2020 \$'000
Sponsorship – Cash	1 281	1 212
Sponsorship – In-kind	687	831
Total sponsorship	1 968	2 043

Expenses related to in-kind sponsorship have been recognised in supplies and services.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

2.5 Summary of revenue from contracts with customers

Revenues recognised under AASB 15	2021 \$'000	2020 \$'000
Box Office sales	3 538	5 152
Sponsorship	1 968	2 043
Other sales	342	495
Commonwealth-sourced grants	304	40
Sundry	247	531
Friends membership	111	110
Overseas Government grants	17	69
Total Revenues recognised under AASB 15	6 527	8 440

The above income streams are classified as revenue from contracts with customers under AASB15 as the contracts contain sufficiently specific performance obligations, which are generally satisfied within the same financial year.

For multiple year sponsorship with funding received in advance, the Corporation recognises revenue over time when its performance obligations are satisfied at the end of each festival. The unfulfilled portion is recognised as contract liabilities and disclosed in note 7.4.

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the Corporation include the Minister, the Executive Director and the Board who have responsibility for the strategic, artistic direction and management of the Corporation.

The Board members are appointed by the Government in accordance with the *Adelaide Festival Corporation Act 1998*.

Total compensation for key management personnel was \$678 000 (2020: \$598 000).

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

3.2. Board and committee members

Members during the 2021 financial year were:

Board

Ms Judy Potter (Chair)
 Ms Alison Beare
 Mr David Knox
 Mr Mark Roderick
 Mr Alan James Whalley
 Hon. Amanda Vanstone
 Mr Ian McRae
 Right Hon. The Lord Mayor of Adelaide Sandy Verschoor

Audit and Risk Committee

Mr Mark Roderick (Chair)
 Ms Judy Potter
 Mr Alan James Whalley
 Ms Megan Hender

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

Board and committee remuneration

The number of members whose remuneration received or receivable falls within the following bands:

	2021	2020
\$0 - \$19,999	8	9
Total number of members	8	9

The total remuneration received or receivable by members was \$58 000 (2020: \$46 000). From which \$19 000 (\$19 000) was donated back to the Corporation. Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

From time to time, Board members will receive complimentary tickets to shows or events conducted by the Corporation. These benefits are provided to attend Festival events solely for the purpose of the execution of duties of office and direct hosting of guests, sponsors and donors.

3.3. Employee benefits expense

	2021 \$'000	2020 \$'000
Salaries and wages	3 612	3 537
Employment on-costs - superannuation	345	359
Employment on-costs - other	195	187
Board fees	58	46
Total employee benefits expense	4 210	4 129

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the Corporation's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

The number of employees whose remuneration received or receivable fell within the following bands:

	2021 No	2020 No
\$154 001 to \$174 000	1	1
\$174 001 to \$194 000	-	1
\$194 001 to \$214 000	-	1
\$214 001 to \$234 000	2	-
Total	3	3

The total remuneration received by these employees for the year was \$620 000 (2020: \$552 000).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

3.4. Employee benefits liability

	2021 \$'000	2020 \$'000
Current		
Accrued Salaries and Wages	19	28
Annual Leave	81	27
Long Service Leave	-	19
<i>Total current employee benefits</i>	100	74
Non-Current		
Long Service Leave	185	139
<i>Total non-current employee benefits</i>	185	139
Total employee benefits	285	213

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured as the present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability are provided as note 11.1.

4. Expenses

4.1. Supplies and services

The current breakdown of supplies and services for the 2021 Festival shows that 73.7% went towards the presentation of the Festival, 13.7% went to the promotion of the Festival, 4.5% went to servicing our corporate sponsorship and philanthropy programs, and 8.1% went to corporate governance and artistic direction.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Presentation of the Festival		
Event staging and contracts	4 212	4 234
Cost of goods for sale	490	743
Royalty and license fees	258	149
Artist fees and payments	2 733	4 246
Artist travel and accommodation	559	1 502
Total presentation of the Festival	8 252	10 874
Promotion of the Festival		
Marketing, advertising and media	1 292	1 413
Design, printing and distribution costs	239	384
Total promotion of the Festival	1 531	1 797
Corporate governance and artistic direction		
Short-term and low-value leases	48	14
Communications and information technology	172	262
Insurance	48	89
Other expenditure	648	739
Total corporate governance and artistic direction	916	1 104
Corporate sponsorship and philanthropy programs		
Hospitality, sponsorship and ticketing	505	598
Total corporate sponsorship and philanthropy programs	505	598
Total supplies and services	11 204	14 373

Consultants

The number of consultancies and dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No	2021 \$'000	No	2020 \$'000
\$10 000 or above	1	24	1	14
Total	1	24	1	14

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

4.2. Depreciation and amortisation

	2021 \$'000	2020 \$'000
Plant and equipment	310	79
Right-of-use buildings	211	218
Purchased computer software	35	32
Total depreciation and amortisation	556	329

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of Asset	Useful life (years)
Plant and equipment	3-10
Right-of-use buildings	life of lease
Purchased computer software	4-5

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

4.3. Borrowing costs

	2021 \$'000	2020 \$'000
Interest expense on lease liabilities	4	7
Total borrowing costs	4	7

The Corporation does not capitalise borrowing costs.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

4.4. Net loss from the disposal of property, plant and equipment

	2021 \$'000	2020 \$'000
Net proceeds from disposal of plant and equipment	-	-
Less carrying amount of assets disposed	13	-
Net loss from disposal of plant and equipment	13	-

5. Non-financial assets

The Festival has continued to invest in improvement to software, databases and website design.

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets.

	2021 \$'000	2020 \$'000
Plant and equipment at cost (deemed Fair Value)	1 748	1 145
Less: Accumulated depreciation	(1 182)	(904)
<i>Total plant and equipment</i>	566	241
Right-of-use buildings	658	653
Less: Accumulated depreciation	(430)	(223)
<i>Total Right-of-use buildings</i>	228	430
Total Property, plant and equipment	794	671

During the 2021 financial year the Summerhouse Club structure was designed and built, with an expected life of three Festivals up to 2023. The total costs for the Club were \$608 000 and its carrying amount at 30 June 2021 was \$405 000. It has been included in the Plant and equipment at cost.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

5.2. Property, plant and equipment owned by the Corporation

Property, plant and equipment owned by the Corporation with a value equal to or in excess of \$1 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Corporation is recorded at fair value. Details about the Corporation's approach to fair value are set out in note 11.2.

Impairment

Property, plant and equipment owned by the Corporation has been assessed for impairment. As a result, an impairment loss of \$13 000 has been recognised.

Reconciliation 2020-2021

	Plant and equipment \$'000	Right-of- use buildings \$'000	Total \$'000
Carrying amount at the beginning of the period	241	430	671
Additions	640	17	657
Disposal of assets	(13)	-	(13)
Depreciation	(310)	(211)	(521)
Asset reclassification	8	(8)	-
Carrying amount at the end of the period	566	228	794

5.3. Property, plant and equipment leased by the Corporation

Right-of-use assets for property, plant and equipment leased by the Corporation as lessee are measured at cost. The Corporation's right-of-use assets mainly relate to a lease of 605.5m² floor of a building in the Adelaide CBD, being the registered office of the Corporation. The Corporation also has a warehouse/storage space in Richmond and an outdoor storage in Netley, both leases are with the Department for Infrastructure and Transport (DIT).

The warehouse/storage lease in Richmond commenced on 1 July 2019 and ends on 30 June 2022. The Corporation has retrospectively recognised this lease. The impact on last year's financial statements has been summarised in the table below, all the comparatives have been restated.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

Balance	2020 reported	Adjustments	Restated
Statement of Financial Position			
Right-of-use buildings	519	134	653
Accumulated depreciation	(178)	(45)	(223)
Current financial liabilities	151	44	195
Non-current financial liabilities	214	47	261
Equity	1 936	(2)	1 934
<hr/>			
Statement of Comprehensive Income			
Supplies and services	14 418	(45)	14 373
Borrowing costs	5	2	7
Depreciation and amortisation (right-of-use buildings)	173	45	218
Net result	77	(2)	75
<hr/>			

Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Corporation's maturity analysis of its lease liabilities is disclosed in note 11.3.

Impairment

Property, plant and equipment leased by the Corporation has been assessed for impairment. There was no indication of impairment.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

5.4. Intangible assets

	2021	2020
	\$'000	\$'000
Purchased computer software	181	158
Less: accumulated amortisation	(94)	(59)
Total intangible assets	87	99

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$1 000.

Reconciliation 2020-2021

	Purchased computer software \$'000	Total \$'000
Carrying amount at beginning of the period	99	99
Additions	23	23
Amortisation	(35)	(35)
Carrying amount at the end of the period	87	87

6. Financial assets**6.1. Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Cash at bank	295	551
Cash at hand	1	1
Short term deposits with SAFA	1 727	1 334
Total cash and cash equivalents	2 023	1 886

6.2. Deposits with SAFA

Short term deposits are made on an at-call basis with funds transferred within 24 hours upon request. The deposits are lodged with SAFA and earn interest at the respective short term deposit rate on a monthly basis.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021
Foreign exchange

All transactions undertaken in a foreign currency are translated into the functional currency of the Corporation. Foreign exchange transactions are recorded on initial recognition by applying the foreign currency amount at the spot rate at the date of transaction. The date of transaction is the date on which the transaction first qualifies for recognition. Gains or losses arising from translation are taken directly to revenues or expenses.

6.3. Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From non-government entities	175	111
Statutory receivables		
GST input tax recoverable	175	156
Prepayments	82	1
Accrued revenues	-	59
Total current receivables	432	327

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 14 days after the receipt of an invoice or the goods/services have been provided under contractual agreement.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

The net amount of GST recoverable from the ATO is included as part of receivables. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The Corporation has assessed the collectability of its trade receivables and does not believe that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2021	2020
	\$'000	\$'000
Current		
Trade payables and accrued expenses	181	132
Statutory payables		
Audit fees, payroll tax and other	126	117
Employment on-costs	16	4
<i>Total current payables</i>	<u>323</u>	<u>253</u>
Non-Current		
Statutory payables		
Employment on-costs	19	14
<i>Total non-current payables</i>	<u>19</u>	<u>14</u>
Total payables	<u>342</u>	<u>267</u>

Payables and accruals are raised for all amounts owing but unpaid. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

Employment on-costs

Employment on-costs include payroll tax, Return To Work SA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The Corporation contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the relevant superannuation scheme.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained at 42% and the average factor for the calculation of employer superannuation on-costs has changed from the 2020 rate of 9.8% to 10.1%. These rates are used in the employment on-cost calculation.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2021

7.2. Financial liabilities

	2021 \$'000	2020 \$'000
Current		
Lease Liabilities	215	195
<i>Total current payables</i>	<u>215</u>	<u>195</u>
Non-Current		
Lease Liabilities	61	261
<i>Total non-current payables</i>	<u>61</u>	<u>261</u>
Total financial liabilities	<u>276</u>	<u>456</u>

The Corporation measures financial liabilities including borrowings/debt at amortised cost.

7.3. Provisions

	2021 \$000	2020 \$000
Current		
Provision for workers compensation	4	4
<i>Total current provisions</i>	<u>4</u>	<u>4</u>
Non-current		
Provision for remedial costs	15	-
Provision for workers compensation	10	6
<i>Total non-current provisions</i>	<u>25</u>	<u>6</u>
Total provisions	<u>29</u>	<u>10</u>

Movement in provisions

	2021 \$'000	2020 \$'000
Carrying amount at beginning of the period	10	8
Additional provisions recognised	19	2
Carrying amount at the end of the period	<u>29</u>	<u>10</u>

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A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under the current legislation.

The Corporation is responsible for the payment of workers compensation claims.

An additional provision has also been recognised to reflect the possible end of lease remedial costs for the office lease.

7.4 Contract liabilities

	2021 \$'000	2020 \$'000
Current		
Contract liabilities	253	103
Total contract liabilities	253	103

Contract liabilities relate to sponsorship received in advance with performance obligations to be fulfilled in future years.

8. Other disclosures

8.1. Cash flow

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

Total cash outflow for leases was \$225 000 (2020: \$206 000).

9. Outlook

9.1. Unrecognised commitments

Expenditure commitments

	2021 \$'000	2020 \$'000
Within one year	24	2
Later than one year but not longer than two years	48	15
Total expenditure commitments	72	4

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The Corporation's expenditure commitments relate to a low value lease for storage facilities with DIT and two computer equipment leases. The storage lease was effective from 1 July 2019 for 3 years with a fixed 3% per annum increase and renewed with greater space from 25 March 2021 for 3.75 years to June 2024. Rent is payable in advance. There are two 3-year equipment leases, one commencing in August 2019 to July 2022 and the other one from January 2021 to December 2023, both on interest free terms.

9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Corporation is not aware of any contingent assets and liabilities.

10. Measurement and risk

10.1. Long service leave liability – measurement

AASB 119 *Employee benefits* contain the calculations methodology for long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB119 *Employee benefits* requires the use of yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 0.5% to 1%. This rate is used as the rate to discount future long service leave cash flows.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$27 000 and employment benefits expense of \$27 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience and known applications for leave.

11.2. Fair Value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

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Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life of less than 3 years. Those plant and equipment have not been revalued in accordance with APS 116D. The carrying value of these items are deemed to approximate fair value.

11.3. Financial instruments**Financial risk management**

Risk management is managed by the Corporation's corporate services section. The Corporation's exposure to financial risk (liquidity, credit and market risk) is low due to the nature of financial instruments held.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instruments are disclosed in the respective financial asset/financial liability note.

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Classification of Financial Instruments:

The Corporation measures all financial instruments at amortised cost.

Maturity analysis of financial instruments

Category of financial asset and financial liability	Note	2021	2021 Contractual maturities*	
		Carrying amount/Fair Value	Within 1 year	1-5 years
		\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	6.1	2 023	-	-
Financial assets at amortised cost				
Receivables**	6.3	175	-	-
Total financial assets		2 198	-	-
Financial liabilities				
Financial liabilities at amortised cost				
Payables**	7.1	181	181	-
Lease liabilities	7.2	277	216	61
Total financial liabilities		458	397	61

Category of financial asset and financial liability	Note	2020
		Carrying amount \$'000
Financial assets		
Cash and cash equivalents	6.1	1 886
Financial assets at amortised cost		
Receivables**	6.3	111
Total financial assets		1 997
Financial liabilities		
Financial liabilities at amortised cost		
Payables**	7.1	132
Lease liabilities	7.2	458
Total financial liabilities		590

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*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount of the financial instrument.

** Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.3.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.