

south bank
corporation

SOUTH BANK CORPORATION

ANNUAL REPORT 2012 – 2013

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1. Letter of Compliance

25 September 2013

The Honourable Jeff Seeney MP
Deputy Premier
Minister for State Development, Infrastructure and Planning
100 George Street
Brisbane QLD 4000

Dear Deputy Premier,

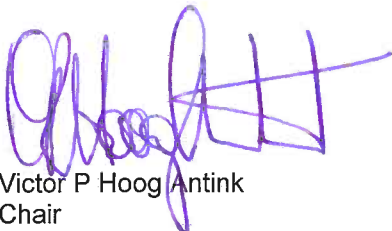
I am pleased to present the south Bank Corporation Annual Report and financial statements for 2012-2013.

I certify that this Annual Report complies with:

- The prescribed requirements of the Financial Accountability Act 2009 and the Financial and Performance Management Standard 2009; and
- The detailed requirements set out in the Annual Report Requirements for Queensland Government Agencies.

A checklist outlining the annual reporting requirements can be found as appendix one of this annual report.

Yours sincerely,



Victor P Hoog Antink
Chair
South Bank Corporation

2. Glossary

SBC	South Bank Corporation
SBEO	South Bank Employing Office
The Act	South Bank Corporation Act 1989 (Qld)
BCEC	Brisbane Convention & Exhibition Centre
FTE	Full-time equivalent

Availability of interpreter services

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the Annual Report, you can contact us on 131 450 and we will arrange an interpreter to communicate the report to you.

More information

Queensland Government Multicultural Policy 2004 incorporating the Queensland Government Language Services Policy <http://www.multicultural.qld.gov.au/services-resources/translating-interpreting-services>

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3. South Bank Corporation Overview

3.1 A message from the Chairman

The past year has been another highly successful year for South Bank with an exciting events and activation program, and many new quality retailers establishing in the precinct. This year also saw the Queensland Symphony Orchestra take up residence in the ABC building and the upgrade of one of our key arrival points – Russell St. These initiatives have ensured that we have been able to continue to offer exciting new experiences for the visitors to the precinct.

The transition of responsibility of the South Bank Parklands was achieved on 1 July 2013 with the Brisbane City Council taking on the role of managing the Parklands, its daily operations, horticulture and maintenance, as well as marketing and event activation. This was achieved with 80 staff transferring their employment to the Council, with 100% acceptance of the transfer of employment and zero redundancies. I would like to thank the Corporation's staff for their dedication and resolve during what was a year of change.

What from the outside appeared seamless could only be achieved through hard work and diligence from everyone involved.

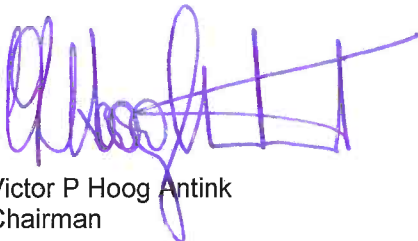
The 2012 – 2013 year saw a number of achievements by the Corporation which need mentioning, particularly:

- the first full year of highly successful operation of the BCEC expansion on Grey St;
- Regional Flavours, which has established itself as a signature event here at South Bank, has continued to grow in popularity;
- South Bank's Earthcheck accreditation. South Bank Parklands was awarded Silver certification to the Earthcheck Community Standard. South Bank was the first community in Australia to reach this high standard of achievement;
- the Corporation has made substantial progress with respect to two major development projects. The Southpoint project with the Anthony John Group and the redevelopment of the Riverside Restaurants complex, which are both likely to commence early in 2014. These iconic buildings will further add to the international appeal of the South Bank Precinct;
- the Courier-Mail's sponsorship of the Piazza.

Some months ago I was appointed Chairman of a Review of Stadiums Queensland, Queensland Performing Arts Complex, South Bank Corporation and the Convention Centres in Cairns and Gold Coast. The review was to examine and report on ownership, governance and management of these assets going forward. The final report was presented to the Premier in September 2013.

I look forward to the Government decisions in relation to the review and the exciting next stage for South Bank.

I would like to thank my Board colleagues for their hard work and support, and I look forward to what I am sure are exciting times for Brisbane City's jewel.



Victor P Hoog Antink
Chairman

3.2 A message from the CEO

The 2012 – 2013 year was without doubt a year of transition for South Bank Corporation culminating in a successful transfer to the Brisbane City Council of the management of the Parklands on 1 July 2013. The aim of all involved was always to achieve a transfer of responsibility that would, in fact, go unnoticed by the public in general. I am sure that that aim was achieved.

The Corporation also operated with an instruction to avoid any discretionary expenditure during this transition period. The result has been a substantial saving in operating and capital expenditure of \$11.8 million for the financial year.

I would like to thank all Corporation staff, who have worked hard together with the State Government and Brisbane City Council to achieve the transfer.

I would also like to thank those Corporation staff members who have transferred their employment to the Council for their dedication and patience in what to them were uncertain times.

The 2012 – 2013 year was also the first full year of operation for the Grey Street expansion of the Brisbane Convention and Exhibition Centre and by every measure the expansion has been a resounding success.

Finally, I would like to thank the Board for their strong support, the executive team and all staff of the Corporation for their hard work and support and I look forward to the exciting plans in place for the Parklands, such as the redevelopment of its Riverside Restaurants, and completion of the Southpoint project with the Anthony John Group. which will be such a great addition to South Bank's maturing dining precinct.



Jeff Weigh
Chief Executive Officer

3.3 Agency role and main functions

The 42 hectare South Bank precinct is multi-faceted and evolving. It is an astounding place with numerous, interlinked stakeholders and many passionate players who work together to create the best outcome for a precinct loved just as much by visitors as it is by locals.

Behind each activity large or small, sits a small but driven team – South Bank Corporation – a group of people committed to making this place the best new urban precinct in the world. The Corporation strives to meet Queensland Government priorities as well as its own aims, which are geared towards adding value to the State's economy. We are passionate about our new strategic direction which is designed to re-engage Brisbane locals with inspiring activities and initiatives. Although we have many distinct teams who have differing skills and expertise, we are one organisation.

Our core services include: Convention and exhibition management; retail and property management; visitor services; event management; marketing and communications; horticulture, maintenance, electrical and water services; and urban design and planning. With a total asset base of over \$700 million (including the Brisbane Convention & Exhibition Centre) and 87 full-time-equivalent employees as at 30 June 2012, we are acknowledged as one of Australia's leading place managers.

The South Bank Corporation Strategic Plan for 2010-2015 provides the guiding principles for the Corporation's management team and employees. The Plan is reviewed and confirmed annually, with the current goals on track to be achieved by mid-2015.

3.4 Our role

South Bank Corporation ("the Corporation") was established pursuant to the South Bank Corporation Act 1989 ("the Act"). The Corporation's objects as set out in the Act are to:

- Promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation area;
- Achieve an appropriate balance between the Corporation's commercial and non-commercial functions;
- Ensure the Corporation area complements, rather than duplicates, other public use sites in the inner city Brisbane area;
- Provide for a diverse range of recreational, cultural and educational pursuits for local, regional and international visitors;
- Accommodate public events and entertainment that benefit the general community; and
- Achieve excellence and innovation in the management of open space and park areas.
- In all of the above aims, there is an express objective to be 'world-class' and an exemplar for Queensland.

3.5 Our vision

Our vision is to create and manage the best new urban precinct in the world.

3.6 Our values

Bold – We create an innovative variety of places and experiences.

Inclusive – We welcome everyone to our places.

Collaborative – We strive for mutual benefit.

Sustainable – We will be a responsible stewardship of our places.

3.7 Our purpose

Our purpose is for the South Bank reach of the river to be the centre of Brisbane.

The river will unite South Bank and the CBD, linking the city's green and commercial places and provide a vibrant platform for visitor activities for the whole community. South Bank will strengthen its connections with West End, Highgate Hill and Woolloongabba, along with the neighbouring arts, educational, sporting and convention facilities.

As the South Bank precinct evolves, the Corporation will strive to ensure that the Parklands, Little Stanley Street and Grey Street are great, authentic places which form the heart of city life, and contribute to the recognition of Brisbane as a vibrant and forward thinking city.

We will celebrate our successes and continue to gain local, national and international recognition of South Bank.

3.8 Our corporate goals

The eight corporate goals we strive for are to:

- 1) Place visitor experience at the core of our business;
- 2) Create distinctive Queensland experience layers;
- 3) Improve visitor and customer satisfaction;
- 4) Collaborate with our many partners;
- 5) Attract, develop and retain the best people in their field;
- 6) Provide a positive 'return on investment' to community and Government;
- 7) Achieve excellence in sustainability and urban design; and
- 8) Ensure sound governance and astute financial management.

3.9 Operating environment

As a statutory authority, South Bank Corporation is subject to State Government policies. Accordingly, we integrate whole-of-government targets such as growing a Four Pillar Economy into our strategic direction and day-to-day activities. As a forward thinking authority, South Bank Corporation dedicates a significant proportion of its decision making to Brisbane's increasing population growth. We are well aware that Queensland is one of the fastest growing states in Australia, meaning that our development projects and community initiatives are created to accommodate Brisbane's burgeoning population, with accessible entertainment and leisure opportunities in the heart of the city. We analyse and interpret urban trends and accommodate salient predictions into our place making to ensure that visitors of all ages and diverse backgrounds can socialise and relax in our modern, inspiring places and come away feeling that they have taken respite from their busy urban lives.

In keeping with our place making approach the Corporation views everything it does through the lens of the visitor experience. Simply running numerous events does not guarantee a great visitor experience. There needs to be diversity and depth of experience to meet the objectives of "excellence and innovation in open space and park management". These experiences can be categorised under four key themes or "experience layers": Active Leisure; Art and Culture; Food and Retail; and Community Life. These layers guide the Corporation's development of event and retail activation strategies.

Our places

South Bank, incorporating the Parklands, Little Stanley, Grey Street and River Quay, is Brisbane's place of celebration opposite the Central Business District and linked by our city's best asset – the Brisbane River.

South Bank Corporation is responsible for managing the composite 42 hectare site which sits at the heart of a rich enclave of cultural establishments at the forefront of architecture, music and the visual and performing arts. The precinct is unique both in its physical and social makeup. It amplifies South-East Queensland's quintessential qualities: climate, landscape, character, diversity and lifestyle. In operation 24 hours a day, 365 days a year, South Bank has evolved to become one of Queensland's major local and tourist destinations. Our dynamic urban precinct is located in an increasingly diverse part of Brisbane with estimated annual visitation rates exceeding 10 million. Except for inner-city apartment towers, it is one of the closest residential areas to the CBD but with greater diversity. Our visitors, patrons, partners and stakeholders are attracted to the ambience, surrounds, cultural and leisure-time appeal of our rich and varied subtropical public place.

Our places are like nowhere else in Queensland. A day or night at South Bank will reveal original and surprising experiences. With high levels of infrastructure and services located within the immediate vicinity, our precinct is not only attractive but seamlessly accessed both locally, and through bus and train connections right across South-East Queensland. The precinct is home to over 10,000 employees and residents who can access an array of services including hotels, retail outlets, educational institutions, public transport, car parking and entertainment.

Our places:

South Bank

South Bank is a rare lifestyle precinct located just a few minutes from Brisbane's Central Business District. A unique mix of world-class restaurants and pristine natural surrounds, the precinct attracts more than nine-million local and international visitors each year.

Visitors are attracted to South Bank for an endless list of reasons, including its stunning views, an ever-changing program of entertainment, a diverse selection of restaurants, and close proximity to the Cultural Centre, which is the heart of art and culture in Brisbane, including the world-renowned Gallery of Modern Art (GoMA). Major community events, including Riverfire and New Year's Eve, also see South Bank become a hive of activity as the community comes together in celebration.

The Precincts

South Bank is divided into four main precincts – Grey Street, Little Stanley, the Parklands and River Quay – and each precinct has been strategically created to attract a diverse range of visitors to the area.

Grey Street is home to a vibrant cultural centre, as well as a selection of conveniences including a doctor's surgery, bank and beauty clinics. Little Stanley radiates contemporary charm with its cafes, multicultural restaurants and fashionable boutiques, while the Parklands offers a family-friendly location complete with a man-made beach, take-away options, a children's water park and picnic grounds. Finally, River Quay is South Bank's newest addition, where some of the Brisbane's best chefs pioneer the art of contemporary dining.

The Parklands

With its vibrant purple bougainvillea-covered arbour, cascading water features, leafy rainforest walk and large grassy areas, the Parklands, South Bank is a pristine haven of natural beauty, interspersed with chance discoveries.

Take a dip at Streets Beach, explore the shops and cafes along the cobbled laneways of Stanley Street Plaza, and take in the sweeping views of the Brisbane River and the city skyline as you stroll through this urban oasis.

The Parklands is a haven of natural beauty offering more than 17 hectares of riverfront parkland featuring 20 landscaped spaces as well as our iconic, man-made Streets Beach. The Parklands is a place to learn about healthy, active and modern living through our many experiences and initiatives. We welcome visitors and locals to come to an urban oasis, where they can be energised and fill their

minds with fresh ideas. The Parklands, South Bank is a place which provides an escape from the frenetic pace of city living. It is an oasis where locals and visitors can take time out, relax and enjoy a delightful, natural setting in the middle of the city.

Little Stanley Street

Everyone has a sacred ritual – from a morning coffee and newspaper session, to weekly brunch dates with friends, or enjoying a glass of wine at the end of a long day. Perfectly framed by the lush surrounds of the Parklands and brimming with contemporary charm, Little Stanley is a place where sacred rituals are born. Meander along this cosmopolitan strip and discover a favourite new coffee haunt, where the aroma of freshly roasted coffee beans fills the air. Continue the journey to find a perfect spot for a long lazy sun-drenched lunch, a new bar to congregate with friends, and finish your journey by browsing the fashion boutiques.

Little Stanley is a place of chance discoveries, urban exoticism and contemporary cool. Created as a beacon for the smart and chic, it offers an array of contemporary and international cuisine styles including Turkish, Indian, Malaysian, Japanese, Mediterranean, Modern Australian and Italian. Increasingly known as one of Brisbane's best dining streets, Little Stanley encapsulates the energy and vibrancy of our city in a contemporary setting overlooking the Parklands. Little Stanley is a celebration of subtropical street life unmatched in Australia.

Grey Street

To truly partake in the culture of a city, the experience of simply wandering through bustling precincts, exploring popular local haunts and cultural alcoves, will uncover endless insights and delights. Nestled in the heart of Brisbane's cultural precinct, the Grey Street boulevard stretches from the Cultural Centre – which is home to the Gallery of Modern Art, Queensland Art Gallery, Queensland Museum, Queensland Performing Arts Centre and State Library of Queensland – past the Queensland Conservatorium and along to the Cineplex cinemas.

Grey Street is Brisbane's cultural boulevard where commerce combines with creativity to create a truly diverse and unique street. With arts organisations showcasing international artistry and many prestigious commercial businesses and retail opportunities, it is a street in which to be bold and be challenged. In a world in which free time is in short supply, and where people are seeking meaningful and rewarding urban experiences, Grey Street stands apart on Brisbane's leisure and commercial landscape as the excitable hub of the city's creative, leisure and retail experiences.

River Quay

River Quay is a striking contemporary dining destination at the foot of the Parklands that delivers a new dining paradigm for Brisbane. Four restaurants sit side-by-side, luring diners of all persuasions to partake in a celebration of fresh ingredients prepared with honesty and integrity.

Each of the restaurants, Popolo, Stokehouse Q, The Jetty, Aquitaine and Cove Bar + Dining, have been designed to integrate seamlessly with the natural surrounds and the soothing riverscape that fringes the precinct. Decorated with elaborate fit-outs, and offering the finest service alongside cutting-edge contemporary cuisine, the restaurants create unique dining experiences.

Rain Bank: South Bank's stormwater harvesting and reuse facility

Rain Bank is a stormwater harvesting and reuse system designed to improve water efficiency and reduce water consumption across the Parklands. It has been designed to divert stormwater runoff from a 30 hectare catchment across West End to a large, underground storage tank located next to the Wheel of Brisbane at South Bank. Rain Bank is estimated to harvest, store, treat and reuse 77 megalitres of stormwater each year while providing up to 85 percent of the Parklands' irrigation demand as well as progressively supplementing water features and toilet flushing when surplus is available.

Rain Bank's award-winning technology will save the equivalent of 30 Olympic-sized swimming pools worth of water each year and will enable the Parklands to have a predominantly self-sufficient water supply. Rain Bank also includes a state-of-the-art animation display and viewing deck area, looking into the treatment plant. This aspect of the project, along with school and industry tours hosted by South Bank Corporation, will provide year-round educational opportunities for visitors to learn about world class stormwater harvesting and water conservation.

3.10 Operational highlights

3.10.1 Transfer of Parklands to Brisbane City Council

In March 2013 the Department of State Development, Infrastructure and Planning requested the Corporation to undertake the project management of the transfer of the Parklands to the Brisbane City Council following the execution of a Memorandum of Understanding between the State and Brisbane City Council in late 2012. The transfer of responsibility for management of the Parklands to Brisbane City Council was formalised and took effect from 1 July 2013. Brisbane City Council has been granted a 10 year lease of the Parklands and is now responsible for all operational aspects of the Parklands.

Responsibility for development assessment of new projects against the Corporation's Approved Development Plan has also been transferred to Brisbane City Council.

Responsibility for marketing and activation of the Parklands has been transferred to Brisbane Marketing.

The Corporation has retained responsibility for the all commercial assets in the precinct and for the public roads and footpaths.

Brisbane Convention & Exhibition Centre (BCEC)

On Queensland Day, June 6, BCEC celebrated 18 years of successful financial and operational performance.

During the 2013 Financial Year, the Centre hosted 124 conventions and delivered 500,000 bed nights to Brisbane hotels, hosting 1,241 events in total.

The Centre's boutique expansion, BCEC on Grey Street continued to attract national and international attention, exceeding expectations by hosting 541 events, with forward bookings for the centre tracking strongly.

The pinnacle of the year's performance was the announcement of the Brisbane Convention & Exhibition Centre as the official venue for the G20 World Leaders' Summit in November 2014.

The Centre will host leaders of the world's most advanced and emerging economies with trade and finance conferences to precede the G20 event. With 7,000 international visitors expected to attend including 3,000 accredited media, this event will place Brisbane and BCEC at the centre of world attention.

During the year the Centre welcomed more than 6,000 of the world's top geoscientists to the 34th International Geological Congress (IGC) – Australia's largest ever international geosciences event - which generated in excess of \$18 million for the Queensland economy in visitor spend and 37,000 visitors from Australia and overseas to the Brisbane Truck show – two headline events on the Centre's calendar.

Brisbane Convention & Exhibition Centre confirmed a total of 142 new convention bookings for Brisbane with an estimated economic value to the city of \$248 million, with accompanying investment and development opportunities for key industries, particularly in the medical, science and energy sectors.

Three years after establishing the influential BCEC Convention Advocates Partnership, a group of eminent academics, scientists and researchers, internationally recognised in their fields of expertise, the benefits and value of this initiative are delivering results with 27 Advocate assisted bid wins showcasing Brisbane's science and research excellence to a global audience.

The Centre continues to add to its already impressive list of awards being voted Worldwide Convention Centre Team of the Year by the London based Conference & Incentive Travel Magazine (C&IT).

The Centre was also voted Number 1 out of the Top Ten Convention Centres in Australia by Management Today, the monthly magazine of the Australian Institute of Management for the second time.

The Centre's commitment to a strong Social Responsibility agenda is reflected in the winning of two national awards for CSR, the Restaurant & Catering Australia Green Table Award for Excellence in Environmental Sustainability and the Corporate Social Responsibility Award at the Meetings & Events Australia National Awards for the second year in succession.

BCEC joined with the AEG1 EARTH global sustainability program across the group's worldwide family of venues, participating in 1EARTH Month with the objective of reducing the Centre's environmental impact. BCEC now recycles 54% of total waste.

3.10.2 ABC Development

The ABC development was completed during the year and the Queensland Symphony Orchestra has also relocated its operations to the building. These two significant cultural organisations will make a valuable contribution to the experiences available to visitors to the precinct.

3.10.3 Earthcheck

On the 21 of September 2012, the South Bank Parklands was awarded Silver certification to the Earthcheck Community Standard. South Bank Parklands was the first community in Australia to reach this high standard of achievement. The Parklands received Above Best Practice ratings when compared against similar global communities for the following criteria:

- Accredited Operators
- Water Saving
- Paper Products
- Cleaning Products
- Recycled and Captured water
- Pesticide Products and
- Open Space

The Brisbane City Council will continue the Earthcheck program for the Parklands in the future.

3.10.4 Grey Street Strategy

The Corporation undertook a comprehensive consultation process with a wide range of stakeholders to investigate ways that Grey Street can better meet the Corporation's aims for it to be one of the great streets of Brisbane. A range of engagement activities was conducted to elicit ideas for urban design and management improvements. Consideration of the resulting recommendations is on hold pending the clarification of the future ownership and management of Grey Street.

3.10.5 QCoN Stairs

As a result of the ABC development the entrances of the Queensland Conservatorium of Music had to be redesigned. The Corporation undertook the design and construction management of the new Arbour and Grey St entry. These works have provided the Queensland Conservatorium of Music with a new high profile entry on Grey St to replace the previous fire stairs as well as an exciting new entry from the Parklands.

3.10.6 Rydges

The upgrade of the Rydges hotel was completed during year. These works saw the addition of new high quality bars, restaurants, conference and retail space to enhance the Grey St experience for visitors.

3.10.7 Russell St

The Corporation completed an upgrade of Russell St from Grey St to the Parklands. These works included new pavement, footpaths and street planting to complement the ABC development and the Queensland Performing Arts Centre and to refresh one of the major entry points to the Parklands.

3.10.8 Pool Safety Review

In response to two near drowning the Corporation undertook a safety review of the main lagoon and Boat Pool water features. This included a review of the physical design of the facilities and the management regime for the pool. A number of recommendations for improvements to the design and operation of the pools were developed and these were forwarded to Brisbane City Council for its consideration as the future manager of the Parklands area.

A review of the pool water quality management system was also undertaken and a number of enhancement to the pool water treatment facility were instigated.

3.10.9 South Point

South Bank's last major vacant development site, South Point, continues to be a priority for the Corporation as a significant project that will break new ground in creating one of Queensland's largest mixed-use, transport-oriented developments.

The \$570 million project will include residential apartments, commercial office space, a five-star boutique hotel and significant retail space including a supermarket. South Point's development will also include an upgrade of the South Bank rail station facilities, which is conveniently located adjacent to the site.

The Corporation has continued to pursue the development of the South Point project on the corner of Grey and Vulture Sts in conjunction with the Anthony John Group. Revised planning approvals were issued for the South Point project in 2012. Progress on the project has been slower than anticipated due to the market conditions and the more stringent requirements of financiers in regard to presales. Marketing of the residential stage has commenced. On site construction is anticipated to commence in early 2014.

Agreements with Queensland Rail and the Department of Transport and Main Roads have been finalised to allow the project to proceed. An Agreement to Lease has been entered into with Anthony John Group but will need to be renegotiated to facilitate the revised staging arrangements.

3.10.10 Development & Leasing

The new River Quay development added the fifth and final tenant to their mix with the completion of Aquitaine Brasserie. The contemporary French restaurant and bar opened its doors in October of 2012.

Next Door Kitchen and Bar opened on Little Stanley Street offering a prohibition themed tapas and cocktail bar. Opening in December of 2012, Next Door sits in B11 which previously occupied by a news agency.

Following long term vacancy, tenancies S13/14 were successfully leased to Chocolate Pavilion, a Belgium chocolate café. Their opening was in late December 2012.

The Abigroup plaza tenancy R2 was successfully let to East Xpress, a fast casual take away Asian offer. East Xpress completed the retail mix of Abigroup Building ground floor tenants and opened for trade in January 2013.

Successful lease negotiations will see ANZ, CBA, Suncorp, and Westpac ATM's staying within the precinct with further tenure.

Successful lease negotiations have been completed on tenancies B13/14 that were previously occupied by various pop-up shops. The concept is a Spanish style bar as an extension of its sister tenancy, Ole Spanish Restaurant, and has been named Sangria Bar @ Ole.

Tenancies B8, B8A, and B9, previously Flight Centre, Lylah, and Dogstar respectively, have successfully been leased in one line. This move will see an enhanced breezeway activation with an American food concept called The South Side Diner. This key location will link Grey Street and Little Stanley Street through its positioning, offer, and target demographics.

3.10.11 Retail Marketing

The 2012/13 financial year saw the launch and completion of some great retail marketing projects.

The South Bank Concierge program designed to target the BCEC conference market and drive awareness and visitation to our retailers was launched with great success and positive feedback from the conference industry.

The third annual Regional Flavours food festival was held along Little Stanley Street in July 2012 and included a strong retailer integration model to ensure maximum exposure and revenue was generated to all tenants over the event weekend. The Regional Flavours Kitchen Stories retail marketing campaign played a major role in brand exposure for the street and generated a lot of attention and subsequent retail sales resulting in July becoming one of the busiest months on record in terms of revenue.

South Bank Corporation launched its social media strategy to the market which saw the set up of Facebook, Twitter and YouTube accounts to be utilised for all retail marketing activity.

The River Quay winter lunch campaign was launched with the aim of driving visitation to the precinct and its retailers during the slower winter months focusing on weekday trade. All five River Quay tenants were involved in this campaign and provided set lunch packages to be promoted as incentives in attempt to drive a new audience to the precinct.

The South Bank Pocket Guide continued to maintain its popularity in the local Brisbane and tourism markets with over 100,000 copies distributed into the Brisbane marketplace.

Several date specific retail marketing campaigns were completed throughout the year ensuring a strong South Bank retail voice during traditionally competitive retail calendar dates. This included campaigns such as; Valentine's Day, Mothers Day, Fathers Day, Melbourne Cup, Christmas, school holidays and Brisbane Festival.

3.10.12 Regional Flavours

Regional Flavours is South Bank Corporation's signature food and lifestyle event that showcases regional produce, supports local producers and farmers and educates the community about sustainable food practices.

Regional Flavours has become an extremely popular event and tourism draw card, showcasing more than 100 of Queensland's best food and wine producers from 12 different regions. The 2012 event was held over two days and attracted more than 60,000 people. Patrons were able to taste and purchase locally produced food and wine from regions like the Lockyer Valley and South Burnett, watch demonstrations of how to cook local produce and participate in information sessions on sustainability with gardening and horticulture experts. South Bank's retailers got involved by producing a specialty dish that utilised local Queensland produce and produced a very popular recipe book, 'Kitchen Stories' which included interviews with the Little Stanley Street chefs and restaurant owners and included their favourite memories and kitchen stories from their lives. The event encourages people to think about their food choices and what their food says about them, as well as showing visitors how they can be more sustainable consumers by shortening the supply chain and buying direct from local farmers, producers and retailers.

Sponsorship of The Courier-Mail Piazza

South Bank Corporation secured a three year deal with The Courier-Mail as the naming rights Sponsor for the Piazza commencing on 26 January 2013. This exciting new partnership allows us to provide an ongoing program of free community activations and events:

3.10.13 Strategic risks, opportunities and challenges

There are a number of strategic risks, opportunities and challenges in relation to South Bank Corporation's operating environment. These can be summarised as follows:

- New destinations are emerging and people are 'time poor'. We must maintain our attractiveness by evolving our places, adjusting the mix and quality of our public offer, and creating world class experiences, while also strengthening the precinct as an inclusive, community place;
- There will be pressure on the precinct as the region's population increases, requiring us to plan and ensure that the needs of residents and visitors are delivered. Maintaining and improving our assets is a high priority;
- To ensure long term financial sustainability we must secure new funding and focus on ensuring the longevity of revenue streams; and
- The Brisbane River's potential to be an active, well-used public space within the central city must be promoted and realised.

3.11 Machinery of government changes

The State Government, the Corporation and the Brisbane City Council (the BCC) have entered into an agreement to lease the South Bank Parklands to the BCC for the purpose of carrying out the management, operation, maintenance, promotion and administration of the Parklands. The lease commenced on 1 July 2013 and will terminate on 30 June 2023 unless a further term is agreed between the parties.

The BCC (through its wholly owned entities City Parklands Transition Services and Brisbane Marketing) is from 1 July 2013 responsible for all services including maintenance, horticulture, security, parklands cleaning, marketing and venue hire within the Parklands. South Bank Corporation retains ownership of the Parklands and management of its car park, investment properties and the Brisbane Convention and Exhibition Centre.

Furthermore, those staff involved in the provision of Parkland services have had their employment transferred from the South Bank Employing Office to City Parklands Transition Services, along with their full entitlements.

As part of the arrangements with BCC, the Corporation transferred certain property, plant and equipment to the BCC for its use in the operations of the Parklands.

3.12 Review of proposed forward operations

Following the transfer of responsibility for the management of the Parklands and development assessment to Brisbane City Council, the South Bank Corporation's residual responsibilities are to manage the commercial operations within the precinct and complete the remaining development projects. The longer term future of the Corporation is currently under review by the Queensland Government. Our key projects for the 2013-2014 financial year are outlined in the following pages.

3.12.1 Operational plans and priorities

Implementing the South Bank Parklands Master Plan

Approved Development Plan Amendments: The Corporation will continue to manage any changes required to the ADP until this responsibility is transferred to Brisbane City Council.

Arbour View Restaurants: The future of this retail facility will be reviewed during the year and recommendations made to Government.

Refurbishment of the Riverside Restaurants: Refurbishment of this facility is scheduled to be completed in the coming year. This project will create a new landmark dining experience for residents and visitors to Brisbane.

Enhancing the Parklands' central precinct: Relatively minor changes are will be completed in the coming year to refresh and activate these areas.

South Point: Work with the preferred developer for the South Point site to achieve a construction start on the key southern entry to the precinct.

3.12.2 Proposed changes to South Bank Corporation operations

The future of South Bank Corporation is currently being reviewed by the Queensland Government with a review of Major Venues recently undertaken which included South Bank.

While responsibility for management of the Parklands and for development assessment has transferred to Brisbane City Council, transfer of the public roads and footpaths in the balance of the precinct and transfer of responsibility for the Approved Development Plan is yet to occur.

3.12.3 Development & Leasing

The Diner fit out should be completed in October 2013 and draw additional patronage into the precinct while maximizing the exposure of the underutilized breezeway on Little Stanley Street North.

Sangria Bar @ Ole will be open in October 2013 and will further activate Grey Street as an extension to the already successful Ole Spanish Bar and Restaurant.

A microbrewery concept has been approved and a lease secured early this fiscal year that will occupy the ground floor of the Brisbane Convention and Exhibition Centre. The tenancy stretches from Russell Walk to the South Brisbane train station. Fit out works are expected to commence in October 2013 and be complete in early 2014.

Proposed expansions along Grey Street are planned that may include the build out of Greystone's, and Ahmet's. This proposal would help to increase the presence along Grey Street and provide further activation.

A leasing initiative has been undertaken to help secure a tenant for the Bank of Queensland site as the Lessee will not have further tenure post November 2013. This key site will be link Grey Street and Little Stanley Street and enhance the breezeway atmosphere.

The development of the breezeway infill and expansion of the previous Active Stride tenancy is planned pending successful leasing and financial approvals. The unique site will pop out onto Grey Street and have a commanding street frontage. Ancillary to the development would be the installation of a toilet block to help alleviate the current toilet facilities along the street.

Opportunities exist to formulate a plan for the redevelopment of Arbour View Cafe and Central Cafe buildings.

Riverside Restaurant Building redevelopment is underway and early works anticipated for late 2013 and early 2014.

Glenelg Street development will allow us to explore opportunities to further enhance the precinct on the allocated land parcel.

The current seating furniture for the Arbour View Café area is scheduled for upgrade. This minor upgrade also includes painting of the current tables which are of fix structure and general minor upgrade of the entire outdoor area.

The Lifestyle Markets are scheduled to be revamped in October 2013 and will include a new brand, layout and operating periods. The new markets, branded The Collective Markets will contribute towards improved branding and activation of Stanley Street Plaza.

3.12.4 Retail Marketing

The 2013/14 retail marketing strategy has been developed to ensure the continual evolution of our retail places as the dining and shopping destination of choice with Brisbane locals.

This year, the Corporation is committed to delivering the following outcomes:

- Deliver, enhance and evolve all key retail marketing platforms and tools;
- Increase brand awareness of all retail destinations to the wider Brisbane area;
- Increase foot traffic to Parklands takeaway venues;
- Strengthen our relationship with consumers to ensure brand advocacy;
- Take an innovative approach to key retail dates to encourage new and repeat visitation;
- Target niche but profitable retail market opportunities;
- Increase awareness and preference of our retail precincts and offerings locally and nationally through innovative marketing initiatives;
- Improve financial performance for retail outlets; and
- Provide affordable and effective co-operative initiatives for retailers to engage in.

South Bank Corporation is confident that its commitment to the 2013/14 Retail Marketing Plan, in partnership with our valued retailers, will continue to strengthen South Bank's already strong relationships with the city and add value to the precinct and its retailers.

3.12.5 Brand Awareness Campaigns

A key objective of the 2013/14 financial year is to improve the brand awareness of all four of South Bank's sub precincts (River Quay, Parklands, Little Stanley and Stanley Street Plaza) to increase brand profiles, encourage advocacy of the precinct as a shopping and dining destination, drive repeat visitation, foot traffic and ultimately increased sales our retail tenants.

3.12.6 Key Retail Date Specific Campaigns

It is important to have a presence across relevant key retail dates and ensure South Bank differentiates itself from competing dining and shopping precincts in the Brisbane marketplace.

We will be taking an innovative approach to these campaigns by having a strong experiential focus whilst utilising the support of South Bank's digital assets to attract a new audience to the precinct.

Date specific campaigns include:

- Regional Flavours (July)
- Brisbane Festival /RiverFire (September)
- Father's Day (September)
- Christmas / New Years Eve (December)
- Valentine's Day (February)
- Mother's Day (May)

3.12.7 Retail Marketing Platforms

South Bank Corporation will continue to deliver, enhance and evolve our retail marketing platforms to ensure a modern, relevant and on-trend retail offering for today's increasingly savvy consumer. These platforms will play a major role in supporting all retail marketing initiatives to further increase the reach and awareness of all campaigns throughout the next financial year.

These platforms include:

- The South Bank Pocket Guide Booklet
- The South Bank Pocket Guide Smartphone App
- The South Bank Insider's Guide eNewsletter
- The South Bank Concierge conference initiative
- All South Bank websites and social media platforms
- The South Bank Festive Guide

South Bank Corporation is working extensively to consistently improve the capabilities of all our retail marketing platforms whilst continuing to expand and grow their distribution into the greater Brisbane area.

3.12.8 An Innovative and Engaging Active Events Program

South Bank Corporation will be working with Brisbane Marketing to develop an innovative and engaging events program, specifically designed to drive foot traffic throughout the precinct whilst complementing specific campaigns where applicable.

These events will have strong retailer participation opportunities for all tenants to take advantage of in order to provide positive returns on investment and increased exposure whilst aligning with the overarching direction of each retail campaign.

Event Leveraging

South Bank is a haven for cultural, public and private events with over 150 events choosing to call the precinct home each year. In order to assist in increasing the reach and awareness of relevant retail campaigns, South Bank Corporation will work to align with any large events to ensure all niche audiences are capitalised.

This includes partnerships with Brisbane Festival, the free Goodlife Feel Good Fitness Program, The Courier-Mail Piazza event activations, Buddha's Birthday and other large venue hire joint ventures that may become available throughout the year.

4. Non-financial performance

4.1 Government's objectives for the community

The Corporation is committed to achieving the Newman Government's statement of objectives for the community by delivering upon the Corporation's vision to create and manage a world-class precinct for the people of Queensland, and in turn, adding value to the State's economy, enhancing the local community and positioning Brisbane as a desirable tourist destination.

South Bank Corporation's short-term targets to achieve these objectives are listed below:

Grow a Four Pillar Economy (through agriculture, tourism, resources and construction).

Goal 1: Secure further private investment in projects within the precinct and support our retailers to improve revenues.

Goal 2: Assist Business South Bank to support existing businesses and attracting new businesses to the precinct.

Goal 3: Actively grow local investment and business attraction to South Bank as an important economic hub.

Goal 4: Achieve Moving Annual Turnover (MAT) growth above Queensland's average MAT growth rate across the various retail categories in South Bank.

Goal 5: Achieve the South Bank Corporation five year Strategic Plan.

Lower the cost of living for families by cutting waste.

Goal 1: Review the operations of the Corporation's retailers and establish waste reduction targets

Goal 2: Encourage visitors to use the many available active and public transport opportunities when travelling to South Bank.

Deliver better infrastructure and better planning.

Goal 1: Work with the State and Local Government to finalise the transition of Parkland management responsibility.

Goal 2: Assist the Brisbane City Council to incorporate the precinct within the Brisbane City Plan.

Goal 3: Redevelop the Arbour View, Central Café and Riverside Restaurant retail facilities.

Goal 4: Building better precinct partnerships to facilitate more community benefits.

Goal 5: Implement the remaining elements of the South Bank Parklands Master Plan in line with the broader South Brisbane Neighbourhood Plan.

Revitalise front line services for families

Goal 1: Ensure the retail options in the precinct continue to include affordable offerings for families.

Goal 2: Work with local educational institutes to identify opportunities for precinct collaboration, providing more opportunities for students and teachers.

Goal 3: Continue working with Queensland Police Service to deliver outstanding community service and implement new safety initiatives.

Goal 4: Provide support to the Mater Hospital to create unique South Bank experiences for patients and their families.

Restore accountability in Government

Goal 1: Ensure the public has the opportunity to comment on future changes to the Approved Development Plan.

Goal 2: Refine our feedback process to ensure enquiries, complaints and compliments are communicated to the relevant State Government departments.

Goal 3: Be transparent and honest in all of our processes and communications.

4.2 Other whole-of-government plans/specific initiatives

Not applicable.

4.3 Agency objectives and performance indicators

The Corporation continued to focus on its eight strategic goals throughout the year, with every employee having key performance measures which show a clear link to the overall corporate goals. Our performance management system continued to ensure that all employees are working effectively and efficiently across the Corporation. The following pages show the Corporation-wide achievements in correlation with our overarching direction.

4.3.1 Objective: Place 'visitor experience' at the core of our business.

Measures of success:

Achievement of annual visitor satisfaction targets and positive visitor feedback, confirmed via market research and stakeholder engagement processes.

Collaboration with precinct partners to deliver unique experiences.

Outcomes achieved:

- The Corporation continued to ensure that the visitor experience is at the forefront of our thinking when designing delivering new development projects.
- To improve visitor experience and safety in the Parklands, a review of the safety of our main water features was completed. The recommendations emerging from this review have been provided to the Brisbane City Council for its consideration in the future management of these facilities.
- South Bank's security team has continued to achieve outstanding community safety results and works with Queensland Police regularly.

- More than 140 events were delivered in South Bank throughout the year, many of which were free and focused on enhancing community life such as Regional Flavours, Sugarplums and Possumchums Christmas program, and the Goodlife Feel Good outdoor fitness program. The Corporation delivered a number of events with precinct partners including Clancestry and Hamburg Orchestra outside simulcasts with Queensland Performing Arts Centre.
- Market research was conducted at all of our produced events throughout the reporting period. Insights from this research have been used to improve event and marketing initiatives. It also confirms the high popularity of South Bank with 80% of visitors rating their Parklands experience as 'excellent'.

4.3.2 Objective: Create distinctive Queensland experience layers

Measures of success:

Positive brand recognition and feedback from visitors, confirmed via market research.

Alignment of South Bank activities with our distinctive experience layers: Art and Culture; Active Leisure; Food and Retail; and Community Life.

Outcomes achieved:

- The relocation of the Queensland Symphony Orchestra and ABC to the precinct has created the opportunity to create uniquely Queensland experiences in our internal and open spaces.
- South Bank hosted many important events that align with the Corporation's Art and Culture and Community Life experience layers. These include events such as:
 - **Multicultural:**
 - Brisbane French Festival
 - SharadPoonam
 - Asia Pacific Screen Awards Event
 - Australia Day
 - Brisbane River Dragons Chinese New Year Corporate Regatta
 - Clancestry
 - Buddha Birthday Festival
 - World Refugee Lantern Parade
 - **Charity:**
 - Salvation Army Music Celebration
 - Light the Night
 - Endeavour Foundation Community Day Out
 - MS Moonlight Walk
 - Foxtel Lap
 - International Women's Day Fun Run
 - Operation Make a Wish
 - Budgie Bolt (Youngcare)
 - Mother's Day Classic
 - Mater Little Miracles 5kms
 - CEO Sleepout
 - Little Lifesavers Program
- Active leisure is encouraged at South Bank through our free outdoor fitness programs and the installation of CityCycle stations and bicycle repair stations. A stroll through South Bank at most times of the day will also reveal a plethora of physical activity and exercise from running, walking, cycling and group fitness classes.

4.3.3 Objective: Improve visitor and customer satisfaction

Measures of success:

Number of initiatives implemented that meet stakeholder agreed outcomes.

Achievement of annual visitor satisfaction targets and positive visitor feedback, confirmed via market research and stakeholder engagement processes.

Acknowledgement of initiatives through prestigious awards.

Outcomes achieved:

- We continued to communicate widely to our precinct partners throughout the construction phase of all of our projects. This helped greatly to keep construction complaints and enquiries to a minimum for all construction projects.
- Two-way stakeholder communication was encouraged through the Grey Street Exchange program, which allowed for all stakeholders to provide feedback and ideas on how to transform the street into an authentic and diverse destination. Face-to-face workshops and online surveys formed a major component of this program.
- Retailers (our customers) were integrated into all events where possible, ensuring high levels of exposure and sales across the precinct. During many of these integrated events, such as Regional Flavours and the Christmas program, the vast majority of retailers recorded their highest sales.
- Market research was conducted at each in-house produced event to gain timely feedback from a diverse mix of visitors. Feedback received has been used to further improve our produced events.
- Implemented an updated visitor feedback system that tracks complaints, enquiries and compliments to provide better opportunities for stakeholder engagement and improved services.

4.3.4 Objective: Collaborate with our many partners.

Measures of success:

Number of jointly delivered activities and projects with our partners.

Acknowledgement of initiatives through prestigious awards.

Positive visitor feedback, confirmed via market research and stakeholder engagement processes.

Outcomes achieved:

- The Corporation has been an active participant in Business South Bank, with representatives on the Board and a number of Board sub-committees.
- The Corporation has many stakeholders that we collaborate with to deliver enjoyable visitor experiences including the Department of Premier and Cabinet (Australia Day and New Years Eve), Business South Bank (industry events), QPAC (Clancestry, Bolshoi Ballet), State Library of Queensland (Christmas)

4.3.5 Objective: Attract, develop and retain the best people in their field.

Measures of success:

Amount of time it takes to fill vacant positions.

Staff attendance at training sessions and meetings.

Percentage of absenteeism and staff turnover.

Staff engagement rate, confirmed via the annual employee satisfaction survey.

Outcomes achieved:

- The uncertainty for staff created by the transition of the Parklands to Brisbane City Council was successfully managed by the Corporation with relatively little staff turnover in the Operations area. All Operations staff were offered the opportunity to transfer to Brisbane City Council on the same employment conditions.

4.3.6 Objective: Provide a 'return on investment' to community and government

Measures of success:

Achievement of agreed Community Service Obligation targets.

Achievement of net cost ratio (ratio of public to produced events).

Achievement of annual budget.

Achievement of debt retirement target.

Outcomes achieved:

- We partnered with eight community organisations to showcase a series of multi-cultural festivals throughout the precinct.
- South Bank Corporation supported various community organisations by providing free and discounted event venue hire including Salvation Army, Make a Wish Foundation, Youngcare, Endeavour Foundation, St Vincent De Paul.

4.3.7 Objective: Achieve excellence in sustainability and design.

Measures of success:

Achievement of agreed annual Community Service Obligation targets.

Attain EarthCheck accreditation milestones.

Acknowledgment of sustainability and design excellence through awards.

Number of initiatives implemented that are acknowledged as innovative.

Outcomes achieved:

- Through commitment to an international accreditation scheme, EarthCheck, to benchmark our performance with communities from across the world and establish a transparent, externally certified approach to sustainability, the Corporation has achieved its targets

outlined in the Community Sustainability Strategy in line with the EarthCheck standards and has achieved Silver Certification Status.

In May for the River Quay project, Cardno S.P.L.A.T won the Award of Excellence for Design in Landscape Architecture at the Australian Institute of Landscape Architects Awards.

The Corporation ensures all external event producers and suppliers consider 'green' initiatives for their events by having elements listed in contracts including environmentally sound waste management practices, supply of earth friendly products, food miles and sustainable transportation.

- South Bank Corporation's signature event, Regional Flavours, supports local producers and farmers and educates the community about sustainable food practices. Through interactive demonstrations and information sessions, the event encourages people to think about their food choices and how they can be more sustainable consumers by shortening the supply chain and buying direct from local farmers and producers.

4.3.8 Objective: Ensure sound governance and astute financial management

Measures of success:

Achievement of annual budget.

Achievement of debt retirement target.

Achievement of agreed annual Community Service Obligation targets.

Achievement of net cost ratio (ratio of public to produced events).

Outcomes achieved:

- The Corporation's Audit Committee met on four occasions during the year and, in addition to other matters, reviewed the annual budget and annual financial statements before their presentation to the Board. The Committee meetings are attended by both internal and external auditors, by invitation.
- The Corporation's financial results are reported to the Board at each of its meetings during the year, with explanations of any variances to the budget.
- Stabilised revenues and prudent cost controls were delivered via astute financial management of high performing assets, particularly the BCEC and the Parklands underground car park.

4.3.9 Agency service areas, service standards and other measures

As the services of South Bank Corporation have been significantly altered so that the Corporation will not be providing tangible services from 2013–14, all service standards and other measures will be discontinued from the Service Delivery Statements.

South Bank Corporation	Notes	2012-13 Target/est.	2012-13 Est. actual
Service standards			
<i>Assess South Bank's visitor experience by:</i>	1		
South Bank visitors rating their experience as being as 3 or more (based on a scale of 1-5 (lowest to highest)).	2	95%	Not available
Number of repeat visits	2	90%	Not available
Other measures			
Number of Brisbane Convention and Exhibition Centre events per year	3	1,180	1,241
<i>Lead sustainability practice in the dimensions of:</i>			
Potable water consumption	4	52% reduction on base year	53% reduction on base year
Electrical energy consumption	5	25% reduction on base year	25% reduction on base year
<i>Assess customer and stakeholder satisfaction by:</i>			
Days of collaborative events and activities completed with partners	6	260 days	240 days
Turnover percentage of tenancies		4%	3%

Notes:

1. This measure is being discontinued as services of the South Bank Corporation relating to parklands management are being devolved to local government.
2. Visitor experience ratings based on visitor surveys. As a cost saving measure this research was not undertaken in the 2012-13 year. The Corporation, however, has no reason to believe that prior year standards have changed.
3. Other measures are being discontinued from reporting in the Service Delivery Statements.
4. Percentage reduction in use of potable water compared to the base year of 2005-06, mainly through the use of recycled water.
5. Percentage reduction in use of electricity compared to the base year of 2005-06, through the use of new technology.
6. Days of events and activation reduced as a result of economic conditions impacting on event partners.

5. Financial Performance

The Corporation's performance measures are established from our strategic direction, which is set at Board level. We are committed to the Queensland Government's priorities and its vision to create a precinct of international standing which adds value to the State's economy and positions Brisbane as a desirable tourist destination. This commitment is evidenced through initiatives produced in accordance with our Key Performance Outcomes and the Queensland Government's statement of objectives for the community.

5.1 Summary of Financial Performance

During the year, South Bank Corporation had a net operating loss of \$15 million. Notable differences from previous years were:

- an increase in revenue generation particularly as a result of the BCEC expansion. The Expansion was completed mid way through the 2012 financial year and was fully operational in the 2013 financial year.
- In the 2012 financial year the Corporation sold development property to the ABC which represented one of the final development property sales for the Corporation as the South Bank precinct nears completion. No property sales occurred in the 2013 year.
- The Corporation received State Government funding of \$10m towards its operating costs in previous years. This funding was discontinued in the 2013 year.

	2012-13 (\$'m)	2011-12 (\$'m)	2010-11 (\$'m)	2009-10 (\$'m)	2008-09 (\$'m)
Revenue and gains	93	77	59	62	60
Sale of development land	-	13	4	8	7
Operating grant	-	10	10	10	10
Capital grants *	-	-	3	27	79
Total income	93	100	76	107	156
Expenditure and losses **	84	79	81	65	64
Depreciation	24	20	15	15	15
Net profit/ (loss)	(15)	1	(20)	27	77
Total assets	709	701	695	697	653
Net assets	667	652	633	640	593

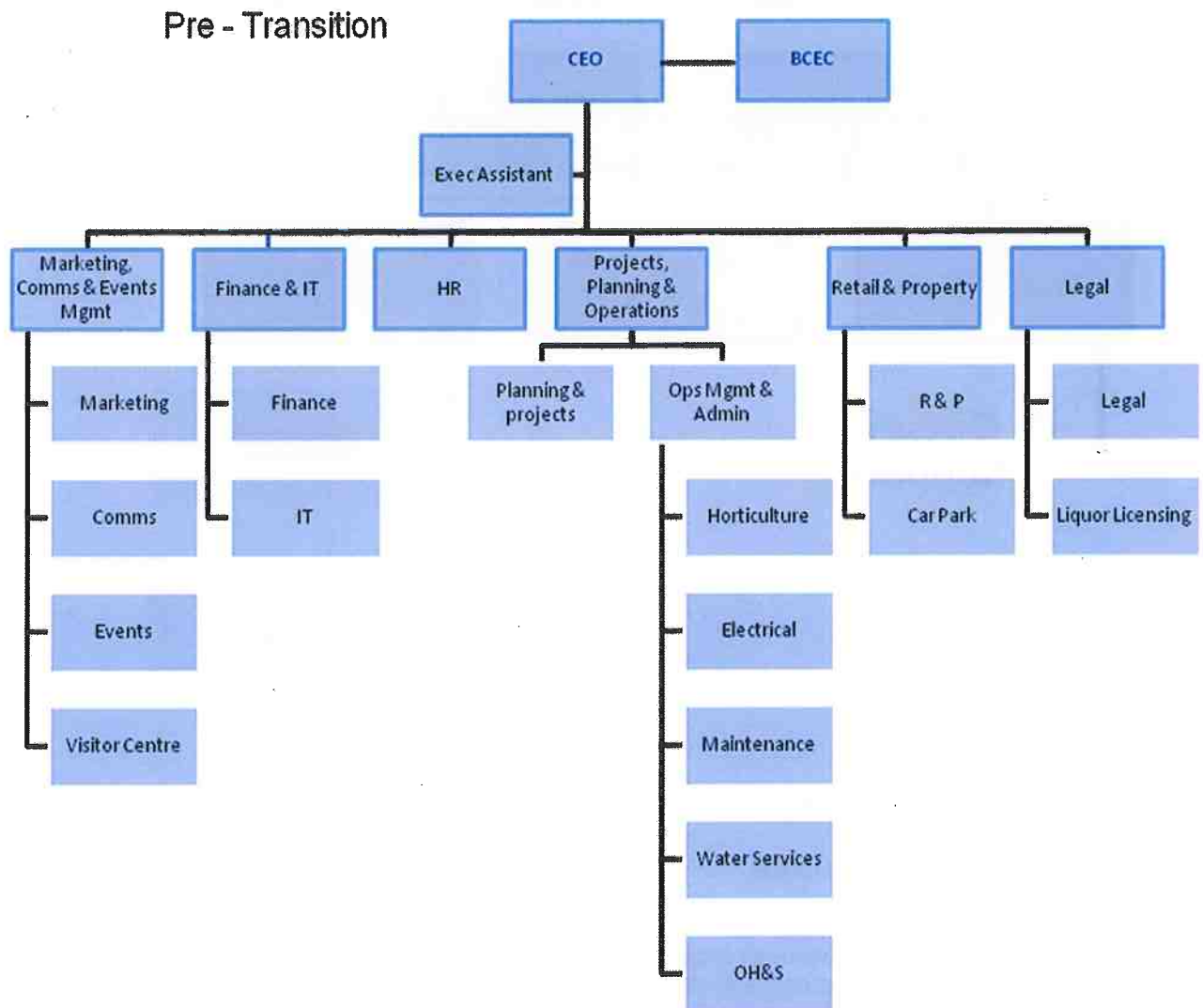
* Capital grants relate mainly to the expansion of the Brisbane Convention and Exhibition Centre.

** Losses in the 2012-13 year include a \$5.8m write down on the transfer of plant and equipment to the Brisbane City Council.

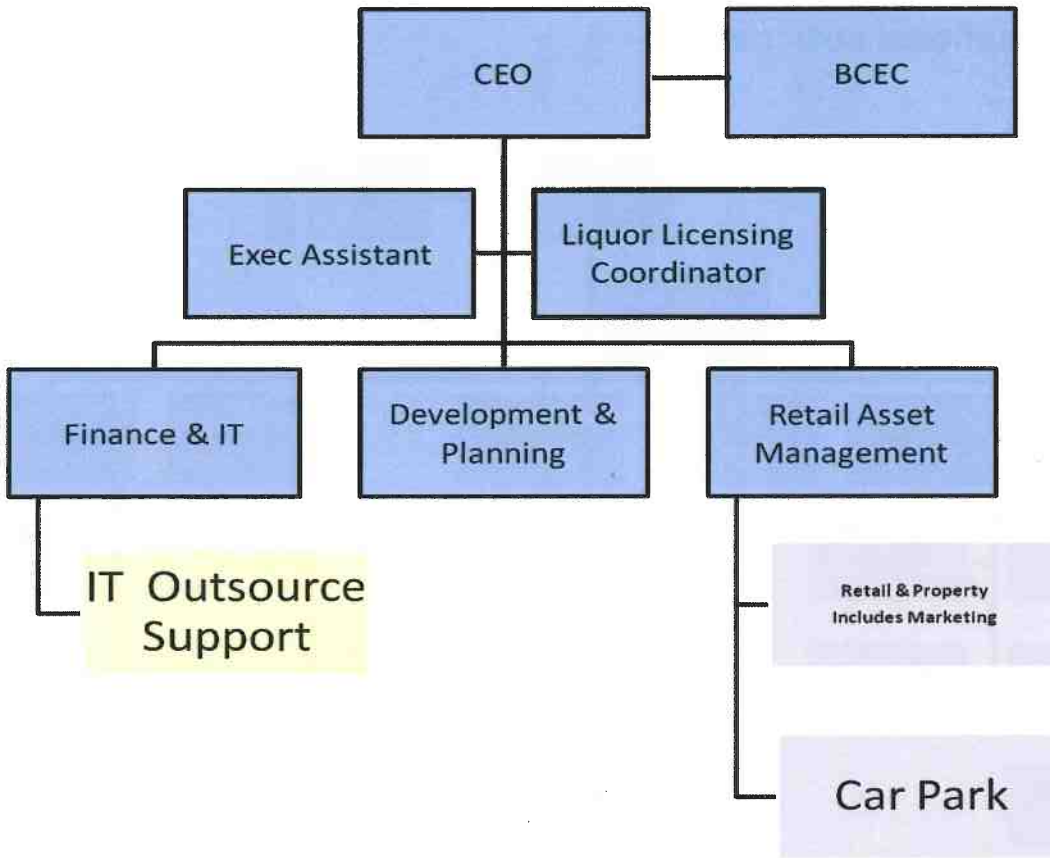
6. Governance – Management and Structure

6.1 Organisational structure

Pre transition



Post transition



6.2 Related entities

The South Bank Employing Office.

Since 1 July 2008 all employees of South Bank Corporation, with the exception of its Directors and Chief Executive Officer, have been employed by the South Bank Employing Office (SBE0) under the same terms, conditions and entitlements as per their employment contracts or Enterprise Award with the Corporation. The SBE0 and the Corporation have an arrangement for the employees to perform the work of the Corporation. All employee entitlements, including annual leave and long service leave, were transferred to the SBE0 from the Corporation at that time.

The SBE0 is indemnified for all liabilities by the Corporation.

6.3 Boards and committees

The Corporation's Board members are appointed by the Governor in Council based on the nominations of the Minister and Brisbane City Council as described under the South Bank Corporation Act 1989 (Qld). Directors must adhere to South Bank Corporation's Policies on Disclosure and Conflicts of Interest and the Code of Conduct, and are therefore required to disclose direct and indirect conflicts of interest as soon as they arise. The Board must also comply with the obligations regarding disclosure and conflicts of interest imposed upon them in the Act. This is the first agenda item at each meeting. If a conflict of interest arises, the Director in question will not participate in any discussion or decision regarding the matter in question, and in some circumstances will not be present during any discussion and/or decision of the Board in relation to the issue where a conflict of interest has arisen.

6.3.1 Our Board of Directors

Victor P Hoog Antink - Chair

Victor was appointed Chairman of South Bank Corporation in October 2012.

Victor is currently a Director of Sands China Ltd. listed in Hong Kong, the Chairman of the Property Industry Foundation and the Chairman of the Bond University Business School Board of Advisors.

Victor retired in 2012 as CEO of the DEXUS Property Group – one of Australia's largest publicly owned property groups and has over 30 years' experience in property and finance.

Victor was previously the National President and a Director of the Property Council of Australia, a Director of the Shopping Centre Council of Australia and a Director of the Greenprint Foundation. Victor holds a Bachelor of Commerce from the University of Queensland and a Master of Business Administration from Harvard Business School. He is a Fellow of the Australian Institute of Company Directors, a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Property Institute and a Fellow of the Royal Institute of Chartered Surveyors.

Mick Power AM

Founder of the BMD Group (BMD), Mick Power, AM, has guided the organisation's consistent growth and profitability since its inception in 1979. Mick has more than 40 years of experience in all aspects of civil engineering, project management, construction and property investment.

Under his leadership, BMD has grown to become one of Australia's largest privately owned construction, consulting and urban development organisations. BMD has the resources and experience to deliver projects ranging in size from \$1 million to over \$1 billion and is currently ranked 36th in the 2013 BRW's Top 500 Private Companies list.

Today BMD employs approximately 1,500 people throughout the country and continues to record numerous milestones in each year of operation. Over the last year, the Group achieved significant project delivery milestones with the successful completion of the Port of Brisbane Motorway Upgrade, the Material Offloading Facility on Curtis Island and the current Legacy Way tunneling project.

Mick is an Honorary Ambassador of the City of Brisbane and a Board Member for the Greg Norman Golf Foundation, the Northcliffe Foundation, Mater Children's Hospital Research Appeal and Leadership Gifts, Brisbane Lions Football Club and the Queensland Performing Arts Centre. Mick is Patron for the Wynnum Manly Leagues Club and the Wynnum Golf Club. He is also a long term supporter of Queensland Surf Life Saving with official naming rights sponsorship (the first of its kind in Australia) established for BMD Northcliffe Surf Life Saving Club in 2007.

David Eades

David joined the Queensland Government in May 2012 from PricewaterhouseCoopers where he was a Director in the Economic and Policy practise. A property and infrastructure specialist, David has held senior positions with the private sector and both state and federal governments. His principal focus has been strategic asset management, land use planning, and delivery of major property and infrastructure projects. David assumed responsibility for the state's Housing in May this year following 12 months of implementing other major government reforms in Queensland.

David is a former National President and Life Fellow of the Australian Property Institute, the immediate-past Chair of the Queensland Heritage Council, an adjunct professor at University of the Sunshine Coast and a member of the Australian Institute of Company Directors.

David Edwards

David Edward's professional background is in economics, infrastructure, project management and public policy. Prior to being appointed Director-General of the Department of State Development, Infrastructure and Planning (DSDIP) in April 2012, David's previous positions included Manager of Strategy and Market Development for GHD, a global engineering and professional services company, and State Director for the Committee for Economic Development of Australia, Australia's oldest independent economic think tank. Prior to that David worked in senior roles in several Government

agencies including the Department of State Development and the Department of Premier and Cabinet.

David's role at DSDIP sees him leading the state's central, economic development agency driving state development, major projects facilitation, assessment and approvals, planning reform, and infrastructure planning and delivery. DSDIP has assets valued at \$1.6B, a budget of \$237M and revenues of over \$200M.

In addition to his role as Director-General, David is chairman of Economic Development Queensland, Deputy Chair of the Gold Coast Infrastructure Authority and a member of Infrastructure Queensland.

Pat Vidgen

As Deputy Director-General the Department of the Premier and Cabinet, Pat Vidgen is responsible for leading the delivery of executive and corporate support services. Pat has over twenty years of public sector experience in negotiating key outcomes for Queensland, and is a respected advisor to the most senior levels of government including successive Premiers, Ministers, Governors, Governor-General, and chief executives in government and non government agencies.

Pat has previously held various senior positions within the Department of the Premier and Cabinet in the areas of Constitutional and Administrative Law Services, Security Planning and Coordination and State Affairs. He has successfully managed projects across a diverse range of areas, e.g. major event facilitation (CHOGM, APEC, Queensland 150 celebrations), major disaster recovery (Cyclone Larry and Queensland Floods) and feasibility processes for the Gold Coast Commonwealth Games.

Pat currently represents the Queensland Government on a range of Commonwealth and State government boards and committees, such as Australian Honours and Bravery Councils and Australian and New Zealand Counter Terrorism Committee.

Stuart Pickering - Deputy for David Edwards

Stuart Pickering has recently joined the department from Brisbane City Council where he was responsible for the delivery of the City Hall Restoration Project.

Stuart has over 30 years experience in capital development, strategic asset management and facilities operational management across state based and national organisations.

In addition to asset and capital development projects, Stuart has had extensive business management experience at executive/director level for both private and government organisations.

With qualifications in architecture and commerce, Stuart has managed an extensive range of projects across retail, commercial, education, residential, health, industrial and government public buildings. He has also developed experience in the redevelopment of heritage government buildings having completed 2 of the most significant restoration projects in Australia being the Victorian State Library and Brisbane City Hall restoration.

Currently, Stuart is the Deputy Director-General for the Major Projects Office, Department of State Development, Infrastructure and Planning, Queensland State Government. The Major Projects Division is responsible for the delivery of Queensland's flagship projects such as the Commonwealth Games, Brisbane Precinct Project and the Gold Coast Broadwater Development.

6.3.2 Member Benefits

During the reporting period no Board member received or became entitled to receive any benefit other than as is noted in the Financial Statements section of this report.

6.4 Executive Management

Jeffrey Weigh

Chief Executive Officer

Jeff was appointed as the Corporation's Chief Executive Officer (Corporation Manager of South Bank Corporation, and Executive Officer of South Bank Employing Office) by Governor in Council in August 2012.

As Chief Executive Officer for the Corporation, Jeff plays an integral role in continuing the Corporation's work of creating a world-class precinct and adding value to the Queensland economy by positioning South Bank as a desirable tourist destination.

He brings more than two decades of business acumen to the role, having previously worked across a diverse range of industries including education, health, hotels, property and hospitality. Jeff has extensive experience in tourism and marketing, having worked for the Queensland Tourist and Travel Corporation (QTTC), Roma Street Transit Centre and Hotel, Queensland Events and the Northern Territory Tourism Commission.

Jeff has a Masters of Economic Studies and a Bachelor of Economics.

Paul Herd

General Manager, Planning and Projects

Appointed in August 2007, Paul is responsible for overseeing the planning and projects team to ensure that all development projects are delivered effectively across the precinct. Prior to joining the Corporation, Paul was the Executive Director of Strategic Development in the Queensland Department of Infrastructure. Paul has a Bachelor of Arts, a Bachelor of Applied Science in Construction Management (Honours) and a Graduate Certificate in Finance.

Key responsibilities include:

- Future planning and place management of the Parklands, Little Stanley and Grey Street
- Project management and development coordination
- Urban planning, design and approvals
- Major construction works
- Cultural planning and public art
- Special projects
- Sustainability.

Roxanne Hopkins**General Manager, Marketing**

Commencing with the Corporation in October 2011 as Manager, Marketing and Visitor Services, Roxanne has been in the position of General Manager, Marketing since February 2012. In her role, Roxanne is responsible for overseeing marketing, events, corporate communications and public relations for the Corporation. She has extensive experience gained in a range of marketing roles namely as General Manager, Marketing and Fundraising for Youngcare and as General Manager, Marketing for Dreamworld and Whitewater World theme parks. Roxanne has a Bachelor of Business majoring in Management.

Key responsibilities include:

- Sponsorship
- Events
- Marketing and promotion
- Corporate affairs and communications
- Stakeholder and issues management
- Public relations
- Visitor services and merchandising
- Business development
- Destination marketing
- Graphic design.

6.5 Public Sector Ethics Act 1994

As a public sector entity, South Bank Corporation has prepared a revised Code of Conduct in accordance with section 15 of the Public Sector Ethics Act as amended in 2010. The Corporation consulted with the Joint Consultative Committee and relevant Unions, and the Code was approved by the Board in March 2012.

The Corporation's management practices are carried out with proper regard to the Code of Conduct.

7. Governance – Risk Management and Accountability

7.1 Risk management

South Bank Corporation maintains a business risk register as part of our risk management process. The register is used to ensure all internal controls, including fraud and corruption prevention and other risk mitigation strategies are considered in the preparation of internal audit strategies.

The Corporation insures with the Queensland Government Insurance Fund against insurable liabilities and losses that would materially affect its operations and assets.

7.2 External scrutiny

During the 2012 – 2013 financial year, no external audits or reviews were conducted of South Bank Corporation.

7.3 Audit committee

The South Bank Corporation Audit Committee provides advice to Board members to assist in the effective discharge of the responsibilities prescribed in the South Bank Corporation Act 1989, Financial Accountability Act 2009, the Financial Performance Management Standard 2009, Work Health and Safety Act 2011 and other relevant legislation and prescribed requirements. The Audit Committee also oversees the Corporation's strategic risk register and fraud management plan.

The Audit Committee is comprised of Graham Carpenter (Chair) and Patrick Vidgen. The Committee met on four occasions during the 2012 – 2013 year.

7.4 Internal audit

Nine internal audits were conducted during the 2012-2013 financial year and presented to the Committee:

South Bank

- Car park operations – SBC
- Tenancy management – SBC
- Fixed asset accounting – SBC
- Workplace health and safety – SBC

Brisbane Convention and Exhibition Centre

- Cash handling – BCEC
- Accounts receivable and invoicing – BCEC
- Fixed asset stocktake – BCEC
- Fixed asset accounting – BCEC
- Payroll - BCEC

7.5 Information systems and recordkeeping

The Corporation recognises that sound recordkeeping practices are required for good corporate governance. The Corporation's recordkeeping practices are carried out with proper regard to the Public Records Act 2002 (QLD), Information Standard 40: Retention and Disposal of Public Records.

8. Governance – Human Resources

8.1 Workforce planning, attraction and retention

As part of the transfer of Parklands responsibility to the Brisbane City Council seventy five employees accepted offers to transfer their employment to the Council owned entity. This was a 100% success rate for acceptance of offers. No redundancies were required. Staff transitioned were the entire operations, horticulture, marketing, communications and events teams plus six finance, IT and administration staff.

The transition of staff was achieved without dispute followings a planned process of communication and transparency with staff and relevant unions.

The successful implementation of numerous systems by the new entity, including Safety Incidents, Payroll, Finance Management and Asset Management was greatly assisted by the Corporation, allowed the new entity to leverage off existing systems saved time, money and change impacts for staff.

Annualised turnover of permanent staff was 10% for the 2013 financial year: a strong reduction from the prior year of 31% although with a relatively small staff these percentages can vary considerably from one period to another.

8.2 Early retirement, redundancy and retrenchment

Not applicable.

8.3 Voluntary Separation Program

Not applicable.

9. Disclosure of Additional Information

9.1 Consultancies

Below is a summary of the payments made to consultants during the reporting period:

Description of Payment	\$ '000
Legal	550
Professional and technical	146
Communication	-
Finance and accounting	331
Management	35
Human resource management	66
Information technology	45
Total	1,173

9.2 Overseas travel

No overseas travel has been undertaken by South Bank Corporation employees during the reporting period.

9.3 Waste management

South Bank Corporation is actively encouraging the reduction of waste generated on site and waste sent to landfill through the following initiatives:

- Creating a waste management plan that contributes to our environmental savings and inspires our stakeholders, retailers and visitors to find opportunities for waste reduction.
- Introduced routine waste management procedures where the waste stream is broken down into categories over multiple bin rooms including cardboard recycling, general waste and oil disposal.
- Ensuring general waste is transferred to Ti Tree Bio-energy Facility that uses best practice bioreactor technology to rapidly stabilise waste while capturing environmentally damaging methane and converting it into electricity.
- Provide cardboard and co-mingle recycling facilities in common areas and waste facilities.
- The Corporation's Green Team has also incorporated waste discussions into regular team meetings to inform staff about how much and where waste is being generated in the Corporation and to provide updates on the success of waste reduction and recycling initiatives. This process also allows staff to propose new initiatives or to discuss potential issues or areas for improvement as they arise.

9.4 Carers (Recognition) Act 2008

South Bank Corporation has responded to principles in both the Carers (Recognition) Act 2008 and the Carers Charter including principle number 4 and principle number 7, (listed consecutively):

The importance of carers work means the role of carers should be recognised by including carers, or their representative bodies, in the assessment, planning, delivery and review of services affecting carers; and

The relationship between a carer and the person they care for should be respected and honoured.

9.5 Right to information

The Right to Information Act 2009 (Qld) enables the public to access documents held by the Corporation. In turn, we make as much information available to the public as possible.

The Corporation received one Right to Information request in the reporting period, regarding the lease of land from the Corporation to the Australian Broadcasting Corporation.

9.6 Complaints management

South Bank Corporation received 213 complaints and 752 enquiries from the community in the 2012-2013 financial year. The most common reasons for complaints were concern over cyclists and pedestrians sharing pathways throughout the precinct, the presence of ibis in the Parklands and the cost of parking in the South Bank underground car park.. The most common reasons for enquiries were people wanting general information about South Bank including things to see and do, and event and retailer information.

9.7 Exercise of powers of exclusion from the Parklands

Under the South Bank Corporation Act 1989 the Corporation is required to report on the number of exclusion directions issued during the reporting period. Exclusion directions can be given for disorderly conduct, drunkenness or creating a disturbance.

Total number of exclusion directions given: 470

Total number of exclusion directions given to children: 196

There were no exclusion directions reviewed, set aside or orders made to exclude a person from the site.

10. Financial Statements

SOUTH BANK CORPORATION
Statement of Comprehensive Income
for the year ended 30 June 2013

	Notes	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
Income from Continuing Operations					
User charges	3	52,347	41,904	52,347	41,904
Sale of goods	4	30,525	25,911	30,525	25,911
Sale of development property		-	12,713	-	12,713
Interest		792	1,643	789	1,639
Other		2,217	1,652	2,217	1,652
Operating grant and other contributions	5	-	10,025	-	10,025
Other grants	5	1,528	100	1,528	100
Total Revenue		87,409	93,948	87,406	93,944
Gains					
Gain on revaluation of investment property	15	5,711	5,836	5,711	5,836
Total Income from Continuing Operations		93,120	99,784	93,117	99,780
Expenses from Continuing Operations					
Employee expenses	6	7,977	8,279	357	147
Supplies and services	7	60,237	60,207	67,854	68,335
Cost of goods sold		7,150	6,091	7,150	6,091
Cost of property sales		-	2,299	-	2,299
Depreciation	8	24,444	19,700	24,444	19,700
Asset write down	9	5,832	-	5,832	-
Borrowing costs		1,950	1,767	1,950	1,767
Other		351	128	351	128
Loss on disposal of property, plant and equipment		38	157	38	157
Total Expenses from Continuing Operations		107,979	98,628	107,976	98,624
Operating Result from Continuing Operations		(14,859)	1,156	(14,859)	1,156
Other Comprehensive Income					
Revaluation increment	14, 20	29,781	17,993	29,781	17,993
Total Comprehensive Income		14,922	19,149	14,922	19,149

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
Statement of Financial Position
as at 30 June 2013

	Notes	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
Current assets					
Cash and cash equivalents	11	20,180	21,962	20,122	21,834
Receivables	12	2,698	1,333	2,698	1,333
Prepayments and deposits		302	427	297	420
Inventories		365	339	365	339
Total current assets		23,545	24,061	23,482	23,926
Non-current assets					
Development property	13	5,329	4,827	5,329	4,827
Property, plant and equipment	14	608,204	605,788	608,204	605,788
Investment property	15	72,500	66,500	72,500	66,500
Total non-current assets		686,033	677,115	686,033	677,115
Total assets		709,578	701,176	709,515	701,041
Current liabilities					
Payables	16	9,013	12,729	9,545	13,080
Provisions	17	510	267	-	-
Other financial liabilities	18	-	424	-	424
Unearned income	19	2,310	918	2,310	918
Booking deposits held		5,944	5,970	5,944	5,970
Total current liabilities		17,777	20,308	17,799	20,392
Non-current liabilities					
Payables	16	696	645	696	645
Provisions	17	85	219	-	-
Other financial liabilities	18	23,622	27,528	23,622	27,528
Total non-current liabilities		24,403	28,392	24,318	28,173
Total liabilities		42,180	48,700	42,117	48,565
Net assets		667,398	652,476	667,398	652,476
Equity					
Accumulated surplus		301,541	316,400	301,541	316,400
Asset revaluation surplus	20	365,857	336,076	365,857	336,076
Total equity		667,398	652,476	667,398	652,476

The accompanying notes form part of these statements

SOUTH BANK CORPORATION
Statement of Changes in Equity
for the year ended 30 June 2013

CONSOLIDATED

	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2011	315,244	318,083	633,327
Operating result from continuing operations	1,156	-	1,156
Other Comprehensive Income			
- Increase in asset revaluation surplus	-	17,993	17,993
Balance as at 30 June 2012	316,400	336,076	652,476
Balance as at 1 July 2012	316,400	336,076	652,476
Operating result from continuing operations	(14,859)	-	(14,859)
Other Comprehensive Income			
- Increase in asset revaluation surplus	-	29,781	29,781
Balance as at 30 June 2013	301,541	365,857	667,398

SOUTH BANK CORPORATION

	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	Total \$'000
Balance as at 1 July 2011	315,244	318,083	633,327
Operating result from continuing operations	1,156	-	1,156
Other Comprehensive Income			
- Increase in asset revaluation surplus	-	17,993	17,993
Balance as at 30 June 2012	316,400	336,076	652,476
Balance as at 1 July 2012	316,004	336,076	652,476
Operating result from continuing operations	(14,859)	-	(14,859)
Other Comprehensive Income			
- Increase in asset revaluation surplus	-	29,781	29,781
Balance as at 30 June 2013	301,541	365,857	667,398

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION
Statement of Cash Flows
for the year ended 30 June 2013

	Notes	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
Cash flows from operating activities					
<i>Inflows:</i>					
User charges and sale of goods		84,739	71,374	84,739	71,374
Sale of development property		-	713	-	713
Grants and other contributions		1,528	10,125	1,528	10,125
Interest		792	1,643	789	1,639
GST collected on sales and charges		8,720	7,301	8,720	7,301
GST input tax credits received from ATO		438	4,116	438	4,116
<i>Outflows:</i>					
Employee expenses		(7,805)	(8,309)	(338)	(147)
Supplies and services		(71,485)	(69,008)	(78,879)	(77,277)
Borrowing costs		(1,950)	(1,767)	(1,950)	(1,767)
GST paid on purchases		(6,904)	(10,542)	(6,904)	(10,542)
GST remitted to ATO		(2,287)	(872)	(2,287)	(872)
Net cash provided by /(used in) operating activities	21	5,786	4,774	5,856	4,663
Cash flows from investing activities					
<i>Inflows:</i>					
Sale of plant and equipment		5	2	5	2
<i>Outflows:</i>					
Payments for property, plant and equipment, and investment property		(3,243)	(40,020)	(3,243)	(40,020)
Net cash provided by /(used in) investing activities		(3,238)	(40,018)	(3,238)	(40,018)
Cash flows from financing activities					
<i>Outflows:</i>					
Borrowing redemptions		(4,330)	(390)	(4,330)	(390)
Finance lease payments		-	(2)	-	(2)
Net cash provided by /(used in) financing activities		(4,330)	(392)	(4,330)	(392)
Net increase /(decrease) in cash and cash equivalents		(1,782)	(35,636)	(1,712)	(35,747)
Cash and cash equivalents at beginning of financial year		21,962	57,598	21,834	57,581
Cash and cash equivalents at end of financial year	11	20,180	21,962	20,122	21,834

The accompanying notes form part of these statements.

SOUTH BANK CORPORATION

Notes to and forming part of the

Financial Statements for the year ended 30 June 2013

Objectives of South Bank Corporation

The objectives of South Bank Corporation 'the Corporation' are to: promote, facilitate, carry out and control the development, disposal and management of land and other property within the Corporation area; to the highest possible standards and in the interest of the people of the City of Brisbane and of Queensland. The Corporation's vision is to create and manage 'The Best New Urban Precinct in the World'.

The Corporation is partly funded for the outputs it delivers by departmental grant funding and is reliant upon the support of the Queensland Government to enable it to continue as a going concern. It also sells development property by lease and provides services on a fee for service basis including:

- Venue hire facilities, including associated food and beverage sales;
- Retail and commercial tenancies; and
- Car parking facilities.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis of Preparation

The financial statements cover South Bank Corporation as an individual parent entity (parent entity) and the consolidated financial statements of South Bank Corporation and its controlled entity (consolidated group). The Corporation is constituted as a body corporate by virtue of the *South Bank Corporation Act 1989* (the Act), and is a statutory body within the meaning of the *Financial Accountability Act 2009*.

The South Bank Corporation has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards and interpretations, the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2013 and other authoritative pronouncements. They have been prepared on an accruals basis using historical costs and do not take into account changing money values nor non-current valuations of specific assets except for certain assets at valuation (refer notes 1 o and 1 p).

With respect to compliance with Australian Accounting Standards and interpretations, the Corporation has applied those requirements applicable to not-for-profit entities, as it is a not-for-profit statutory body.

Accounting policies have been applied on a basis consistent with the previous financial year except where otherwise stated.

Going Concern Basis of Accounting

The Deputy Premier, Minister for State Development, Infrastructure and Planning advised in a letter to the Corporation dated 19 July 2012 that -

"the government's clearly stated position is that the Corporation has achieved the purpose for which it was created and that it will now be wound up. The South Bank Corporation will however, need to remain in a reduced form for the near future while the transition of its powers, assets and obligations takes place. In these circumstances the Corporation will not receive any funding from the State in the 2012-13 financial year".

As the Government's stated position is that the Corporation is going to be wound up, it is not a going concern. Furthermore the Corporation is somewhat dependent on state funding and the continuing support of the Queensland Government.

The Corporation has been directed by Government to defer capital expenditure, manage its operational budget within existing cash reserves and to exercise financial prudence to ensure that any cash reserves are able to be applied to the Corporation's long term debt obligations on wind up. The long term debt will be absorbed by the Government on wind up of the Corporation.

Notwithstanding the above uncertainties the Corporation received a letter from the Director-General of the Department of State Development, Infrastructure and Planning, dated 24 August 2012, acknowledging the Corporation's solvency and general ability of the Corporation to meet its ongoing obligations under the *South Bank Corporation Act 1989*. The Director General indicated that the Government acknowledges its responsibilities in terms of the Corporation's liabilities as a Statutory Corporation and noted in particular the requirements of Section 8 of the *South Bank Corporation Act 1989*, which requires the Government to guarantee the Corporation's debts as a statutory corporation. However, if the Corporation acts contrary to the Government's directions regarding financial expenditure, the Government will reserve its rights to honour these obligations.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

a Basis of Preparation (cont'd)

The State Government, the Corporation and the Brisbane City Council (the Council) have entered into an agreement to lease the South Bank Parklands to the Council for the purpose of carrying out the management, operation, maintenance, promotion and administration of the Parklands. It is expected that funding for the provision of these services will be provided jointly by the State Government and the Corporation to the Council. The lease commenced on 1 July 2013 and the Council (through its wholly owned entity the City Parklands Transition Services Pty Ltd) from that date is responsible for all parkland services including maintenance, horticulture, security, parklands cleaning, marketing and venue hire within the Parklands. The Corporation retains ownership of the Parklands.

As at the date on which these financial statements were authorised for issue, the timing of the wind up of the Corporation is uncertain as the State Government is yet to decide on the wind up process including the distribution of assets and liabilities other than its long term debt. In the absence of this information, management has not made any adjustments to the reported asset and liability balances and has accordingly prepared the financial report on a basis consistent with a going concern basis.

b The Reporting Entity

The financial statements include the value of all revenues, expenses, assets, liabilities and equity of the Corporation and the entity it controls: the South Bank Employing Office.

Effective from 1 July 2008 all employees of South Bank Corporation, with the exception of its Directors, were employed by the South Bank Employing Office (SBEO) under the same terms, conditions and entitlements as per their employment contracts with the Corporation. The SBEO and the Corporation have entered into an arrangement for the employees to perform the work of the Corporation.

All employee entitlements, including annual leave and long service leave, were transferred to the SBEO from the Corporation. The SBEO is indemnified for all such liabilities by the Corporation.

The Corporation as an economic entity consists of the parent entity together with the SBEO as a controlled entity. In order to provide enhanced disclosure, the Corporation has adopted the principles outlined in Australian Accounting Standard AASB 127 Consolidated and Separate Financial Statements. This approach is considered appropriate as it reflects the relationship between the Corporation's core business activities and those of the SBEO. In the process of reporting on the Corporation as a single economic entity, all transactions and balances internal to the consolidated group have been eliminated in full.

The Queensland Auditor-General is the auditor of the South Bank Employing Office.

c Brisbane Convention and Exhibition Centre (BCEC)

The Corporation's financial statements include the South Bank Parklands and its ownership and operation of the Brisbane Convention and Exhibition Centre (BCEC).

d Taxation

The Corporation is exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from, and FBT and GST payable to, the Australian Taxation Office are recognised and accrued.

e Insurance

It is the Corporation's policy to insure against potential liabilities or losses that would materially affect its operations and assets.

f Revenue

The Corporation's revenue from continuing operations includes: sale of goods including food and beverages, venue hire, car parking income, tourism sales, and rental and outgoings received or receivable from properties leased by the Corporation.

User charges and sale of goods are recognised upon provision of the particular service.

Revenue from the sale of development property (by leasehold) is only recognised once all pre-conditions to the granting of the lease are completed.

Government grants that are non-reciprocal in nature are recognised as revenue in the financial year in which they are receivable. No reciprocal grants have been received.

Other revenues are recognised upon provision of the particular service.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

g Borrowing Costs

Borrowings are held at amortised cost. Borrowing costs comprising interest and charges related to loans are recognised as expenses in the financial year in which they are incurred.

No borrowing costs are capitalised into qualifying assets.

h Depreciation of Property, Plant and Equipment

Land is not depreciated as it has an unlimited useful life.

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the Corporation. Estimates of remaining useful lives are made on a regular basis for all assets. Expected useful lives, by asset type, are as follows:

Buildings	27-30 years
Land and land improvements	
• Hard landscaping	21-35 years
• Soft landscaping	3 years
• Riverwall and reclamation	50 years
• Lighting and electrical	15-20 years
Heritage	
• Nepalese Pagoda	18 years
• Artwork	n/a
Plant and equipment	
• Furniture and fittings	4-20 years
• Other	8-20 years

Where assets have separately identifiable components that are subject to regular replacements, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset.

Assets under construction are capitalised as work in progress at cost, until completed, and are not depreciated.

Plant and equipment subject to a finance lease is amortised on a straight line basis over the expected useful life of the asset to the Corporation.

i Impairment of Non-current Assets

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Corporation determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as revenue, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

j Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash includes all cash, cash at bank and deposits at call with financial institutions.

k Receivables

Trade receivables are recognised at the amounts receivable, as they are due for settlement within normal trading terms. Collectability of trade receivables are reviewed on an ongoing basis. An allowance for impairment is raised when doubt as to collection exists.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

l Inventories

Inventories represent goods held by the Corporation in the ordinary course of business and are stated at the lower of cost and net realisable value. Cost is assigned on a weighted average cost basis. Net realisable value is determined on the basis of the Corporation's normal selling pattern.

m Development Property

Certain real property holdings are intended for sale by leasehold and are classified as development property. Development property is stated at the lower of cost or net realisable value. Costs of preparing land for leasing are capitalised until all pre-conditions of the lease are completed. Revenue and costs are then brought to account in the Statement of Comprehensive Income.

Development property is treated as a current asset when the issuing of the leasehold is expected within 12 months.

n Property, Plant and Equipment

The property, plant and equipment of the Corporation comprise the South Bank Parklands and the BCEC including land, buildings and related items of plant and equipment, other than investment property. Land includes land improvements.

Land improvements are long-life attachments to parcels of land that increase the land's usefulness or value, have a limited useful life and are depreciated.

Land with a cost or other value in excess of \$1, land improvements and buildings with a value in excess of \$10,000, and plant and equipment with a cost or other value in excess of \$5,000; are recognised in the Statement of Financial Position in the year of acquisition. Items with a lesser value are expensed.

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. Any training costs, however, are expensed as incurred.

o Revaluation of Land and Buildings

The Corporation values land (other than development property), buildings, and heritage and cultural assets in accordance with the Australian Accounting Standard AASB 116 *Property, Plant & Equipment* and the Queensland Treasurer's guidelines - 'Non-Current Asset Accounting Guidelines for the Queensland Public Sector'. It is the Corporation's policy to record at fair value, being the value for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction, all land, buildings, and heritage and cultural assets. Revaluations are made with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from their fair value at the reporting date. All other classes of assets are recorded on a cost basis less depreciation and impairment losses. The carrying amount for these assets should not materially differ from their fair value.

Plant and equipment is measured at cost in accordance with the Queensland Treasury's Non-current Asset Policies.

Revaluation increments are credited directly to the asset revaluation surplus of the appropriate class, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the Statement of Comprehensive Income, the increment is recognised immediately as revenue in that statement. Revaluation decrements are recognised immediately as expenses in the Statement of Comprehensive Income, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation surplus.

On revaluation accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

Separately identifiable components of assets are measured on the same basis as the assets to which they relate.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

p Investment Property

Investment property, which is property held to earn rentals and or for capital appreciation, is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value being revalued as at each reporting date. Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property. If there is no active property market, alternative calculation methods are used such as recent selling prices in less active markets, or discounted cash flow projections.

Pursuant to AASB 140 *Investment Property* investment buildings under construction are included within the investment property category, rather than within Property, Plant and Equipment (and being measured at cost prior to completion). Consequently, investment buildings under construction are also measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case, the property concerned is measured at cost until fair value can be reliably determined). In determining a fair value for investment buildings under construction, a value is determined as at reporting date for an equivalent completed building (using current construction plans and all available relevant information), and this value is adjusted proportionately to reflect the percentage of completion and remaining costs to complete construction as at reporting date.

Gains or losses arising from changes in the fair value of investment property are included in the operating result for the period in which they arise. Investment property is not depreciated and is not tested for impairment.

Rental received from investment property is recognised as income on a periodic straight line basis over the lease term.

q Payables

Trade creditors and accruals represent liabilities for goods and services provided to the Corporation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within normal trading terms.

Annual leave and sick leave

All liabilities for annual leave are expected to be paid within twelve months of the reporting date. Such liabilities in respect of employees' services up to the reporting date are measured at the amounts expected to be paid when the liabilities are settled, plus relevant on-costs. No liability is recognised for non-vesting sick leave as the anticipated pattern for future sick leave indicates that accumulated non-vesting sick leave will never be paid.

Superannuation

Employer contributions for superannuation expenses are included in the Statement of Comprehensive Income. Beyond the agreed contributions to the various funds the Corporation has no financial commitment to the funds.

r Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Long Service Leave

A provision for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Future payments not expected to be paid within 12 months are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows. Relevant on-costs are included in the determination of the provision.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

s Leases

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases under which the lessor retains substantially all risks and benefits.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease payments are allocated between the principal component of the lease and the interest expense.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

t Financial Instruments

Recognition

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Corporation becomes a party to the contractual provisions of the financial instrument.

Classifications

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss;
- Receivables – held at amortised cost;
- Payables – held at amortised cost; and
- Borrowings – held at amortised cost.

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that the Corporation has an unconditional right to defer settlement until at least 12 months after reporting date.

The Corporation does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Corporation holds no financial assets classified at fair value through profit or loss.

All other disclosures relating to the measurement and financial risk management of financial instruments held by the Corporation are included in Note 22.

u New and Revised Accounting Standards

The Corporation did not voluntarily change any of its accounting policies during 2012-13. Australian accounting standard changes applicable for the first time for 2012-13 have had minimal effect on the Corporation's financial statements, as explained below.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049 became effective from reporting periods beginning on or after 1 July 2012. The only impact for the Corporation is that, in the Statement of Comprehensive Income, items within the 'Other Comprehensive Income' section are now presented in different subsections, according to whether or not they are subsequently classifiable to the operating result. Whether subsequent reclassification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

The Corporation is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from Queensland Treasury and Trade. Consequently, the Corporation has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Corporation applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

SOUTH BANK CORPORATION
Notes to and forming part of the
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u New and Revised Accounting Standards (cont'd)

AASB 13 Fair Value Measurement applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Corporation's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

The Corporation has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the Corporation is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Corporation's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the Corporation, the amount of information to be disclosed will be relatively greater.

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. Given the Corporation's circumstances, the only implications for the corporation are that the revised standard clarifies the concept of 'termination benefits', and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'. The Corporation has commenced reviewing its reporting requirements and while the Corporation is yet to complete this review, no material impacts are expected.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Corporation makes employer superannuation contributions to the QSuper defined benefit plan, and the corresponding obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the Corporation.

AASB 1053 Application of Tiers of Australian Accounting Standards applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements - Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards - Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Details of which disclosures in standards and interpretations are not required under Tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Queensland Treasury and Trade's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the Corporation may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the Corporation, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments and statutory bodies (including South Bank Corporation) that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Corporation.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

u New and Revised Accounting Standards (cont'd)

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 -

- AASB 10 Consolidated Financial Statements;
- AASB 11 Joint Arrangements;
- AASB 12 Disclosure of Interests in Other Entities;
- AASB 127 (revised) Separate Financial Statements;
- AASB 128 (revised) Investments in Associates and Joint Ventures; and
- AASB 2011 -7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17.

The AASB is planning to amend AASB 10. Such amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, the Corporation is not yet in a position to reliably determine the future implications of these new and revised standards for the Corporation's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, once the AASB finalises its not-for-profit amendments to AASB 10, the Corporation will need to reassess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, the Corporation will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. If a joint arrangement does exist, the Corporation will need to follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement.

AASB 1055 Budgetary Reporting applies from reporting periods beginning on or after 1 July 2014. From that date, based on what is currently published in the Queensland Government's Budgetary Service Delivery Statements, this means the Corporation will need to include in these financial statements the original budgeted statements for the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows. These budgeted statements will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial statement.

AASB 9 Financial Instruments (December 2010) and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127 become effective from reporting periods beginning on or after 1 January 2015. The main impacts of these standards on the Corporation are that they will change the requirements for the classification, measurement and disclosures associated with the Corporation's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Corporation has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Corporation's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Corporation enters into, it is not expected that any of the Corporation's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Corporation's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Corporation's activities, or have no material impact on the Corporation.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

v Issuance of Financial Statements

The financial statements are authorised for issue by the Board of South Bank Corporation at the date of signing the Management Certificate.

w Judgements and Assumptions

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions that have a potential significant effect are outlined in the following statement notes:

- Valuation of Property, Plant and Equipment;
- Receivables (note 1k); and
- Provisions (note 1r).

x Rounding and Comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero.

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

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

2 BUSINESS SEGMENT INFORMATION

The following tables demonstrate the revenue and expenses of the Corporation separated into its key business segments, which are:

Venue Hire

Includes hire of the BCEC, Suncorp Piazza and sundry parkland areas, as well as the associated sale of food and beverages and hire of audio visual equipment.

Tenancies

Includes rent and recoveries from the retail and commercial tenancies within the South Bank Parklands and Little Stanley Street.

Car Parking

Includes commercial car parking facilities within the South Bank Parklands and the BCEC.

Community Activities and Promotions

Includes tourism sales, provision of the parkland facilities, events within and around the South Bank Parklands and marketing of the precinct. Events are staged as part of the Corporation's community service activities.

Other

Includes sale of development land (by leasehold), project planning, place management and administration.

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

2 BUSINESS SEGMENT INFORMATION (cont'd)

CONSOLIDATED

Business Segments	Venue Hire	Tenancies	Car Parking	Community Activities & Promotions	Other	Total
For the year ended 30 June 2013						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User charges	24,360	11,867	15,358	397	365	52,347
Sale of goods	30,378	-	-	147	-	30,525
Gain on investment property	-	5,711	-	-	-	5,711
Interest received	-	7	-	-	785	792
Other	447	440	440	-	890	2,217
Grants - QRA	-	-	-	-	1,528	1,528
	<u>55,185</u>	<u>18,025</u>	<u>15,798</u>	<u>544</u>	<u>3,568</u>	<u>93,120</u>
Expenses						
Employee costs	-	513	594	4,079	2,791	7,977
Supplies and services	43,612	4,918	1,317	7,793	2,597	60,237
Cost of goods sold	7,043	-	-	107	-	7,150
Depreciation	16,091	-	2,563	5,407	383	24,444
Asset write down	-	-	-	5,832	-	5,832
Borrowing costs	-	-	-	-	1,950	1,950
Other	-	352	-	(1)	-	351
Loss on disposal of plant & equipment	29	-	-	-	9	38
	<u>66,775</u>	<u>5,783</u>	<u>4,474</u>	<u>23,217</u>	<u>7,730</u>	<u>107,979</u>
Net surplus / (deficit)	<u>(11,590)</u>	<u>12,242</u>	<u>11,324</u>	<u>(22,673)</u>	<u>(4,162)</u>	<u>(14,859)</u>
For the year ended 30 June 2012						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User charges	17,413	10,151	14,095	245	-	41,904
Sale of goods	25,828	-	-	83	-	25,911
Sale of development property	-	-	-	-	12,713	12,713
Gain on investment property	-	5,836	-	-	-	5,836
Interest received	-	9	-	-	1,634	1,643
Other	1,000	-	570	17	65	1,652
Operating grant and other contributions	-	-	-	-	10,025	10,025
Other grants	-	-	-	-	100	100
	<u>44,241</u>	<u>15,996</u>	<u>14,665</u>	<u>345</u>	<u>24,537</u>	<u>99,784</u>
Expenses						
Employee costs	-	395	585	4,219	3,080	8,279
Supplies and services	39,481	5,018	1,497	11,601	2,610	60,207
Cost of goods sold	6,012	-	-	79	-	6,091
Cost of property sales	-	-	-	-	2,299	2,299
Depreciation	12,348	-	1,780	5,197	375	19,700
Borrowing costs	-	-	-	-	1,767	1,767
Other	8	158	-	-	(38)	128
Loss on disposal of plant & equipment	2	-	-	-	155	157
	<u>57,851</u>	<u>5,571</u>	<u>3,862</u>	<u>21,096</u>	<u>10,248</u>	<u>98,628</u>
Net surplus / (deficit)	<u>(13,610)</u>	<u>10,425</u>	<u>10,803</u>	<u>(20,751)</u>	<u>14,289</u>	<u>1,156</u>

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

2 BUSINESS SEGMENT INFORMATION (cont'd)

SOUTH BANK CORPORATION

Business Segments	Venue Hire	Tenancies	Car Parking	Community Activities & Promotions	Other	Total
For the year ended						
30 June 2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User charges	24,360	11,867	15,358	397	365	52,347
Sale of goods	30,378	-	-	147	-	30,525
Gain on investment property	-	5,711	-	-	-	5,711
Interest received	-	7	-	-	782	789
Other	447	440	440	-	890	2,217
Grants - QRA	-	-	-	-	1,528	1,528
	<u>55,185</u>	<u>18,025</u>	<u>15,798</u>	<u>544</u>	<u>3,565</u>	<u>93,117</u>
Expenses						
Employee costs	-	-	-	-	357	357
Supplies and services	43,612	5,431	1,911	11,872	5,028	67,854
Cost of goods sold	7,043	-	-	107	-	7,150
Depreciation	16,091	-	2,563	5,407	383	24,444
Asset write down	-	-	-	5,832	-	5,832
Borrowing costs	-	-	-	-	1,950	1,950
Other	-	352	-	(1)	-	351
Loss on disposal of plant & equipment	29	-	-	-	9	38
	<u>66,775</u>	<u>5,783</u>	<u>4,474</u>	<u>23,217</u>	<u>7,727</u>	<u>107,976</u>
Net surplus / (deficit)	<u>(11,590)</u>	<u>12,242</u>	<u>11,324</u>	<u>(22,673)</u>	<u>(4,162)</u>	<u>(14,859)</u>
For the year ended						
30 June 2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User charges	17,413	10,151	14,095	245	-	41,904
Sale of goods	25,828	-	-	83	-	25,911
Sale of development property	-	-	-	-	12,713	12,713
Gain on investment property	-	5,836	-	-	-	5,836
Interest received	-	9	-	-	1,630	1,639
Other	1,000	-	570	17	65	1,652
Operating grant and other contributions	-	-	-	-	10,025	10,025
Other grants	-	-	-	-	100	100
	<u>44,241</u>	<u>15,996</u>	<u>14,665</u>	<u>345</u>	<u>24,533</u>	<u>99,780</u>
Expenses						
Employee costs	-	-	-	-	147	147
Supplies and services	39,481	5,413	2,082	15,820	5,539	68,335
Cost of sales	6,012	-	-	79	-	6,091
Cost of Property Sales	-	-	-	-	2,299	2,299
Depreciation	12,348	-	1,780	5,197	375	19,700
Borrowing costs	-	-	-	-	1,767	1,767
Other	8	158	-	-	(38)	128
Loss on disposal of plant & equipment	2	-	-	-	155	157
	<u>57,851</u>	<u>5,571</u>	<u>3,862</u>	<u>21,096</u>	<u>10,244</u>	<u>98,624</u>
Net surplus / (deficit)	<u>(13,610)</u>	<u>10,425</u>	<u>10,803</u>	<u>(20,751)</u>	<u>14,289</u>	<u>1,156</u>

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
3 USER CHARGES				
Rental income	11,867	10,151	11,867	10,151
Venue hire	24,360	17,413	24,360	17,413
Car parking	15,358	14,095	15,358	14,095
Other	762	245	762	245
Total	52,347	41,904	52,347	41,904
4 SALE OF GOODS				
Food and beverage sales	30,378	25,828	30,378	25,828
Other	147	83	147	83
Total	30,525	25,911	30,525	25,911
5 GRANTS AND OTHER CONTRIBUTIONS RECEIVED				
Operating grant	-	10,025	-	10,025
Capital grants:				
Old Reconstruction Authority	1,528	-	1,528	-
Stormwater Harvesting	-	100	-	100
Total	1,528	10,125	1,528	10,125
6 EMPLOYEE EXPENSES				
Wages and salaries	6,241	6,212	312	128
Superannuation	769	791	28	12
Payroll tax	367	366	17	7
Annual leave	498	530	-	-
Long service leave	7	78	-	-
Training and recruitment	95	302	-	-
Total	7,977	8,279	357	147

The number of employees as at 30 June, including both full-time employees and part-time employees, measured on a full-time equivalent basis is:

Number of employees	87	92	1	1
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(a) Key Executive Management Personnel

Position	Responsibilities	Current Incumbent	
		Appointment authority	Date of appointment
Board Chair	Strategic management	Governor in Council	August 2012
Board Members	Strategic management	Governor in Council	August 2012
Chief Executive Officer (CEO)	Responsibilities include strategic planning and development	Governor in Council	August 2012
General Manager Planning, Projects and Operations	Responsibilities include project management, development coordination, sustainability and operations management	South Bank Corporation Board	August 2007
General Manager Marketing	Responsibilities include marketing, promotion and events	South Bank Corporation Board	March 2012

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

6 EMPLOYEE EXPENSES (cont'd)

(b) Remuneration 2012-13

Position	Short Term Employee Benefits		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Total Remuneration \$'000
	Base \$'000	Non-monetary Benefits \$'000			
Board Chair	34	-	-	3	37
Board member not a public sector employee	14	-	-	1	15
CEO	235	-	-	21	256
GM - Planning, projects and operations	202	7	5	38	252
GM - Marketing	141	-	-	12	153
Total	626	7	5	75	713

Remuneration 2011-12

Position	Short Term Employee Benefits		Long Term Employee Benefits \$'000	Post Employment Benefits \$'000	Total Remuneration \$'000
	Base \$'000	Non-monetary Benefits \$'000			
Board Chair	46	-	-	4	50
Board members (paid to each member, except Chair and public sector employees)	14	-	-	1	15
CEO	138	4	-	20	162
Acting CEO and GM - Planning and projects	179	3	4	51	237
GM - Commercial and Operations	123	5	-	10	138
GM - Marketing	95	-	-	11	106
Acting GM - Marketing	87	-	-	8	95
Total	682	12	4	105	803

(c) Performance payments

No performance bonuses were paid in 2013 (paid in 2012: \$41,000).

SOUTH BANK CORPORATION
Notes to and forming part of the
Financial Statements for the year ended 30 June 2013

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
7 SUPPLIES AND SERVICES				
Brisbane Conv. and Exhibition Centre:				
Advertising, marketing and PR	939	822	939	822
Asset repairs and maintenance	3,535	7,723	3,535	7,723
Electricity	2,087	1,474	2,087	1,474
Operating costs and management fee	5,973	7,032	5,973	7,032
Staffing charges	31,187	22,647	31,187	22,647
External audit fees	106	114	60	95
Investment property operating costs	4,739	5,262	4,739	5,262
Insurance premiums:				
Qld Government Insurance Fund	1,111	881	1,111	881
Operating lease rentals	385	399	385	399
Parkland repairs and maintenance	1,853	3,380	1,853	3,380
Parkland outsourced contracts (security, cleaning, lifeguards & waste disposal)	3,194	3,106	3,194	3,106
Marketing and community events	1,394	1,539	1,394	1,539
SBEO staffing charges	-	-	7,620	8,436
Other supplies and services	3,734	5,828	3,777	5,539
Total	60,237	60,207	67,854	68,335

Fees paid to the independent Chair of the Audit Committee \$7,000 (2012: \$5,600).

The total external audit fees of the Queensland Audit Office relating to the 2012-13 financial year are estimated to be \$105,500 (2012: \$114,000) for the consolidated group and \$84,500 (2012: \$95,000) for South Bank Corporation. There are no non-audit services included in this amount.

8 DEPRECIATION

Land and land improvements	4,761	4,470	4,761	4,470
Buildings	16,846	12,913	16,846	12,913
Heritage and cultural	130	158	130	158
Plant and equipment	2,707	2,159	2,707	2,159
Total	24,444	19,700	24,444	19,700

9 ASSET WRITE DOWN

Land and land improvements	1,807	-	1,807	-
Buildings	566	-	566	-
Plant and equipment	3,459	-	3,459	-
Total	5,832	-	5,832	-

Refer to note 14 for details of the recognised asset write down.

10 BRISBANE FLOODS - JANUARY 2011

Income received				
Grant - Queensland Reconstruction Authority (refer note 5)	1,528	-	1,528	-
Business Interruption Insurance	1,327	-	1,327	-
Property Damage Insurance	890	1,570	890	1,570
	3,745	1,570	3,745	1,570
Supplies and services expenses:				
Car Parking	68	-	68	-
Other	-	1,301	-	1,301
	68	1,301	68	1,301

SOUTH BANK CORPORATION
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	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
11 CASH AND CASH EQUIVALENTS				
Cash on hand	397	342	397	214
Cash at bank	3,154	3,333	3,096	3,333
Deposits at call	16,629	18,287	16,629	18,287
Total	20,180	21,962	20,122	21,834
12 RECEIVABLES				
Trade and other receivables	2,959	1,597	2,959	1,597
Less allowance for impairment	(261)	(264)	(261)	(264)
Total	2,698	1,333	2,698	1,333
Movement in the allowance for impairment				
Balance as at 1 July	264	112	264	112
Increase in allowance recognised in the statement of income	351	122	351	122
Amount recovered / (written off) during the year	(354)	30	(354)	30
Balance as at 30 June	261	264	261	264
13 DEVELOPMENT PROPERTY				
Current asset	-	-	-	-
Non-current asset	5,329	4,827	5,329	4,827
Total	5,329	4,827	5,329	4,827
At cost	1,562	1,562	1,562	1,562
Capitalised development costs	3,767	3,265	3,767	3,265
Total	5,329	4,827	5,329	4,827
Development property at cost comprises land valued by an independent valuer as at 30 June 1997.				
As at 30 June 2013 the directors of the Corporation Board estimate the fair market value of the development property to be approximately \$20 million (2012: \$20 million). This valuation has not been recognised in the financial statements. Furthermore, the Directors of the Corporation Board expect that the carrying value of the land will not exceed the present value of the net cash flows resulting from the realisation of the land.				
14 PROPERTY, PLANT AND EQUIPMENT				
Land and land improvements				
At fair value	245,134	237,272	245,134	237,272
Less impairment loss	(8,020)	(8,020)	(8,020)	(8,020)
Less asset write down	(1,807)	-	(1,807)	-
Less accumulated depreciation	(39,615)	(33,574)	(39,615)	(33,574)
	195,692	195,678	195,692	195,678
Buildings				
At fair value	604,732	570,382	604,732	570,382
Less asset write down	(566)	-	(566)	-
Less accumulated depreciation	(204,842)	(178,188)	(204,842)	(178,188)
	399,324	392,194	399,324	392,194
Heritage and Cultural assets				
At fair value	8,731	8,353	8,731	8,353
Less accumulated depreciation	(3,379)	(3,025)	(3,379)	(3,025)
	5,352	5,328	5,352	5,328

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	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
14 PROPERTY, PLANT AND EQUIPMENT (cont'd)				
Plant and equipment				
At cost	23,276	24,045	23,276	24,045
Less asset write down	(3,459)	-	(3,459)	-
Less accumulated depreciation	(13,876)	(13,313)	(13,876)	(13,313)
	<u>5,941</u>	<u>10,732</u>	<u>5,941</u>	<u>10,732</u>
Work in progress				
At cost	1,895	1,856	1,895	1,856
Total	<u>608,204</u>	<u>605,788</u>	<u>608,204</u>	<u>605,788</u>

Land

Land of the South Bank Parklands (excluding development land) and the land occupied by the Brisbane Convention and Exhibition Centre were independently valued by the State Valuation Services of the Department of Environment and Resource Management as at 30 June 2013 and 2012.

The valuations have been made on the basis of a comparison to sales of properties which have similar attributes such as location; development potential; access to facilities and other community amenities; overall size and which generally form part of a similar real estate market of lands for development.

The valuations were determined by reference to the best use physically possible, legally permissible and financially feasible, which would result in the highest value. Opportunities that are not available to the Corporation are not taken into account. For land occupied by the Brisbane Convention and Exhibition Centre: mixed commercial, retail and residential uses were considered appropriate for the notional development of the site for the purposes of determining the value of the land for financial reporting purposes. The highest and best use of the balance of land is for parklands, in line with the Approved Development Plan for South Bank.

All land has been valued as vacant land and all buildings and improvements constructed upon the land have been excluded. The valuations recognise that the properties are historically prone to flooding, however due to the use and prime location of the properties, the longer term impact on values of this event are expected to be minimal.

All land improvements such as landscaping and civil works were valued as at 30 June 2013 by an independent valuer. The valuations were determined based on the depreciated replacement cost of the assets, taking into consideration their remaining useful life.

Buildings

The commercial car park and buildings utilised by the Corporation for its own use were valued as at 30 June 2013 and 2012 by independent valuers Knight Frank Valuations Queensland using 'fair value' principles, based on current market values. The valuation of the Corporation's underground car park, the main asset in this group, considers financial results to date and expected future returns which assume an estimated potential gross market rent of \$7.88m and statutory and operating costs of \$0.87m. The assessed net income has been capitalised at a rate of 7.75%.

The 'BCEC on Merivale Street' building and all non-commercial buildings were valued by an independent valuer as at 30 June 2013 and 2012, based on the depreciated replacement cost of the assets taking into consideration their remaining useful life. The 'BCEC on Grey Street' building expansion, completed in the reporting period, is recognised at cost.

Heritage and Cultural Assets

Heritage and Cultural Assets were valued as at 30 June 2011 by independent valuers; using 'fair value' principles based on current market values for artworks where a market exists, and using written down replacement cost of the assets (taking into consideration their remaining useful life) for heritage assets where no market exists.

Plant and Equipment

Plant and equipment is valued at cost in accordance with Queensland Treasury's Non-current Asset Accounting Policies for the Queensland Public Sector.

SOUTH BANK CORPORATION
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14 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Consolidated and South Bank Corporation

Property, Plant and Equipment reconciliation:-

	Land and Improve ments \$'000	Buildings \$'000	Heritage & Cultural \$'000	Plant & Equipment \$'000	Work in progress \$'000	Total \$'000
2013						
Balance 1 July 2012	195,678	392,194	5,328	10,732	1,856	605,788
Additions	2,639	903	12	1,462	39	5,055
Adjustments *	-	(2,057)	-	-	-	(2,057)
Disposals	-	-	-	(87)	-	(87)
Revaluation increment	3,943	25,696	142	-	-	29,781
Depreciation	(4,761)	(16,846)	(130)	(2,707)	-	(24,444)
Asset write down **	(1,807)	(566)	-	(3,459)	-	(5,832)
Balance 30 June 2013	195,692	399,324	5,352	5,941	1,895	608,204
2012						
Balance 1 July 2011	182,118	235,497	5,434	7,644	137,154	567,847
Additions	19,951	149,696	52	5,406	(135,298)	39,807
Disposals	-	-	-	(159)	-	(159)
Revaluation increment/(decrement)	(1,921)	19,914	-	-	-	17,993
Depreciation	(4,470)	(12,913)	(158)	(2,159)	-	(19,700)
Balance 30 June 2012	195,678	392,194	5,328	10,732	1,856	605,788

* Adjustments - immaterial overstatement following a contract dispute resolution.

** Asset write down - as part of the transfer of the management of the Parklands, from the Corporation to the Brisbane City Council, the Corporation is to sell to the Council for \$1.00 on 1 July 2013 all Parkland operational assets necessary for the Council to carry out its management of the Parklands. These assets are recognised as at 30 June 2013 with a collective value of \$1. An asset write down of \$5.832m has been recognised in the Statement of Comprehensive Income.

The Corporation has plant and equipment with an original cost of \$9 million (2012: \$9 million) and a written down value of zero still being used in the provision of services. These assets primarily relate to the original fit-out of the Brisbane Convention and Exhibition Centre, and cannot be revalued under the Corporation's accounting policies. The South Bank Employing Office does not hold any Property, Plant and Equipment.

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
15 INVESTMENT PROPERTY				
Balance as at 1 July	66,500	60,450	66,500	60,450
Additions & work in progress	289	214	289	214
Fair value adjustment	5,711	5,836	5,711	5,836
Balance as at 30 June	72,500	66,500	72,500	66,500

The rental income and direct operating expenses derived from the investment properties is shown as:

Property rental income	11,417	9,812	11,417	9,812
Direct operating expenses on property that generated rental income during the period	4,739	5,262	4,739	5,262

Investment property is leased on terms which vary depending on the use of the property and other relevant factors. There were no properties that did not generate rental income during the period. No contingent rentals were recognised during the current or prior period.

SOUTH BANK CORPORATION
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	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
The future minimum lease payments receivable under non-cancellable leases are:				
Not later than one year	6,710	5,839	6,710	5,839
Later than one year and not later than five years	17,094	15,186	17,094	15,186
Later than five years	9,944	8,012	9,944	8,012
Total	33,748	29,037	33,748	29,037

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal.

The Corporation does not have any contractual obligations requiring it to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

The Parklands investment properties were independently valued as at 30 June 2013 and 2012 by registered valuers Knight Frank Valuations Queensland using 'fair value' principles, based on current market values and the rental stream received for the property. The valuations consider the estimated rental capacity of individual tenancies using results to date and current budgets, combining the properties into three groups based on their location and market segment: the Parklands, River Quay and Little Stanley St. Major assumptions used in the valuations are listed below, and are based on the properties being single assets with freehold interest and existing lease covenants in place:

	<i>Parklands</i>	<i>River Quay</i>	<i>Little Stanley St</i>
Estimated gross market revenue	\$6.027m	\$0.81m	\$4.31m
Reversionary yield potential net income	\$3.12m	\$0.42m	\$2.96m
% of tenants who renew leases	85%	85%	80%
Capitalisation rate	7.75%	7.50%	7.25%

Realisable values could vary from the valuations depending on changed circumstances.

Valuations provided are for the land and buildings used. The split between land and buildings has not been obtained.

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
16 PAYABLES				
Current				
Trade payables	2,638	2,085	2,638	2,083
Accruals	3,060	8,001	4,002	8,720
Annual leave	429	366	19	-
Other	2,685	2,043	2,685	2,043
	8,812	12,495	9,344	12,846
GST receivable	(590)	(557)	(590)	(557)
GST payable	791	791	791	791
	201	234	201	234
Total	9,013	12,729	9,545	13,080
Non-current				
Other	696	645	696	645

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	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
17 PROVISIONS				
Current				
Long service leave entitlements	510	267	-	-
Non-current				
Long service leave entitlements	85	219	-	-
Total	<u>595</u>	<u>486</u>	<u>-</u>	<u>-</u>
Movement in Provisions for Long Service Leave				
Balance as at 1 July	486	457	-	-
Additional provision recognised	116	107	-	-
Reduction in provision on payment	(7)	(78)	-	-
Balance as at 30 June	<u>595</u>	<u>486</u>	<u>-</u>	<u>-</u>

Staff involved in the provision of parkland services are to have their employment and entitlements transferred from the South Bank Employing Office to City Parklands Transition Services Pty Ltd on 1 July 2013. The annual leave and long service leave entitlements of these staff members, recognised as at 30 June 2013, will subsequently be paid by SBEO to the new entity. All entitlement for the relevant employees are therefore recognised as a current liabilities.

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows of long service leave the probability of the leave being taken is based on historical data.

18 OTHER FINANCIAL LIABILITIES

Current				
Queensland Treasury Corporation (QTC) borrowings	-	424	-	424
Total	<u>-</u>	<u>424</u>	<u>-</u>	<u>424</u>
Non-current				
QTC borrowings	23,622	27,528	23,622	27,528
Total	<u>23,622</u>	<u>27,528</u>	<u>23,622</u>	<u>27,528</u>

No assets have been pledged as security for any liabilities, with the exception of leased assets which revert to the lessor in the event of default.

All borrowings are in Australian dollars and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Repayment dates vary through to 2016. There have been no defaults or breaches of the loan agreements during the period.

The weighted average borrowing rate for QTC borrowings is 6.29% (2012:6.32%, ranging from 6.28% to 7.06%). As it is the intention of the Corporation to hold its borrowings for their full term, no fair value adjustment is made to the carrying amount of the borrowings.

19 UNEARNED INCOME

Unearned income as at 30 June 2013 of \$2.310m (2012: \$0.918m) includes premiums received of \$2.0 million (2012: \$0.75 million) on the sale of development land with the transaction to be completed in a future year.

SOUTH BANK CORPORATION
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20 ASSET REVALUATION SURPLUS BY CLASS

Consolidated and South Bank Corporation

There is no variance between the consolidated and the reporting entity South Bank Corporation, as the South Bank Employing Office does not hold any Property, Plant and Equipment.

	Land and Improvements \$'000	Buildings \$'000	Heritage & Cultural \$'000	Total \$'000
2013				
Balance as at 1 July 2012	160,229	172,572	3,275	336,076
Revaluation increment	3,943	25,696	142	29,781
Balance as at 30 June 2013	164,172	198,268	3,417	365,857
2012				
Balance as at 1 July 2011	162,150	152,658	3,275	318,083
Revaluation increment / (decrement)	(1,921)	19,914	-	17,993
Balance as at 30 June 2012	160,229	172,572	3,275	336,076

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

21 RECONCILIATION OF OPERATING SURPLUS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
Operating surplus / (loss)	(14,859)	1,156	(14,859)	1,156
<i>Non-cash items:</i>				
(Gain) on revaluation of investment property	(5,711)	(5,836)	(5,711)	(5,836)
Depreciation	24,444	19,700	24,444	19,700
Asset write down	5,832	-	5,832	-
Loss on disposal of plant and equipment	38	157	38	157
<i>Change in assets and liabilities:</i>				
(Increase)/decrease in receivables	(1,365)	892	(1,365)	892
(Inc)/dec in prepayments and deposits	125	(37)	123	(95)
(Inc)/dec in inventories	(26)	24	(26)	24
(Inc)/dec in development property	(502)	1,793	(502)	1,793
(Dec)/inc in payables	(3,665)	(2,344)	(3,484)	(2,270)
(Dec)/inc in provisions	109	127	-	-
(Dec)/inc in other liabilities	1,366	(10,858)	1,366	(10,858)
Net cash from operating activities	5,786	4,774	5,856	4,663

SOUTH BANK CORPORATION
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	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
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22 FINANCIAL INSTRUMENTS

(a) Categorisation of Financial Instruments

The Corporation has the following categories of financial assets and financial liabilities.

Category				
Financial asset				
Cash and cash equivalents (note 11)	20,180	21,962	20,122	21,834
Receivables (note 12)	2,698	1,333	2,698	1,333
Total	22,878	23,295	22,820	23,167
Financial liabilities				
Payables, excl. annual leave (note 16)	9,280	13,008	10,222	13,725
Other financial liabilities – Qld Treasury Corporation (QTC) borrowings (note 18)				
Total	23,622	27,952	23,622	27,952
	32,902	40,960	33,844	41,677

(b) Financial Risk Management

The Corporation's activities expose it to a variety of financial risks – interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to the Corporation's policies which focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Corporation.

The Corporation measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method
Credit risk	Ageing analysis
Liquidity risk	Sensitivity analysis
Market risk	Interest rate sensitivity analysis

(c) Credit Risk Exposure

Exposure refers to the situation where the Corporation may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any allowances for impairment as indicated in the Statement of Financial Position. The following table represents the maximum exposure to credit risk. No significant credit risks have been identified.

Financial assets				
Cash	20,180	21,962	20,122	21,834
Receivables	2,698	1,333	2,698	1,333

It is the Corporation's policy to hold cash deposits or bank guarantees equal to three month's rental for lease tenants.

The Corporation manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that it invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating impairment for risk is based on past experience and current and expected changes in economic conditions. The recognised impairment loss is \$261,000 for the current year (2012: \$264,000).

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22 FINANCIAL INSTRUMENTS (cont'd)

(c) Credit Risk Exposure (cont'd)

Aging of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

Consolidated and South Bank Corporation

There is no difference between the aging of the receivables of the consolidated and the reporting entity South Bank Corporation.

2013 Financial Assets Past Due

	<u>Contractual Repricing/Maturity Date:</u>					Total Overdue \$'000	Total Financial Assets \$'000
	Not Overdue \$'000	Less than 30 days \$'000	30 - 60 days \$'000	61 - 90 days \$'000	More than 90 days \$'000		
Financial Assets Not Impaired							
Receivables	2,371	157	46	21	103	327	2,698
Financial Assets that have been Impaired							
Receivables	17	15	11	-	218	244	261

2012 Financial Assets Past Due

	<u>Contractual Repricing/Maturity Date:</u>					Total Overdue \$'000	Total Financial Assets \$'000
	Not Overdue \$'000	Less than 30 days \$'000	30 - 60 days \$'000	61 - 90 days \$'000	More than 90 days \$'000		
Financial Assets Not Impaired							
Receivables	957	133	48	134	61	376	1,333
Financial Assets that have been Impaired							
Receivables	-	-	-	158	106	264	264

(d) Liquidity Risk

Liquidity risk refers to the situation where the Corporation may encounter difficulty in meeting obligations associated with financial liabilities.

The Corporation is exposed to liquidity risk through its trading in the normal course of business. It manages this risk by monitoring forecast cash flows to ensure it has sufficient funds available to meet employee and supplier obligations at all times. The following table sets out the liquidity risk of financial liabilities held.

Interest bearing loans are shown as contractual undiscounted cash flows.

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22 FINANCIAL INSTRUMENTS (cont'd)

(d) Liquidity Risk (cont'd)

Consolidated Financial Liabilities	1 year or less \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
2013				
Payables (excl. annual leave)	8,584	696	-	9,280
QTC borrowings	1,487	27,043	-	28,530
Total	10,071	27,739	-	37,810
2012				
Payables (excl. annual leave)	12,520	488	-	13,008
QTC borrowings	2,173	33,232	-	35,405
Total	14,693	33,720	-	48,413
South Bank Corporation Financial Liabilities				
2013				
Payables	8,584	696	-	9,280
QTC borrowings	1,487	27,043	-	28,530
Total	10,071	27,739	-	37,810
2012				
Payables	12,520	488	-	13,008
QTC borrowings	2,173	33,232	-	35,405
Total	14,693	33,720	-	48,413

(e) Market Risk

The Corporation does not trade in foreign currency or hold instruments that are subject to price risk and is not materially exposed to foreign currency fluctuations and commodity price changes. It is exposed to interest rate risk through its borrowings from Queensland Treasury Corporation (QTC) and cash deposits in interest bearing accounts. All QTC borrowings are from generic debt pools which approximate fixed rate loans. The Corporation does not undertake any hedging in relation to interest rate risk.

(f) Interest Rate Sensitivity Analysis

The Corporation's exposure to interest rate risk is mainly attributable to variable interest rates on cash held with and borrowings from QTC.

The following interest rate sensitivity analysis depicts the outcome to profit and loss if interest rates would change by +/-1% from the year-end rates applicable to the Corporation's financial assets and liabilities. With all other variables held constant, the Corporation would have a surplus and equity increase/(decrease) of \$34,000 (2012:\$60,000).

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22 FINANCIAL INSTRUMENTS (cont'd)

(f) Interest Rate Sensitivity Analysis (cont'd)

Financial Instruments	Carrying Amount	Interest Rate Risk			
		-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Consolidated 2013	\$'000				
Cash	20,180	(202)	(202)	202	202
QTC Borrowings	23,622	236	236	(236)	(236)
Overall effect on profit and equity		34	34	(34)	(34)
2012					
Cash	21,962	(219)	(219)	219	219
QTC Borrowings	27,952	279	279	(279)	(279)
Overall effect on profit and equity		60	60	(60)	(60)
South Bank Corporation 2013					
Cash	20,122	(201)	(201)	201	201
QTC Borrowings	23,622	236	236	(236)	(236)
Overall effect on profit and equity		35	35	(35)	(35)
2012					
Cash	21,834	(218)	(218)	218	218
QTC Borrowings	27,952	279	279	(279)	(279)
Overall effect on profit and equity		61	61	(61)	(61)

(g) Fair Value

It is considered that the carrying amount of the financial assets and financial liabilities of the Corporation, with the exception of the interest-bearing liabilities listed below, closely approximate their fair value and therefore no fair value is disclosed.

The fair value of interest-bearing liabilities was determined by Queensland Treasury Corporation by discounting the expected future cash flows by the current interest rates for liabilities with similar risk profiles.

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
Financial liabilities				
QTC borrowings:				
Total carrying amount	23,622	27,952	23,622	27,952
Market value	25,591	30,487	25,591	30,487

SOUTH BANK CORPORATION
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23 COMMITMENTS FOR EXPENDITURE

Non-cancellable Operating Lease Commitments

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	Consolidated 2013 \$'000	Consolidated 2012 \$'000	South Bank Corporation 2013 \$'000	South Bank Corporation 2012 \$'000
Not later than one year	401	441	401	441
Later than one year and not later than five years	405	10	405	10
Total commitments	806	451	806	451
Anticipated input tax credits	81	41	81	41

Operating leases, with fixed lease payments, are entered into as a means of acquiring access to assets, mainly retail space, building accommodation and motor vehicles.

24 CONTINGENT ASSETS AND LIABILITIES

A claim has been lodged by the Corporation with the Queensland Reconstruction Authority under the National Disaster Relief and Recovery Arrangements for \$0.9 million relating to the January 2011 flood. The eligibility of the claim has not been determined and no amount has been recognised as receivable in the financial statements.

The Corporation has received notification of public liability claims that could result in litigation. The Corporation believes that any material liability from these actions is indemnified by the Corporation's insurers.

25 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Transfer of management of the Parklands to Brisbane City Council:

The State Government, the Corporation and the Brisbane City Council (the BCC) have entered into an agreement to lease the South Bank Parklands to the BCC for the purpose of carrying out the management, operation, maintenance, promotion and administration of the Parklands. The lease commenced on 1 July 2013 and will terminate on 30 June 2023 unless a further term is agreed between the parties. It is expected that funding for the provision of these services will be provided jointly by the State Government and the Corporation to the BCC.

The BCC (through its wholly owned entity City Parklands Transition Services Pty Ltd) is from 1 July 2013 responsible for all services including maintenance, horticulture, security, parklands cleaning, marketing and venue hire within the Parklands. South Bank Corporation retains ownership of the Parklands and management of its car park, investment properties and the Brisbane Convention and Exhibition Centre.

Transfer and payment of employee entitlement to BCC:

Furthermore, those staff involved in the provision of parkland services have had their employment transferred from the South Bank Employing Office to City Parklands Transition Services Pty Ltd. The annual leave and long service leave entitlements of these staff members, recognised as at 30 June 2013 as current liabilities of \$0.465m (\$0.140m annual leave and \$0.325m long service leave), will be paid by SBEO to the new entity post 30 June 2013.

Transfer of assets to BCC:

As part of the arrangements with BCC, on 1 July 2013 the Corporation will transfer certain property, plant and equipment to the BCC for consideration of \$1 (refer note 14). The asset write down of \$5.832m has been recognised in the Statement of Comprehensive Income. These assets, or their replacement assets, are expected to be received back by the Corporation at the end of the lease period for \$1.

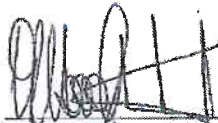
Other:

No other material events have occurred between the Statement of Financial Position date and the signing of these financial statements.

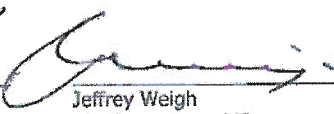
CERTIFICATE OF SOUTH BANK CORPORATION

These general purpose financial statements have been prepared pursuant to the provisions of the *Financial Accountability Act 2009* (the Act), relevant sections of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with section 62(1) of the Act we certify that in our opinion:

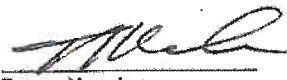
- the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the South Bank Corporation for the financial year ended 30 June 2013 and of the financial position of the Corporation at the end of that year.



Victor P Hoog Antink
Chairman



Jeffrey Weigh
Chief Executive Officer



Trevor Marsden
Chief Financial Officer

Date: 22 August 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of South Bank Corporation

Report on the Financial Report

I have audited the accompanying financial report of South Bank Corporation, which comprises the statements of financial position as at 30 June 2013, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairman, Chief Executive Officer and Chief Financial Officer of the entity and the consolidated entity comprising the Board and the entities it controlled at the year's end or from time to time during the financial year.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board 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.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of South Bank Corporation and the consolidated entity for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Emphasis of Matter – Winding up South Bank Corporation

Without modifying my opinion, attention is drawn to Note 1 (a) in the financial report which identifies that written notification was received from the Deputy Premier and Minister for Development, Infrastructure and Planning on 19 July 2012, identifying that the purposes for which the South Bank Corporation was created have been achieved and it is the State Government's intention to wind-up the Corporation. Given no further communication from the State Government with respect to the future of the Corporation during the 2013 financial year, there still exists significant uncertainty with respect to the going concern assumption of the Corporation.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



C F DOUGHERTY CPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

11. Appendix One – Compliance Checklist

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister(s)	ARRs – section Error! Reference source not found.	P 1
Accessibility	Table of contents Glossary	ARRs – section 10.1	P i P 2
	Public availability	ARRs – section 10.2	P 2
	Interpreter service statement	Queensland Government Language Services Policy ARRs – section 10.3	P 2
	Copyright notice	Copyright Act 1968 ARRs – section 10.4	P 2
	Information Licensing	Government Information Licensing Framework (GILF) QGEA Policy ARRs – section 10.5	P 2
General information	Introductory Information	ARRs – section 11.1	P 3
	Agency role and main functions	ARRs – section 11.2	P 5
	Operating environment	ARRs – section 11.3	P 6
	Machinery of government changes	ARRs – section 10.5	P 13
	Review of proposed forward operations	ARRs – section 11.4	P 13
Non-financial performance	Government objectives for the community	ARRs – section 12.1	P 17
	Other whole-of-government plans / specific initiatives	ARRs – section 12.2	n/a
	Agency objectives and performance indicators	ARRs – section 12.3	P 18
	Agency service areas, service standards and other measures	ARRs – section 12.4	P 23
Financial performance	Summary of financial performance	ARRs – section 13.1	P 24
	Chief Finance Officer (CFO) statement	ARRs – section 13.2	n/a
Governance – management and structure	Organisational structure	ARRs – section 14.1	P 25
	Related entities	ARRs – section 14.3	P 26
	Boards and committees	ARRs – section 14.4	P 27
	Executive management	ARRs – section 14.2	P 29
	Public Sector Ethics Act 1994	Public Sector Ethics Act 1994 (section 23 and Schedule) ARRs – section 14.5	P 30

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	Risk management	ARRs – section 15.1	P 31
	External scrutiny	ARRs – section 15.2	P 31
	Audit committee	ARRs – section 15.3	P 31
	Internal Audit	ARRs – section 15.4	P 31
	Public Sector Renewal Program	ARRs – section 15.5	n/a
	Information systems and recordkeeping	ARRs – section 15.7	P 31
Governance – human resources	Workforce planning, attraction and retention	ARRs – section 16.1	P 32
	Early retirement, redundancy and retrenchment	Directive No.17/09 Early Retirement, Redundancy and Retrenchment ARRs – section 16.2	P 32
	Voluntary Separation Program	ARRs – section 16.3	P 32
Disclosure of additional information	Open data	ARRs – section 17	P 33
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 18.1	P 66
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 18.2	P 67
	Remuneration disclosures	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 18.3	P 52