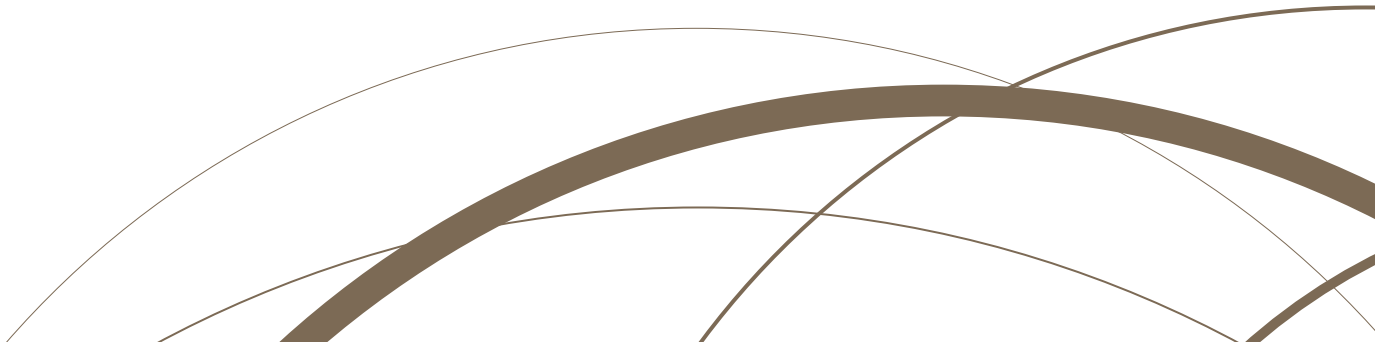




south bank
corporation

2011- 2012

South Bank Corporation
Annual Report



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1984:
A run down South
Brisbane prior to
World Expo 88.



2012:
**Today's vibrant
South Bank precinct.**



Glossary

SBC	South Bank Corporation
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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For further information about South Bank Corporation's Annual Report please contact 07 3867 2051 or email info@south-bank.net.au.

Image acknowledgements

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30 September 2012

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 Annual Report 2011–2012 and financial statements for *South Bank Corporation*.

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 on page 99 of this annual report.

Yours sincerely,

Jeffrey Weigh
Chief Executive Officer
South Bank Corporation

A message from the Chairman

When invited by Premier Rob Borbidge in December 1996 to Chair a new Board, our brief was to refresh the transformation of South Bank into a unique place for Queenslanders. We boldly set out our vision *'to be the best new urban precinct in the world'* and developed a new master plan. The essence of this plan was to:

- Increase and de-clutter the Parklands' green footprint;
- Integrate with surrounding attractions and neighbours;
- Re-introduce the street grid;
- Build Brisbane's first central footbridge as a means to celebrate the river;
- Adopt a Queensland vernacular of design, landscape, food and activity;
- Develop Grey Street as a great urban spine;
- Attract the right style of developer for the precinct; and
- Achieve strong financial returns on investment.

A central notion we have continually pursued is that the precinct be an example of great city living and subtropical style. Many were afraid that our process would lead to gentrification of the area which we resisted by maintaining the essentially free nature of the public realm – a true people's place.

The project has been financed by successfully operating our business along with the backing of the Government, individual Premiers and Brisbane City Council over the journey. Our three main business areas are:

- The Parklands' underground car park facility;
- A diverse mix of retail offerings which we are the developer and landlord for; and
- Australia's most successful Convention Centre, the Brisbane Convention & Exhibition Centre.

Nearly sixteen years on, we can now happily say that South Bank is Brisbane's 'jewel in the crown' as the most visited and loved part of Australia's New World City. Nothing better displays the friendly, outgoing, outdoors lifestyle of Brisbane. It is our fervent hope that this very successful example of urban planning and place management can be copied and used as a catalyst for the continuing evolution of this great city of ours.

Few of these achievements would have been possible without dedicated, efficient and passionate management and staff over many years. I wish to thank everyone who has been part of our successful team, especially the two long term CEOs, Bill Grant and Malcolm Snow.

Bold decisions can never be made without a courageous, proficient and hardworking Board and to this end I thank all of my colleagues – such an interesting and diverse group, united by the common bond of a desire to lift the bar on expectations of a city which so often saw itself as a big country town and a gateway to regional highlights.

It has been my honour and privilege to be involved.

Steve Wilson AM

Chairman



A message from the CEO

South Bank has grown far beyond its genesis as public parklands to become a thriving, vibrant urban centre. Its diverse and energetic community delivers an incredible range of experiences to the people of Brisbane and for visitors from around Queensland, interstate and overseas.

This year, the development of South Bank has reached a point where it is almost complete, with the launch of three major projects: the BCEC on Grey Street Expansion, the ABC building and the hugely popular River Quay dining precinct. The only large scale project left to deliver is the Southpoint development, which we are passionate about seeing come to fruition.

These projects have been incredibly important to the evolution of South Bank. They have already started to attract higher numbers of local visitors, workers and tourists to the area. They provide stronger connections between the various arts, cultural, educational and lifestyle institutes in the precinct. They also contribute largely to the success of Queensland's economy through business and tourism. Each of these projects is discussed in detail in the following pages of this report.

With the gradual completion of the precinct's development projects, our attention over the last couple of years has started moving away from that of a development manager, and more to a role of place manager, tasked with the responsibility of ensuring South Bank retains its appeal and relevance to new and growing audiences.

The commercial success of South Bank has been astounding. The Corporation now manages more than 80 tenants with a range of offerings including cafes, restaurants and clothing and has attracted an impressive list of leading companies to the precinct. The rapid bounce back of our retailers after the setbacks of the January 2011 floods has been incredibly inspiring and just goes to show the appeal and popularity the precinct has across Brisbane.

South Bank's purpose is about creating a real community and sense of place that makes a vital social and economic contribution to the city. The precinct has achieved a coherence and authenticity that is rare in urban renewal projects, emerging as a result of genuine community engagement that has taken account of local influences – it has been shaped by, and shapes, its environment. The precinct has been embraced by the community as a hive for outdoor activity with cycling, running, outdoor boxing, swimming, walking and yoga being activities that are a regular part of everyday life at South Bank.

The dedication, passion and hard work of our wonderful team, partners, retailers and local businesses has been integral to the Corporation achieving its vision. I would like to thank them for their ongoing support and acknowledge the guidance of our Board as we have moved through various stages of evolution.

It is fair to say that South Bank occupies a special place in our city and in the hearts of those who visit. With the inner-city population rapidly increasing, the pressure on our already popular place will inexorably increase. I look forward to continuing to work with our many partners through the next stages of transition for the Corporation, when we will continue to collaborate to ensure South Bank reaches its full potential as the energetic heart beat of Australia's new world city.

Jeffrey Weigh

Chief Executive Officer



1 South Bank Corporation overview





1.1 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 important 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: 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 86 permanent employees as at 30 June 2011, 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.

South Bank Corporation overview

1.1.1

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.

1.1.2

Our vision

To create and manage the best new urban precinct in the world.

1.1.3

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.

1.1.4

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.

South Bank Corporation overview

1.1.5

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.

1.2

Our places

South Bank, incorporating Little Stanley, Grey Street and the Parklands, 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 13,000 employees and residents who can access an array of services including hotels, retail outlets, educational institutions, public transport, car parking and entertainment.

1.2.1

Indulge in Little Stanley

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 and shopping 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.

Retailers on Little Stanley experienced strong growth during the last financial year despite the setbacks from the previous year's floods, with many establishments generating even higher demand from locals and visitors alike. The success of the street can be partly attributed to the Corporation's emphasis on collaborative retail marketing initiatives and strategic property management. We worked together with our retailers to develop a number of exciting integrated marketing, communications and advertising activities that resulted in increased growth and profitability. Our innovative approach led to the establishment of many new communications and marketing channels to promote the precinct including the South Bank Visitor's Guide smartphone application, Kitchen Stories, printed pocket guide and social media sites.

1.2.2

Create in Grey Street

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.

South Bank Corporation has recognised the important role Grey Street plays in being a connector of various experiences and has developed a Place Management Strategy to build upon its authentic identity to create a truly inspirational, creative and diverse destination. A key element of this Place Management Strategy was the Grey Street Exchange Program. The program focused on engaging a broad range of stakeholders and encouraging them to share their ideas for evolving the street through workshops, online surveys and a design charette. A number of public artworks and street installations have also been commissioned for Grey Street to encourage dwell time and improve the overall visitor experience.

1.2.3

Escape in the Parklands

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.

The Parklands' latest development, River Quay, is a dining hub where gourmet cuisine is worshipped and an appreciation of food is nurtured. Joining South Bank Corporation's vision for a contemporary dining locality are award winning restaurants, Stokehouse Q, Cove Bar and Dining, The Jetty South Bank, Popolo Italian Kitchen and Bar and Aquitaine Brasserie. Perfectly complementing the delectable epicurean fare are stunning views of the city offered from each restaurant. Contemporary architecture provides a superb contrast with the grassy surrounds of the Parklands and an ever changing city backdrop.

2 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.

2.1

Operational highlights

This financial year has been characterised by the completion of numerous development projects that have already started to contribute significantly to the community, particularly projects such as Rain Bank, the BCEC Expansion and River Quay. Other highlights include event activations, stakeholder engagement and place making initiatives. Below is an overview of this year's most significant achievements.

2.1.1

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.

2.1.2

Brisbane Convention & Exhibition Centre expansion

The BCEC on Grey Street expansion project was officially opened on Wednesday, 25 January 2012 – the same day the Centre reopened for business one year earlier following the January 2011 floods. The \$140 million, five level, boutique expansion has created an additional 25,000 square metres of floor space, meaning the Centre is now 52 percent bigger and one of the largest convention centres in Australia. The expansion delivered an additional 20 meeting rooms, a new ballroom, an extensive outdoor terrace, two state-of-the-art auditoriums (designed specifically for smaller events), and restaurant and retail space at ground level. The expansion has the ability to host an additional 300 events per year on top of the 1000 events it already hosts annually. The operation of the new venue has delivered employment for 100 additional full time equivalent employees.

2.1.3

River Quay development

River Quay (formerly known as the Boardwalk Redevelopment) is the Parklands' new, waterfront dining precinct. It combines high quality waterfront open space with fine dining and is one of the most significant changes to the Parklands in ten years.

River Quay's design was unveiled to the public in December 2009 with construction beginning in February 2011. The development's first four restaurants: Stokehouse, Cove Bar and Dining, The Jetty South Bank and Popolo commenced trade in late 2011. The fifth and final restaurant, french inspired Aquitaine Brasserie, will open in late 2012.

The new dining precinct's stunning location provides uninterrupted views of the Brisbane River and provides the people of Brisbane with a unique place to relax and enjoy the quintessential Queensland lifestyle. It has already won several awards including national recognition at the Australian Urban Design Awards and Urban Development Institute of Australia Awards.

The buildings are sustainably designed with a range of environmental features including large glazed walls to maximise natural lighting, a breezeway that provides a naturally ventilated space between the restaurants and Variable Refrigerant Volume (VRV) air conditioning systems to provide good energy efficiency and low greenhouse emissions during both cooling and heating.

South Bank Corporation's marketing team has implemented numerous initiatives to activate the new River Quay space, resulting in its rapidly growing popularity with both locals and visitors.

Operating environment

2.1.4

ABC headquarters and Queensland Symphony Orchestra

The new Brisbane headquarters for the Australian Broadcasting Corporation (ABC) are located on the corner of Grey and Russell Streets at South Bank.

Construction on the building began in February 2010 and was completed in early 2012. The purpose-built ABC building covers 15,435 square metres of gross floor area and has four stories, plus a basement. It has achieved a five-star rating under the Green Star system and includes office space, ABC radio and television facilities and retail space. The building was designed by Richard Kirk Architects and constructed by Leighton Contractors Pty Limited. It was officially opened on 19 April 2012 and currently accommodates approximately 300 ABC staff as well as the Queensland Symphony Orchestra.

The construction of the new ABC building at South Bank has received both positive appraisal and negative criticism from a range of stakeholders, primarily in relation to the loss of open space for the development. An open space compensation strategy was developed by the Corporation to offset the loss of open space which has now largely been enacted through the Liana Lounge directly opposite ABC and the River Quay Green. There is one final open space to be developed in the Parklands which will provide more high quality green space than was available prior to the ABC development. South Bank Corporation is currently working with the State Government and Brisbane City Council to enable this green space development.

2.1.5

Southpoint development

South Bank's last vacant development site, Southpoint, 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 179 residential apartments, 42,000 square metres of commercial office space, a 178 room five-star boutique hotel and significant retail space including a supermarket. Southpoint's development will also include a multi-million dollar upgrade of the South Bank rail station, which is conveniently located adjacent to the site.

In 2011, South Bank Corporation won its bid for Suncorp Group to locate its headquarters at the new Southpoint development once built. Suncorp cited the development's unique surroundings and connections as the ideal location for its new commercial offices. Since then, Suncorp has revoked this decision. Anthony John Group is currently seeking a financial investor and commercial tenants to accommodate the development.

Construction on Southpoint is expected to commence in 2012.

2.1.6

Grey Street Place Management Strategy

Over the last 10 years, Grey Street has evolved to become Brisbane's finest boulevard – the artery linking South Bank's exciting cultural, entertainment, educational and recreational experiences. With arts organisations showcasing international artistry, the many prestigious commercial and retail opportunities, and the bustling young vibe of creative students with more than 10,000 commuters every day, Grey Street is a place in which to be bold and challenged.

South Bank Corporation has recognised these important connections and has developed a Grey Street Place Management Strategy to ensure the street realises its full potential as a truly unique destination. The Strategy incorporates a number of key elements focusing on engaging with various stakeholders to gain their input into the street's future direction. These elements include the Grey Street Exchange and the Great Ideas for Grey Street Partnership Program. The Grey Street Exchange was developed to encourage anyone who lives, works and plays in the precinct to share their vision and comment on future proposals for the street. The Corporation held nine workshops, an online survey, school initiatives and a design charette as part of the program. The Great Ideas for Grey Street Partnership Program has been developed to assist people who have great ideas for the street to realise their vision to create a place that is inclusive, prosperous and vibrant. A number of proposals have already been received by people who are excited about the prospect of enhancing the street.

Operating environment

2.1.7

EarthCheck accreditation

In 2011, South Bank became one of only seven 'communities' worldwide – and the second in Australia – to be recognised by the international sustainability accreditation program, EarthCheck. The accreditation positions South Bank amongst the world's greenest communities, acknowledging the calibre of South Bank Corporation's green space, water management and sustainability policies for the precinct.

To receive the prestigious recognition, South Bank was measured against stringent international standards for sustainability and then compared to similar communities worldwide. The accreditation builds upon the Corporation's vision, outlined in our Sustainability Policy, to be a leader in sustainability in place making and management. EarthCheck will now allow the Corporation to effectively measure sustainability outcomes against an industry recognised baseline and best practice levels.

In future years, the system will enable the Corporation to compare current sustainability progress and successes with other world leaders and also provides a framework to continue to push the envelope when it comes to the improvement of sustainability attributes for the precinct.

To achieve Benchmarked Bronze status, South Bank was measured against standards for water and waste management, energy consumption and management of the social and cultural impacts of tourism. South Bank's sustainability policy and green space were rated above best practice levels and its energy consumption, greenhouse gas emissions, potable water consumption, water savings, waste sent to landfill, water recycling and pesticide products were rated at or above the baseline level.

To attain the next level of EarthCheck status, South Bank Corporation must continue to implement innovative sustainability solutions and work with the community, precinct partners and key stakeholders to constantly improve its green credentials. The Corporation has almost progressed to this stage by achieving Conditional Certification, which will result in Certification once some minor elements of our sustainability strategies are improved.

2.1.8

The Queen's visit

On 24 October 2011, South Bank hosted Her Majesty The Queen Elizabeth II and His Royal Highness The Duke of Edinburgh during their visit to Brisbane. This was The Queen's first visit to South Bank since she officially opened World Expo 88 more than 20 years ago. During her visit, The Queen hosted a private VIP function at the Riverside Restaurants; hosted a special reception at QPAC to acknowledge emergency personnel, volunteers and those affected by the recent natural disasters; and officially opened the Corporation's Rain Bank facility. The launch of Rain Bank was the only time during The Queen's visit that she made a formal address to the public. During her speech, The Queen acknowledged the tremendous work completed by many people to regain the Parklands' pristine conditions after it was inundated by the January 2011 floods.

Approximately 60,000 people visited South Bank to welcome The Queen and His Royal Highness to the precinct. The event attracted extensive media coverage of South Bank and the Rain Bank initiative.

2.1.9

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.

In its third year, 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 2011 event was held over two days and attracted more than 50,000 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. 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.

Operating environment

2.1.10

'Take a Seat' moveable chair program

After a six month trial, the Corporation launched a new activation initiative known as 'Take a Seat'. The program provided 50 new, vibrant moveable chairs throughout South Bank's open spaces for anyone to use for free from 10am to late every day.

Designed to encourage 'dwell time', the colourful sling back chairs are a regular meeting spot for students, professionals, families and international visitors. Dotted around the Little Stanley Street lawns, the chairs have created a place that allows visitors the flexibility to arrange a setting according to their own interests – from a social meeting place, to study groups, to people watching. While South Bank is already a popular place to unwind, relax and watch the world go by, the inclusion of the chairs on the Little Stanley Street lawns added a lively and festive atmosphere to the streetscape that has encouraged visitors and the community to linger in the public space.

The 'Take a Seat' moveable chairs scheme was inspired by other projects in cities such as Paris (Luxembourg Gardens), New York City (Bryant Park) and closer to home by Sydney's 'Chairs in Squares' program and Melbourne's Federation Square seating program. South Bank Corporation commissioned Australian design house Falinc to design a special South Bank inspired graphic to be printed on the custom built chairs.

2.1.11

Launch of new digital communication channels

Over the past year, South Bank Corporation's marketing division focused on developing its online presence to encourage more interactive engagement with visitors. Firstly, the Corporation's consumer driven website, Visit South Bank, was entirely redeveloped to provide a precinct-wide approach to marketing. The new site includes frequently updated news, information and events to help boost visitation and provide an information hub for both tourists and locals. As part of our new digital strategy, South Bank Corporation also launched Facebook and Twitter accounts to become an active part of the social media sphere. Since their inception, the social media accounts have grown exponentially and have become a significant channel for marketing communications. Alongside South Bank's social media sites, the Corporation launched a Pocket Guide smartphone application for iPhone and Android platforms to strengthen our marketing toolkit. The Corporation will be working closely with the developers to constantly improve its offering with exciting updates and improvements whilst working to further establish this already very successful device as a must have when discovering South Bank and its retailers. The Corporation plans to further utilise these cost effective communication channels for all marketing campaigns to subsequently drive more visitation to our events and retailers.

2.1.12

Achieving South Bank's most successful retail year to date

The 2011–2012 financial year was the precinct's most successful retail year to date with almost every month breaking new records for precinct sales and visitation.

With more than 80 retailers in the area, South Bank Corporation views the retail approach as a collaborative strategy where all stakeholders play an active part in contributing towards a common goal to establish South Bank as one of the world's best urban precincts. The Corporation's in-house marketing and communications team provide valuable support to our retail initiatives with a number of key goals such as increasing the individual awareness of South Bank's entire retail mix, increasing visitation to the precinct through innovative marketing activation strategies and improving financial performance for retail outlets.

Retail marketing campaigns continue to be a major driver for retailers in the precinct with the Corporation developing and executing a number of effective retail campaigns and advertising plans to promote key retail calendar dates and elevate the South Bank retail offer in the marketplace. These campaigns aligned to numerous holidays and events including Father's Day, Regional Flavours, River Quay launch, Christmas and New Years Eve.

Operating environment

2.1.13

Sustainable Tenancy Guide

The Corporation works closely with its tenants and partners to be leaders in sustainable practice. The Sustainable Tenancy Guide, released in June 2012, will assist South Bank tenants to improve their operational performance and meet agreed minimum standards of sustainable building and operational practice.

The Guide, which is the first of its type in Australia, has been designed using a simple checklist approach to explain environmental considerations to look for when designing and operating a tenancy. It showcases the benefits from implementing various green initiatives relating to energy, water, waste, purchasing and continuous improvement. The Guide is underpinned by South Bank's commitment to be a national leader in sustainability and to create, maintain and promote South Bank as a precinct of sustainability excellence.

2.1.14

Strengthening partnerships with local and national media

Part of the marketing division's responsibility is to manage the day-to-day communication of Corporation news, information and events. A key element of this includes working with and engaging local, state and international media in order to achieve cross-business objectives in all areas of retail, property, planning, development, events and marketing. In the 2011–2012 financial year the various media activities and campaigns undertaken resulted in a cumulative audience reach of approximately 161,440,662 (excluding July, August and September 2011 when figures were unavailable) and an advertising space rate (ASR) of \$13,953,703.58.

As well as responding to ad-hoc media enquiries, the communications team produced media releases, statements and alerts to support activities across the business. Working with various stakeholders and partners (Department of Premier and Cabinet, Tourism Queensland and Brisbane Marketing), the communications team also coordinated a number of media calls, events, media opportunities and famils for local, national and international journalists. Events based media campaigns were also very successful this year with Regional Flavours 2011, the Rain Bank launch/Royal visit and New Year's Eve celebrations generating interest and coverage from high-profile interstate media including the Weekend TODAY show, ABC News 24 and the Australian Financial Review, among others. Development and retail projects such as River Quay, Southpoint and the Riverside Restaurant redevelopment also generated interest with a number of key journalists at publications such as The Australian, Australian Financial Review and The Courier-Mail.

2.1.15

BCEC recorded outstanding growth

The opening of the Centre's boutique expansion, BCEC on Grey Street, was the catalyst for a busy agenda and a prolonged period of client activity and national and international exposure for the BCEC. Following the opening of the expansion, BCEC recorded its highest ever revenue and hosted its highest number of conventions in the 2011-2012 financial year, presenting a total of 1,109 events with 671,000 visitors. Forward bookings are at a record high as the Centre continues to receive strong interest in BCEC on Grey St with 485 bookings on or after July 1 2012.

The Centre continued to host international guests, welcoming Her Majesty Queen Elizabeth II and Prince Phillip Duke of Edinburgh during their Royal visit to Brisbane in October and the world's most popular pop group of the time, One Direction.

This year BCEC added to its already impressive list of awards by winning 'Best Function/Convention Centre' at the National Restaurant & Catering Awards for the third occasion and took out the coveted national title of 'Caterer of the Year' for the very first time. BCEC was also voted Number 1 in the Top 10 Convention Centres in Australia by Management Today, the monthly magazine of the Australian Institute of Management.

Centre staff and management are strongly committed to a community engagement program which encompasses a number of activities including the hosting of an annual Christmas Lunch for 500 of those involved the Salvation Army's many programs. The Centre also hosted its third series of basic nutrition and cooking classes in partnership with the West End Community House. Other community activity during the period resulted in the donation of 15,000 packaged meals to Foodbank supporting Brisbane's homeless.

2.2

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 uniqueness by evolving our places and creating world class and relevant 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;
- The Brisbane River's potential to be an active, well-used public space within the central city must be promoted and realised; and
- To continue our evolution from primarily being a developer to a place and experience manager.

2.3

External scrutiny

During the 2011–2012 financial year, no external audits or reviews were conducted of South Bank Corporation, other than the audit of the financial statements.

2.4

Machinery of government changes

On 4 May 2012, Premier Campbell Newman and Lord Mayor Graham Quirk announced (*Ministerial Media Release: State and BCC working together to deliver for Brisbane*) a new partnership between the State Government and the Brisbane City Council (BCC).

The media statement said "an in-principle agreement was reached on: Handing over the management of South Bank, Roma Street Parklands, Roma Street Forum and Emma Millar Place to the Brisbane City Council, with funding to ensure the BCC is not out of pocket".

Following the announcement, the Chairman and Acting CEO of South Bank Corporation met with the Department of State Development, Infrastructure and Planning to begin implementing changes and determining the mechanisms by which they will occur. The Corporation's new CEO has continued these meetings with the State and Local Government to ensure the transition is as smooth as possible for all stakeholders.

Until the final outcome of the transition is determined and implemented, the Corporation is continuing to work towards its current vision to create and manage the best new urban precinct in the world while meeting important Queensland Government objectives geared towards adding value to the State's economy through tourism.

2.5

Review of proposed forward operations

While South Bank Corporation's current management responsibilities are currently under review by the Queensland Government, it remains committed to creating and managing an outstanding precinct for the community. Our key projects for the 2012–2013 financial year are outlined in the following pages.

2.5.1

Operational plans and priorities

Implementing the South Bank Parklands Master Plan

At the cornerstone of South Bank's evolution to become Brisbane's premier tourist destination, public space and recreational precinct was the South Bank Master Plan, which was endorsed by South Bank Corporation in 1990 to guide development in the precinct. This Master Plan has been instrumental in transforming South Bank into a thriving precinct that embodies Queensland's quintessential qualities: climate, landscape, character, diversity and lifestyle. It has undergone several amendments over the years (most recently in 2007) to ensure its success.

To date, initiatives delivered under the Master Plan include the South Bank Parklands and trendy urban streets, Little Stanley Street and Grey Street, which are populated with retail and dining outlets as well as landmark cultural and commercial developments. The remaining elements of the South Bank Master Plan focus on enhancing the Parklands to ensure it continues to be one of the world's greatest community spaces and tourist destinations. Realising the Parklands' full potential through the implementation of the South Bank Parklands Master Plan will support the Queensland economy and the local construction industry.

Primary elements of the South Bank Parklands Master Plan that are scheduled to commence development in the upcoming financial year include:

Arbour View Green: This development project is a significant element of the South Bank Parklands Master Plan, promising to deliver quality green space with large open areas and river views that can be used for informal active recreation and play. It also forms part of the open space compensation strategy designed to replace all of the open space that was used for the ABC development.

Enhancing the Parklands' southern precinct: Alongside the Arbour View Green development, the Corporation proposed to enhance this part of the Parklands by improving the interface at the Vulture Street entry point to improve connectivity and to improve the intersection of Sidon Street and the Goodwill Bridge to better accommodate the large volumes of pedestrian and cyclist traffic.

Enhancing the Parklands' central precinct: By creating a plaza at Ernest Street, which is one of the main access points to the Parklands, and refurbishing the Riverside Restaurants and Central Cafes. The vacant land at the corner of Glenelg and Grey Streets will also be activated to improve the quality and overall experience of entering the Parklands from Grey Street.

Enhancing the Parklands' northern precinct: This can occur by completing streetscape works in the northern part of Grey Street to create a landscaped boulevard that spans the entire reach of South Bank and redesigning the Cultural Forecourt to realise its potential as a key civic place in the City by better accommodating events and large crowds while maintaining its synergy with the rest of the Parklands.

Operating environment

Place activation through marketing and community events

A key strategy to creating great, authentic community spaces revolves around the dedication to place activation. Activating spaces through events and experiences is integral to setting South Bank apart as a dynamic destination, rather than simply a location.

South Bank Corporation's strategy focuses on creating more frequent activation in concentrated areas to pre-defined target market communities. Larger, signature events will continue to occur but will be held just once or twice each year with the support of sponsorship, ensuring our focus is on continuous activation for all visitors and that we continue to offer cost effective solutions. These activation programs will continue to establish South Bank as a destination that always has surprising, delightful and place-specific experiences on offer.

The following activation themes have been set according to the Corporation's Place Identity Strategy for the Parklands. Key place identities within the Parklands that will be activated during the next financial year include:

River Quay: Since its launch in October 2011, this riverfront dining precinct in the Parklands has already established a loyal following. To continue gaining local and national accolades for an exciting, world-class precinct, the Corporation's marketing division will continue to implement activation programs through free outdoor music sessions and integrated marketing communications campaigns.

Stanley Street Plaza: The Corporation's marketing division is currently developing a creative strategy to activate this area, particularly with the high population of young adults. The activation strategy will include many surprise and delight elements such as interactive public art and small-scale events.

The Piazza: A naming rights sponsor is currently being finalised for the Piazza. There was a high level of interest from major local corporations who could contribute funds to activate this facility through community events, both large and small.

Streets Beach: South Bank's extremely popular man-made Streets Beach welcomes many tourists and locals every day of the week. Even so, there are many opportunities to further activate the area and make it an even more exciting place to visit. Upcoming activation programs include City Nippers to teach Brisbane children about beach safety, the Corporate Volleyball Challenge to encourage active lifestyles and team building and water aerobics classes through the outdoor fitness Feel Good Program.

Green spaces: Green spaces such as Riverside Green and Rainforest Green offer ideal locations for smaller activations that occur throughout the year or larger activities such as free outdoor fitness programs and outdoor cinema programs.

Operating environment

Enhance retail offerings to boost the economy and engage visitors

The Corporation's strategic direction of retail and property involves managing the retail direction of new and existing signed tenants, the leasing of new, individual tenancies and formulating the optimum retail mix within our precinct's sub-precincts. There are a number of key initiatives that we will continue to work on to ensure a successful and appealing mix of retailers suited to our many diverse visitors. Retail will continue to be a major priority for the Corporation in 2012–2013 with projects including:

Launching BCEC on Grey Street retail outlets: As part of the BCEC on Grey Street Expansion project, the Corporation attracted a bold and experimental flagship store for Grey Street as part of the retail strategy. The outlet, named 'Title', will offer music, books and electronics with a creative focus for our younger demographic.

Riverside Restaurants: This exciting redevelopment project has already attracted the interest of very successful and well-known restaurant entrepreneurs. The Corporation is committed to seeing this project come to fruition to further complement the Parklands' increasing popularity amongst a very broad range of demographics.

Enhancing the retail mix: To create a vibrant and sustainable inner city precinct it is vital for South Bank Corporation to deliver a strategic mix of residential, commercial and retail uses across the precinct. To ensure our retail offering remains relevant, the Corporation conducts regular reviews and research. Our strategy for the upcoming period is to build on the success of River Quay with more high-end dining opportunities suited to corporate and creative workers as well as smaller establishments that cater for lunch time trade and our younger demographic. A number of new retailers are set to open their doors at South Bank in the next year including Aquitaine, Title, Crema Zucka, Next Door and Chocolate Pavilion.

2.5.2

Proposed changes to South Bank Corporation operations

Following the Premier's announcement that the management of South Bank Parklands will become the responsibility of Brisbane City Council, the Corporation's operations have been reviewed and will be restructured. It has been proposed that the following changes will occur within the 2012–2013 financial year.

- The responsibility for managing the day-to-day public realm elements of the Parklands will transfer to Council. This includes maintenance, horticulture, water services and electrical operations.
- The Corporation's authority to manage planning and development of the precinct will transfer to Council. This includes urban design, project management, development coordination and major construction.
- Management of South Bank assets will remain with the Corporation, meaning they remain the property of the State. Assets include buildings, the underground car park, BCEC, Little Stanley and Grey Street.
- Community activation, events and marketing of the Parklands will become the responsibility of Brisbane City Council. This includes visitor services, public events, stakeholder engagement, tourism and destination marketing.
- Retail marketing and property management of the South Bank assets will remain the responsibility of South Bank Corporation. This includes the activation of Little Stanley and Grey Street, lease agreements and financial management.

3 Non-financial performance



3.1

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:** Actively grow local investment and business attraction to South Bank as an important economic hub.
- Goal 2:** Achieve Moving Annual Turnover (MAT) growth above Queensland's average MAT growth rate across the various retail categories in South Bank.
- Goal 3:** Achieve the South Bank Corporation five year Strategic Plan.

Lower the cost of living for families by cutting waste.

- Goal 1:** Reduce our consumption of non-renewable energy.
- Goal 2:** Reduce combined potable and purchased recycled water.
- Goal 3:** 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 allow for a smooth transition of the Corporation's Parklands management responsibilities to Brisbane City Council.
- Goal 2:** Implement the remaining elements of the South Bank Parklands Master Plan in line with the broader South Brisbane Neighbourhood Plan.
- Goal 3:** Building better precinct partnerships to facilitate more community benefits.

Revitalise front line services for families

- Goal 1:** Work with local educational institutes to identify opportunities for precinct collaboration, providing more opportunities for students and teachers.
- Goal 2:** Continue working with Queensland Police Service to deliver outstanding community service and implement new safety initiatives.
- Goal 3:** Provide support to the Mater Hospital to create unique South Bank experiences for patients and their families.

Restore accountability in Government

- Goal 1:** Establish a stakeholder engagement program that allows stakeholders to provide comment and feedback on future precinct developments.
- Goal 2:** Refine our visitor 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.

3.2

Other whole-of-government plans/specific initiatives

Not applicable.

3.3

Council of Australian Government (COAG) initiatives

Not applicable.

3.4

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.

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.

Cross-business outcomes achieved:

- Planning for all our developments took into consideration green and open space contributions. Where possible, the Corporation reconfigured its construction projects to optimise opportunities for relaxation and recreational space for visitors. The development of the Liana Lounge (above Rain Bank) and the River Quay Green established new, pristine green open space for the community to enjoy.
- 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, the Made with Love Christmas program and the Feel Good outdoor fitness program. The Corporation delivered a number of events with precinct partners including the Sunset Opera Series with Queensland Opera and the Sounding the Street program with the Queensland Conservatorium of Music.
- 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’.
- To improve visitor experience and safety in the Parklands, cycle ways were reviewed and redirected to ensure safety for pedestrians while still allowing ease of access for cyclists who commute through the Parklands.
- South Bank’s contract with security suppliers where reviewed to ensure the highest calibre of security guards available. Our new security team has continued to achieve outstanding community safety results and works with Queensland Police regularly.

Non-financial performance

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.

Cross-business outcomes achieved:

- South Bank hosted many important events that align with the Corporation's Art and Culture and Community Life experience layers including the Sunset Opera Series, Regional Flavours, French Festival, Buddha's Birthday, Fete de la Musique and Refugee Week Candlelight Walk.
- The Corporation's retail marketing plan focuses on building better connections between visitors and retailers. Many campaigns have been developed to encourage visitors to dine in the precinct when they attend an event such as the Mellow Music on the Green program at River Quay; the South Bank Conference Card distributed to delegates at BCEC, Mantra and Rydges; and social media activity to promote various restaurants.
- 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.
- The Corporation is committed to enhancing the South Bank experience for local workers by offering corporate fitness initiatives such as the Beach Volleyball Challenge on Streets Beach and hosting safety and public transport sessions in association with Queensland Police Service and TravelSmart.

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.

Cross-business outcomes achieved:

- 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 Made with Love Christmas program, the vast majority of retailers recorded their highest sales.
- We continued to communicate widely to our precinct partners throughout the construction phase of all of our projects via stakeholder forums and regular online updates. This helped greatly to keep construction complaints and enquiries to a minimum for all construction projects.
- Our marketing and communications channels received a significant overhaul to ensure our visitors could receive the most relevant, useful and engaging information possible. These channels included the Visit South Bank and South Bank Corporation websites, social media sites, e-newsletters and the South Bank Pocket Guide printed version and smartphone application.
- 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.
- 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.

Non-financial performance

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.

Cross-business outcomes achieved:

- 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), Events Queensland (Delectable Festival) and Queensland Opera (Sunset Opera Series).
- With representation on the Business South Bank and Place Leaders Association Boards, we continued to meet and support both organisations in a number of initiatives.
- The Corporation partnered with the Department of Transport and Main Roads to deliver the TravelSmart program designed to encourage employees to use active or public transport to travel to and from work. A workplace challenge was put in place for this program and the Corporation distributed an online survey to all staff to assist the Department in planning future TravelSmart initiatives.
- The Corporation partnered with the many educational institutes in the precinct to provide opportunities for students to develop their skills and contribute to the South Bank community. Activities included design workshops with school students to envision the future of South Bank and numerous presentations to urban design tertiary students.

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.

Cross-business outcomes achieved:

- As part of our wellbeing program, all employees were given the opportunity to have a free flu vaccination and skin check, and were encouraged to participate in our free outdoor fitness program and use active transport to travel to and from work.
- The entire Corporation undertook a confidential employee satisfaction survey to ascertain how the business is tracking in terms of fostering a positive work culture. The results were used to create and implement improvements to our business practices.
- A new performance review process was established and rolled out across the entire Corporation. This new annual process creates a clear understanding of expectations and goals for staff and identifies areas for focus and improvement. Ten employees have also been enrolled in leadership training courses to ensure continual improvement and staff engagement across the business. These employees graduate from the leadership course with a Diploma in Management.
- A Joint Consultative Committee was established with representatives from each department across the Corporation to discuss and resolve Corporation-wide issues, concerns and opportunities. The Committee meets every month and reports back to the Executive Management Team to ensure ideas are progressed.
- A performance based rewards program was introduced which focuses on peer nomination for employees who go above and beyond in their roles, and display the Corporation's values in their daily work.
- Learning Seat, an online training platform whereby short courses, including inductions, safety orientation and refresher training was introduced for use by all employees.
- A uniform orientation process and checklist was introduced for all new starters (both employees and volunteers) to ensure that they are inducted in a manner that best sets people up for success within the Corporation.
- A review was conducted of the core required working hours for the Corporation, and reduction of this, where applicable to provide greater flexibility to employees in maintaining work life balance.

Non-financial performance

Objective: *Provide a positive '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.

Cross-business outcomes achieved:

- We partnered with six community organisations to showcase a series of multi-cultural festivals throughout the precinct. The events featured many diverse cultures including Chinese, French, Greek and Thai.
- During the Made with Love Christmas program, South Bank Corporation hosted a special community gala picnic for families living in vulnerable situations. In the spirit of giving, the Corporation spoiled Red Cross families with decadent hampers and a special night under the twinkling trees at South Bank.
- South Bank Corporation supported various community organisations by providing free and discounted event venue hire including Camp Quality, Leukaemia Foundation, MS Society and Mater Little Miracles.

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.

Cross-business outcomes achieved:

- We are committed to the international accreditation scheme, EarthCheck, to both benchmark our performance with peer organisations and communities from across the world and establish a transparent, externally certified approach to sustainability. The Corporation has prepared a Community Sustainability Strategy in line with the EarthCheck standards and has achieved Conditional Certification. We are currently in the process of slightly amending some of our sustainability initiatives to achieve EarthCheck Accreditation.
- We launched Brisbane's first ever urban stormwater harvesting and reuse centre, Rain Bank, which achieved high acclaim across national media and won many prestigious sustainability awards including the Healthy Waterways Award for Water Sensitive Urban Design and the Premier's Sustainability Award for Business Eco-Efficiency.
- South Bank's newest dining precinct, River Quay, opened in October 2011. It has already garnered attention from national urban design and architecture professionals and has won many prestigious awards including the Australian Urban Design Awards and the Urban Development Institute of Australia Awards. Sustainability elements have been included in the exceptional design to maximise natural lighting and ventilation and minimise energy use and greenhouse gas emissions.
- The marketing division 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.
- In line with our commitment to improve the sustainability performance of South Bank's tenants and operators, the Corporation has launched a Sustainable Tenancy Guide and is currently participating in and supporting the Restaurants and Catering Association to pilot its Green Table program with 27 food retailers in the precinct. Our participation in this pilot will inform the Corporation's future collaborative sustainability strategies.

Non-financial performance

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).

Cross-business outcomes achieved:

- The Corporation's Audit Committee met on three 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.

3.5

Agency service areas, service standards and other measures

3.5.1

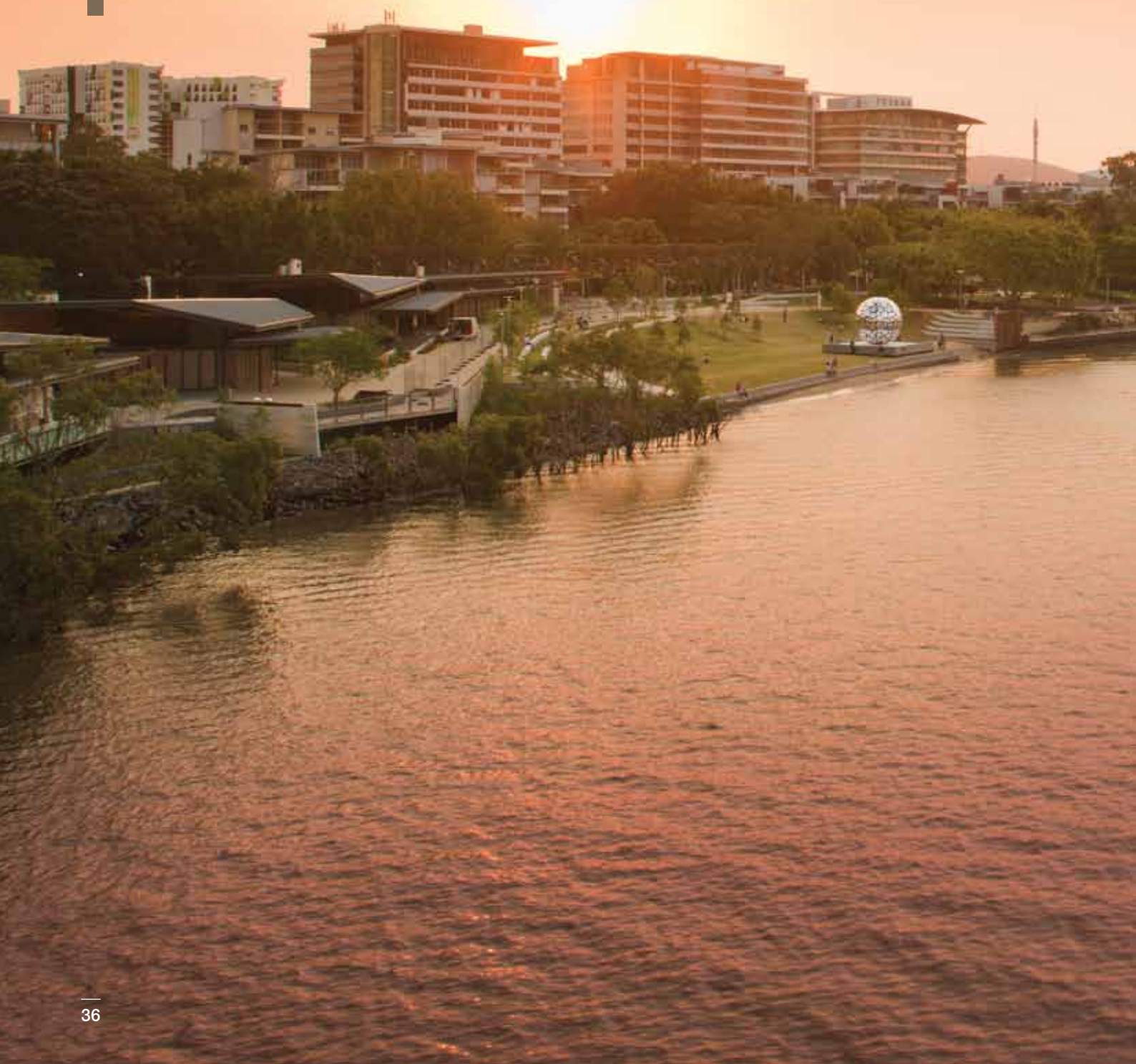
Performance Statement

South Bank Corporation	Notes	2011-12 Target/Est.	2011-12 Est. Actual	2012-13 Target/Est.
Service standards				
<i>Assess South Bank's visitor experience by:</i>				
South Bank visitors rating their experience as being as 3 or more (based on a scale of 1-5 (lowest to highest)).		98%	95%	95%
Number of repeat visits		80%	89%	90%
Other measures				
Number of Brisbane Convention and Exhibition Centre events per year	1	1,100	977	1,180
<i>Lead sustainability practice in the dimensions of:</i>				
Potable water consumption	2	50% reduction on base year	52% reduction on base year	52% reduction on base year
Electrical energy consumption	2, 3	10% reduction on base year	23% 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	4	310 days	259 days	260 days
Turnover percentage of tenancies		4%	4%	4%

Notes:

- 1 Event numbers reduced as a result of a later opening of the BCEC on Grey St expansion.
- 2 Percentage reduction on the base year of 2005-06.
- 3 Achieved through new electrical technology.
- 4 Days of events and activities reduced due to an increased focus on concentrated activity days.

4 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.

Financial performance

4.1

Summary of financial performance

During the year, South Bank Corporation improved its net operating surplus by \$10 million. A strong recovery from the previous year when the Parklands were damaged by floods. Our total equity position at the end of the financial year is more than \$652 million.

Our assets performed well in a continually difficult economic climate enabling us to deliver stabilised revenues and prudent cost controls. The BCEC continues to exceed annual targets and generate strong cash flows, thus demonstrating its ongoing appeal in the market and confirming its recognition as a leader in the convention and meetings sector.

Our retail portfolio performed exceptionally well, with many of our retailers achieving their highest ever sales records. The launch of River Quay and an increase in retail and destination marketing activity has assisted the increase in retail trading across the precinct.

	2011–12 (\$'m)	2010–11 (\$'m)	2009–10 (\$'m)
Revenue (excluding capital grants)	100	76	80
Expenditure	99	96	80
Net profit (excluding capital grants)	1	(20)	(0)
Total assets	701	695	697
Net assets	652	633	640



5 Governance – management and structure



5.1 Organisational structure

During the reporting period, the Chief Executive Officer tendered his resignation (effective 6 January 2012), as did the General Manager, Commercial and Operations (effective 31 January 2012) and the General Manager, Marketing (effective 2 March 2012). As a result of these resignations, and changes in State Government, an interim structure was appointed pending the commencement of the new Chief Executive Officer.

Paul Herd (General Manager, Planning and Projects) was acting in the capacity of Chief Executive Officer from 6 January 2012 until 2 August 2012. In accordance with the South Bank Corporation Act 1989 (Qld), the acting Chief Executive Officer was appointed by Governor in Council following the recommendation of the Board of Directors.

Jeffrey Weigh was appointed as Chief Executive Officer by Governor in Council on 2 August 2012. Paul Herd has since resumed his role as General Manager, Planning and Projects.

5.2 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

Acting General Manager, Marketing

Commencing with the Corporation in October 2011 as Manager, Marketing and Visitor Services, Roxanne has been acting in the position of General Manager, Marketing since March 2012. In her role, Roxanne is responsible for overseeing marketing, events, corporate communications and public relations for the Corporation. She has extensive experience 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.

Governance – management and structure

Graeme Linklater

Interim General Manager, Commercial

Graeme was appointed as Interim General Manager, Commercial in March 2012, pending commencement of a permanent Chief Executive Officer. He brings to the role a strong property and corporate services background across several industries. Graeme has a Masters of Business Administration in Leadership and Management, is a qualified Certified Practising Accountant and has a Bachelors Degree in Business (Accounting and Business Law).

Key responsibilities include:

- Financial management and investment opportunities
- Land sales and lease terms for development partners
- Retail and property management
- Contract management
- Finance, business support, operations, human resources and information technology management
- Asset management of the Brisbane Convention & Exhibition Centre
- Corporate governance and government liaison.

5.3

Related entities

South Bank Employing Office.

5.4

Schedule of statutory authorities or instrumentalities

Not applicable.

5.5

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.

5.5.1

Our Board of Directors

Steven Wilson AM, Chairman

Steven Wilson is a Director and the Queensland Chairman of the Wilson HTM Investment Group having worked for the firm for 28 years. Steven's expertise lies in the areas of investment banking, funds management and stockbroking. He has previously held positions with Ernst & Young and JP Morgan Cazenove in London. He holds Bachelors of Commerce and Law from the University of Queensland and Honorary Doctorates of Philosophy from both Queensland University of Technology and Griffith University.

Steven is a solicitor of the Supreme Court of Queensland, a Fellow with the Australian Institute of Company Directors (FAICD), a Senior Fellow with the Financial Services Institute of Australia (SF Fin) and a Master with the Stockbrokers Association of Australia (SAA).

Currently, Steven is Chairman of Barambah Wines, Director of Pinnacle Investment Management, Director of the Centre for Independent Studies, Director of the National Trust St John's Cathedral Completion Fund Fundraising Board (formerly the Chairman) and Trustee for the University of Queensland Rugby Union Foundation. Previously he has served on the boards of Telstra Corporation Limited, City of Brisbane Airport Corporation, Queensland Tourist and Travel Corporation, the Brisbane Institute and the Great Barrier Reef Research Foundation. Other appointments have included membership of the Committee for Economic Development of Queensland and Brisbane City Council Business Advisory Board. Steven was appointed to the South Bank Corporation Board in December 1996 on the Premier's nomination.

Toni Thornton

Toni Thornton is an Executive Director with JBWere and formerly was the Queensland State Manager and an Executive Director of financial services organisation Goldman Sachs JBWere. Toni has been with the company for 15 years holding Investment Advisory, Strategic Management and State Management positions in Sydney and Melbourne. She is also an ASX Responsible Executive.

Toni has a Bachelor of Arts (Politics Major and Economics Minor) and post graduate qualifications including Applied Finance and Derivatives Accreditation. She has completed an Accelerated Executive Management program through AGSM MBA (The Australian School of Business) and the Goldman Sachs JBWere Non-Profit Leadership Program. Toni is a member of the Corporation Audit Committee, on the Board of the Gallipoli Medical Research Foundation, is a Fellow of the Australian Institute of Management, and plays a role in advising the RSL QLD State Council and Executive team. Toni was appointed to the South Bank Corporation Board in May 2008 on the Premier's nomination.

Tim Quinn

After an early career as a secondary school teacher and as the Assistant Secretary of the Queensland Association of Teachers in Independent Schools, Tim Quinn served as an elected representative on Brisbane City Council for nineteen years. His Council responsibilities were as Ward Councillor for the Inner Southside, Chair of Urban Planning Committee, Deputy Mayor and Lord Mayor. His interests are in the areas of community development and land use planning. Tim was appointed to the South Bank Corporation Board in April 2007 on the Council's nomination.

Eleanor Davidson

Eleanor has extensive experience across banking, property management, tourism and hospitality. She is the 2006–2007 recipient of the Telstra Queensland Corporate Sector Business Woman of the Year and is the 2006 Telstra Queensland Business Woman of the Year.

Eleanor is the Chief Operating Officer for Meridien Student Living, she completed her MBA through the University of Southern Queensland and was awarded the Centenary Medal for services rendered to the tourism and hospitality industry. She is a Fellow of Australian Institute of Management, a Member of the Australian Institute of Company Directors and a member of the Queensland Premier's Round Table. Eleanor was appointed to the South Bank Corporation Board in December 2004 on the Premier's nomination.

Governance – management and structure

Stefan Ackerie

Chief Executive Officer of Stefan Corporation, Stefan Ackerie heads up one of the largest hairdressing companies in the world with 50 salons and 500 employees. He is also the owner of Jo-Jo's, a Brisbane dining institution.

Stefan's commitment to educating his staff is paramount. He was instrumental in one of the first training strategic alliances with Southbank Institute of Technology which is often used as a role model to other private enterprises. He was awarded an Australian Medal to commemorate the Centenary of Federation of Australia. Steve was also selected as a finalist in the 2004 Australian of the Year Awards. Steve was appointed to the South Bank Corporation Board in December 1996 on the Premier's nomination.

Mick Power AM

Mick Power is the founder of the BMD Group of companies. After beginning his formative years with Leighton Contractors, Mick started BMD in 1979 as a family business. Under Mick's leadership, BMD has since grown and diversified into what is today considered to be one of Australia's largest privately owned civil construction, consulting and urban development companies. Now in its 32nd year of operation, Mick retains an active position in the company as BMD Group Board Chairman and Managing Director.

Mick also serves on Queensland Performing Arts Centre and Brisbane Lions Football Club boards. He is an Honorary Ambassador of the City of Brisbane. In June 2005, Mick was awarded a Member of the Order for Australia for his service to the building and construction industry – particularly in the field of civil engineering and for his community involvement. In 2009 Mick was inducted into the QUT Construction Hall of Fame and honoured with the QUT Distinguished Constructor Award for his commitment to the construction industry. Mick was appointed to the South Bank Corporation Board in December 1997 on the Premier's nomination.

Michael Keniger

Professor Michael Keniger is the Senior Deputy Vice-Chancellor of the University of Queensland. He held the position of Queensland Government Architect from 1999 to 2006, with a specific responsibility to advise on projects of major significance. Recipient of the Queensland Board of Architects' Architect of the Year award in 1998, Michael has been a key contributor to many significant architectural and urban design projects, including the Sydney 2000 Olympics, National Museum, Queensland Gallery of Modern Art, and State Library extension, and South Bank Corporation (inaugural chair of Design Advisory Panel, from 1997 to 1999, then from 2003 to 2004). Michael was appointed to the South Bank Corporation Board in December 2004 on the Premier's nomination.

David Eades

David is the Deputy Director-General, Major Projects Office of the Department of State Development, Infrastructure and Planning. A property and infrastructure specialist, David has held a number of senior roles and has diverse experience in both private and public sectors. His principal focus has been strategic asset management, land use planning and delivery of major property and infrastructure projects in the areas of rail, roads, airports, housing, planning, property and regional development. David was appointed to the South Bank Corporation Board in May 2012 by the Governor in Council under Part 2, Section 10 of the South Bank Corporation Act 1989.

Rosemary Vilgan

Rosemary Vilgan is the Chief Executive Officer of QSuper and the Queensland Government's Superannuation Officer. She oversees the State Government's superannuation program.

In 2008, Rosemary was appointed to the Federal Government's Superannuation Advisory Committee, and to the Federal Treasurer's Financial Sector Advisory Council. Rosemary is also a member of the Council of Queensland University of Technology (QUT) and a Director of Q Invest Limited. She was formerly a director of the Association of Superannuation Funds Australia (ASFA) and served six years as Chair of that Board. She has received various community and academic awards and was recently awarded life membership to ASFA. Rosemary was appointed to the South Bank Corporation Board in April 2010 and tendered her resignation effective 20 April 2012.

John Bradley

John Bradley was appointed to the Board of Directors on 1 July 2011 and tendered his resignation effective 26 March 2012. John was Director-General within the Department of Premier and Cabinet.

5.5.2

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.

5.5.3

Remuneration Committee

The Remuneration Committee reviews changes to remuneration policy, the performance and remuneration of the Chief Executive Officer and the CEO's report on remuneration of members of the Executive Management Team. It comprises of Michael Power (Chairman), Steven Wilson, Stefan Ackerie and Eleanor Davidson.

5.5.4

Selection Committee

A Selection Committee comprising of the members of the Remuneration Committee was formed in October 2011 in order to undertake selection of a new Chief Executive Officer for South Bank Corporation. This committee, endorsed by the former Premier met on five occasions during the reporting period, and reported to the Board on four occasions regarding the process; which the Board placed on hold in April 2012, pending further information from the Government regarding the future of the Corporation.

5.6

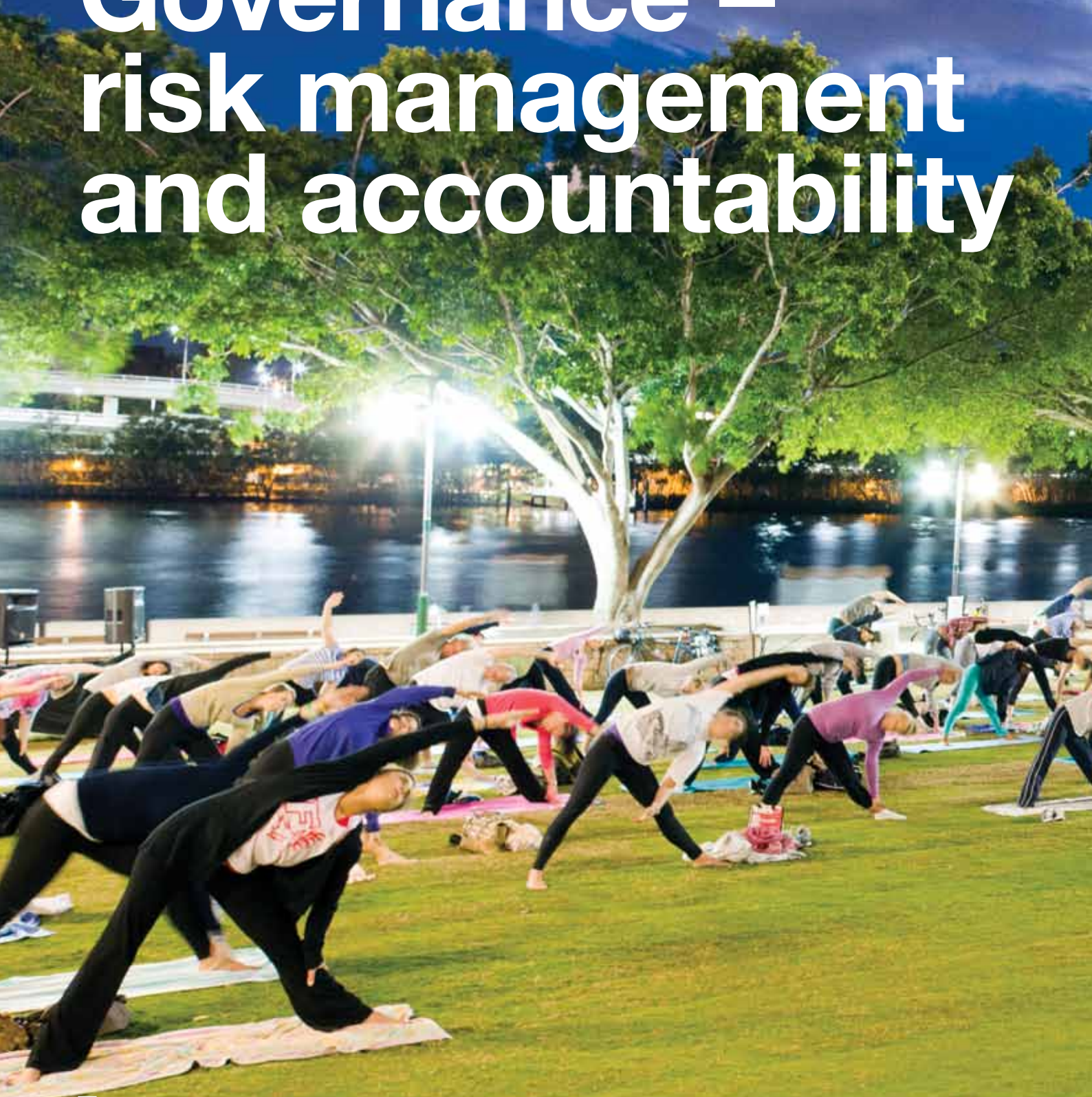
Public Sector Ethics Act 1994

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 has consulted with the Joint Consultative Committee and relevant Unions, and a final draft was approved by the Board in March 2012. Following this approval, the Corporation is now in a position to seek approval from the Department of State Development and Infrastructure in order to implement the Code of Conduct.

Once final approval is received South Bank Corporation will commence education and training with all employees in accordance with section 21 of the Public Sector Ethics Act. A suitable training provider has been identified to undertake this training, with senior management having completed this already as part of a pilot phase within the Corporation.

The Corporation's management practices are carried out with proper regard to the Code of Conduct and additionally through internal review, all policies and procedures within the Corporation were updated during the reporting period to reflect the amendments under the Public Sector Ethics Act as appropriate.

6 Governance – risk management and accountability





6.1

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.

6.1.1

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. It comprises Graham Carpenter (Chair), Toni Thornton and Tim Quinn.

6.1.2

Internal audit

Six internal audits were conducted during the 2011–2012 financial year and presented to the Committee including payroll processes, fraud control framework, maintenance planning and budgeting processes, BCEC expansion project processes, BCEC payroll processes and BCEC event management.

7 Governance – human resources

A photograph of a park at dusk. The scene is illuminated by warm, yellow streetlights. In the foreground, a large puddle reflects the lights and the silhouettes of palm trees. The middle ground shows a sandy area with playground equipment, including a blue and white structure on the left and a white structure on the right. Several tall palm trees are scattered throughout the park. In the background, a city skyline is visible under a twilight sky.



7.1

Workforce planning, attraction and retention

- The full-time equivalent (FTE) for South Bank Employing Office employees, engaged in work performance arrangements with South Bank Corporation during the reporting period is 92.49. During this period, 24 permanent employees commenced and 29 permanent employees separated from the Corporation providing an attrition rate of 31.35% of FTE and a retention rate of 68.65% of FTE.
- During the reporting period, the Corporation has developed a number of new initiatives aimed at achieving our corporate goal of “attracting, developing and retaining the best people in their fields”. These included further training, development and mentoring of People Managers in successful recruitment processes; introduction of online competency testing as part of the recruitment process for certain positions; and better advertising of the benefits offered by the Corporation in our recruitment marketing initiatives to attract high quality candidates.
- In August 2011, the Corporation undertook an internal culture survey which focused on development, recognition and talent management of employees. Following receipt of the results of this survey, the Corporation held focus groups with employees in order to gain feedback on specific suggestions for improvement.
- During the reporting period the number of working parents who undertake flexible working arrangements under our policy on a regular basis has increased to six (or 6.5% of FTE), including three employees who regularly telecommute. Additionally, the Corporation has introduced a Community Involvement Policy aimed at supporting work life balance, whilst ensuring that employees give back to the community through spending up to one paid day per year working for a registered charity or not for profit organisation. Work life balance policies are promoted to employees through avenues such as our intranet, new starter packs and reminders within staff newsletters.
- South Bank Corporation has increased a focus on organisational capability and contingency planning for key positions and leaders throughout the 2011–2012 financial year. Initiatives such as a workplace project based Diploma of Management program have been provided to emerging and high potential employees, with four graduating in May 2012, and an additional six due to graduate in November 2012. Furthermore, with impending changes for the Corporation, a key focus has been on engagement and motivation, starting with leadership development and capability. In order to assist with these initiatives, sessions have been run on managing stress, building resilience amongst teams and change management by our Employee Assistance Program provider with Managers within the Corporation. During the reporting period, the Corporation has had several promotions from within, combined workplace mentoring with a senior leader, and short course programs such as “Stepping Up” run by Work Skills Australia have ensured that relevant skills are provided to such employees to ensure that they succeed in their new roles.

The South Bank Employing Office Employees’ Certified Agreement 2011 was ratified by the Queensland Industrial Relations Commission on Wednesday 21 December 2011. This certified agreement finalised two years of negotiations between the South Bank Employing Office, the Electrical Trades Union of Employees Queensland, Together Queensland, Industrial Union of Employees, The Construction, Forestry, Mining & Energy Industrial Union of Employees, Queensland and Plumbers and Gasfitters Employees’ Union Queensland, Union of Employees. Following ratification of this agreement, the Corporation (on behalf of the Employing Office) has formed a Joint Consultative Committee with employees representing all areas of the business. This committee meets on a regular basis to discuss matters pertaining to the safety, welfare, job security and employee services and facilities.

The Employing Office, through relevant representatives meets with Union delegates and officials on a regular basis in order to maintain a high level collaborative relationship between parties.

7.2

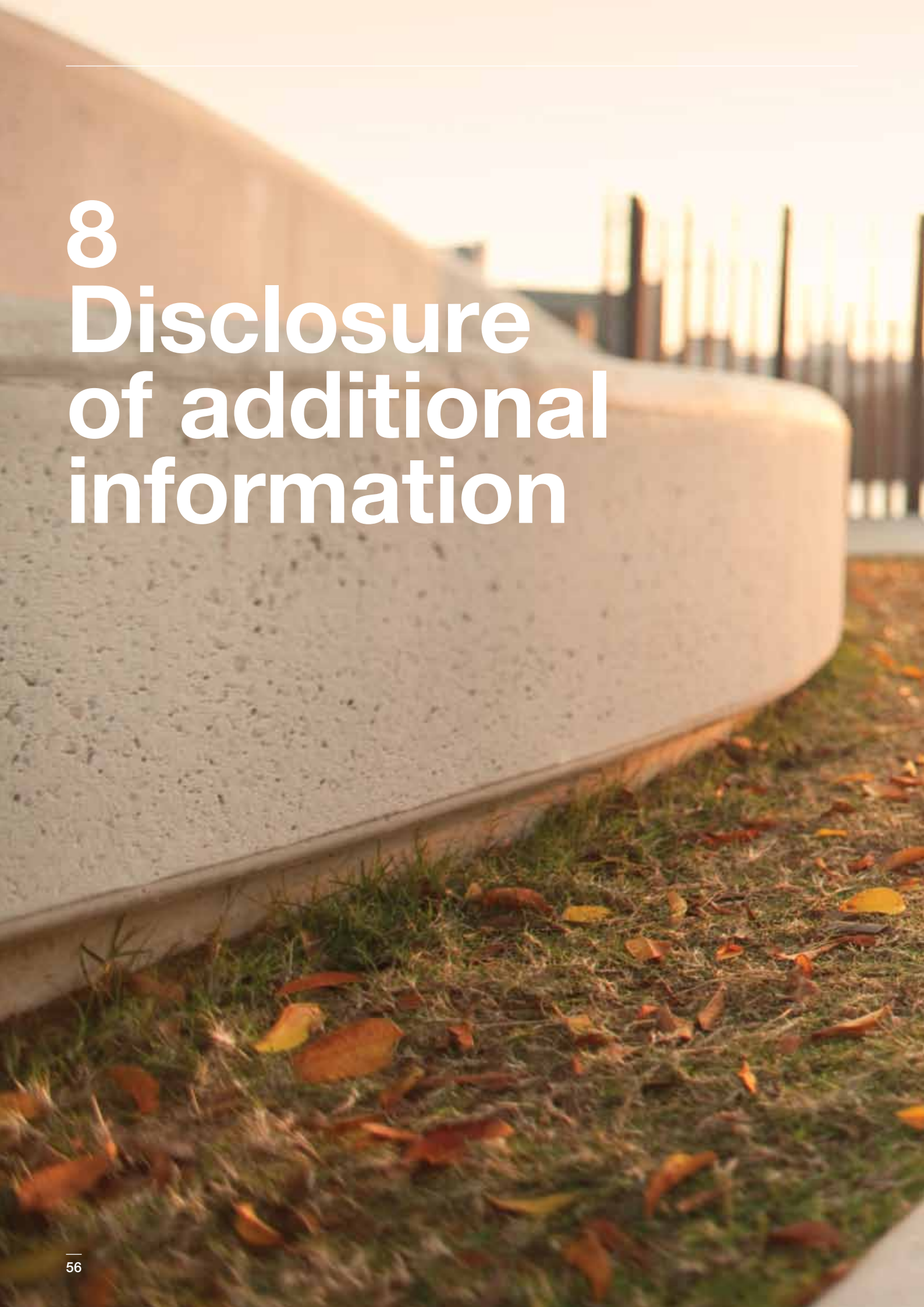
Early retirement, redundancy and retrenchment

Not applicable.

7.3

Voluntary Separation Program

Not applicable.



8 Disclosure of additional information



8.1**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.

8.2**Consultancies**

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

Description of Payment	\$ '000
Legal	496
Professional and technical	276
Communication	21
Finance and accounting	332
Management	92
Human resource management	53
Information technology	17
Total	1,287

8.3**Overseas travel**

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

8.4**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.

8.5

Environmental and social sustainability policy (addressing recycling policy and carbon emissions)

Sustainability is a key focus for South Bank Corporation and is tightly integrated into our culture and business. We are continually working to become leaders in the field by implementing and maintaining exceptional sustainability initiatives and practices.

Key achievements for this reporting period in relation to our sustainability practices include:

- Achievement of Bronze Benchmark Status from EarthCheck with regard to Performance Benchmarking.
- Achievement of Conditional Certification to EarthCheck Community Standard, the first 'community' in Australia to achieve this.
- Preparation of our Community Sustainability Strategy, prepared in consultation with our community.
- Installation of Rain Bank to significantly reduce our demand on potable water for irrigation.
- Implementation of significant actions in a paper recycling program.
- Implementation of significant actions under the Green Table Scheme and Green Leases to achieve improved environmental performance of our operators.
- Implementation of the Grey Street Exchange to achieve social and community activation of this great street of Brisbane.
- Launch of our Sustainable Tenancy Guide to encourage retailers to undertake best practice operations.

Our sustainability success was cemented in 2011, when the Corporation became one of only six communities in the world to receive Bronze Benchmark Status from EarthCheck, an international sustainability certification program for the travel and tourism industries.

South Bank Corporation has proceeded to the next level in EarthCheck and has prepared a Community Sustainability Strategy to transparently demonstrate accountability in its sustainability approach and plan for continual improvement to its sustainability performance. The Strategy includes four sustainability themes for South Bank Corporation:

- 1 Activation of the Parklands by the community.
- 2 Efficient use of resources in the management and maintenance of the South Bank area.
- 3 Promote and encourage the use of active and public transport.
- 4 Seek high sustainability outcomes for new projects.

Implementation of the Community Sustainability Strategy has led to the decision to seek certification of South Bank Corporation to the EarthCheck Community Standard. The Corporation underwent a pre-audit in April and then the certification audit in July. We have recently been advised that we have achieved Conditional Certification to the Community Standard. The Corporation acted promptly to address the two items raised in the Conditional Certification (from assessment against 55 criteria) and expect full Certification to be awarded in September.

The achievement of the EarthCheck Certification to the Community Standard will mean that South Bank is the first community in Australia to achieve this level of certification.

The Corporation's full Community Sustainability Strategy is available to download from www.southbankcorporation.com.au/sustainable-future

8.6

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.

8.7

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 Development Lease for the ABC building at South Bank.

8.8

Complaints management

South Bank Corporation received 363 complaints and 349 enquiries from the community in the 2011–2012 financial year. The most common reasons for complaints were the cost of parking in the South Bank underground car park, the presence of ibis in the South Bank Parklands and concern over cyclists and pedestrians sharing pathways throughout the precinct. 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 Financial statements



**South Bank Corporation Statement of Comprehensive Income
for the year ended 30 June 2012**

	Notes	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Income from Continuing Operations					
User charges	3	41,904	35,264	41,904	35,264
Sale of goods	4	25,911	21,825	25,911	21,825
Sale of development property		12,713	3,500	12,713	3,500
Interest		1,643	4,449	1,639	4,446
Other		1,652	1,004	1,652	1,004
Operating grant and other contributions	5	10,025	10,025	10,025	10,025
Other grants	5	100	11,060	100	11,060
Total Revenue		93,948	87,127	93,944	87,124
Gains					
Gain on revaluation of investment property	14	5,836	–	5,836	–
Total Income from Continuing Operations		99,784	87,127	99,780	87,124
Expenses from Continuing Operations					
Employee expenses	6	8,279	7,097	147	153
Supplies and services	7	60,207	49,743	68,335	56,684
Cost of goods sold		6,091	5,324	6,091	5,324
Cost of property sales		2,299	1,471	2,299	1,471
Depreciation	8	19,700	15,169	19,700	15,169
Borrowing costs		1,767	1,708	1,767	1,708
Other		128	8	128	8
Loss on revaluation of investment property	14	–	6,998	–	6,998
Loss on disposal of property, plant and equipment		157	8,186	157	8,186
Total Expenses from Continuing Operations		98,628	95,704	98,624	95,701
Operating Result from Continuing Operations		1,156	(8,577)	1,156	(8,577)
Other Comprehensive Income					
Revaluation decrement – impairment loss	13, 19	–	(8,020)	–	(8,020)
Revaluation increment	13, 19	17,993	10,036	17,993	10,036
Total Comprehensive Income		19,149	(6,561)	19,149	(6,561)

The accompanying notes form part of these statements.

**South Bank Corporation Statement of Financial Position
as at 30 June 2012**

	Notes	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Current assets					
Cash and cash equivalents	10	21,962	57,598	21,834	57,581
Receivables	11	1,333	2,225	1,333	2,225
Prepayments and deposits		427	390	420	325
Inventories		339	364	339	364
Development property	12	–	2,064	–	2,064
Total current assets		24,061	62,641	23,926	62,559
Non-current assets					
Development property	12	4,827	4,556	4,827	4,556
Property, plant and equipment	13	605,788	567,847	605,788	567,847
Investment property	14	66,500	60,450	66,500	60,450
Total non-current assets		677,115	632,853	677,115	632,853
Total assets		701,176	695,494	701,041	695,412
Current liabilities					
Payables	15	12,729	15,132	13,080	15,507
Provisions	16	267	273	–	–
Other financial Liabilities	17	424	393	424	393
Unearned income	18	918	12,247	918	12,247
Booking deposits held		5,970	5,499	5,970	5,499
Total current liabilities		20,308	33,544	20,392	33,646
Non-current liabilities					
Payables	15	645	488	645	488
Provisions	16	219	184	–	–
Other financial liabilities	17	27,528	27,951	27,528	27,951
Total non-current liabilities		28,392	28,623	28,173	28,439
Total liabilities		48,700	62,167	48,565	62,085
Net assets		652,476	633,327	652,476	633,327
Equity					
Accumulated surplus		316,400	315,244	316,400	315,244
Asset revaluation surplus	19	336,076	318,083	336,076	318,083
Total equity		652,476	633,327	652,476	633,327

The accompanying notes form part of these statements.

**South Bank Corporation Statement of Changes in Equity
for the year ended 30 June 2012**

	Accumulated Surplus		Asset Revaluation Surplus (note 19)		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Consolidated						
Balance as at 1 July	315,244	323,821	318,083	316,067	633,327	639,888
Operating result from continuing operations	1,156	(8,577)	–	–	1,156	(8,577)
Total Other Comprehensive Income						
Revaluation decrement – impairment loss	–	–	–	(8,020)	–	(8,020)
Revaluation increment	–	–	17,993	10,036	17,993	10,036
Balance as at 30 June	316,400	315,244	336,076	318,083	652,476	633,327
South Bank Corporation						
Balance as at 1 July	315,244	323,821	318,083	316,067	633,327	639,888
Operating result from continuing operations	1,156	(8,577)	–	–	1,156	(8,577)
Total Other Comprehensive Income						
Revaluation decrement – impairment loss	–	–	–	(8,020)	–	(8,020)
Revaluation increment	–	–	17,993	10,036	17,993	10,036
Balance as at 30 June	316,400	315,244	336,076	318,083	652,476	633,327

The accompanying notes form part of these statements.

South Bank Corporation Statement of Cash Flows
for the year ended 30 June 2012

	Notes	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Cash flows from operating activities					
Inflows:					
User charges and sale of goods		71,374	62,397	71,374	62,397
Sale of development property		713	3,500	713	3,500
Grants and other contributions		10,125	21,085	10,125	21,085
Interest		1,643	4,449	1,639	4,446
GST collected on sales and charges		7,301	8,823	7,301	8,823
GST input tax credits received from ATO		4,116	6,812	4,116	6,812
Outflows:					
Employee expenses		(8,309)	(7,044)	(147)	(153)
Supplies and services		(69,008)	(54,465)	(77,277)	(61,351)
Borrowing costs		(1,767)	(1,708)	(1,767)	(1,708)
GST paid on purchases		(10,542)	(13,988)	(10,542)	(13,988)
GST remitted to ATO		(872)	(1,368)	(872)	(1,368)
Net cash from /(used in) operating activities	20	4,774	28,494	4,663	28,495
Cash flows from investing activities					
Inflows:					
Sale of plant and equipment		2	2	2	2
Outflows:					
Payments for property, plant and equipment, and investment property		(40,020)	(84,848)	(40,020)	(84,848)
Net cash from /(used in) investing activities		(40,018)	(84,846)	(40,018)	(84,846)
Cash flows from financing activities					
Outflows:					
Borrowing redemptions		(390)	(378)	(390)	(378)
Finance lease payments		(2)	(7)	(2)	(7)
Net cash from /(used in) financing activities		(392)	(385)	(392)	(385)
Net increase /(decrease) in cash and cash equivalents		(35,636)	(56,737)	(35,747)	(56,736)
Cash and cash equivalents at beginning of financial year		57,598	114,335	57,581	114,317
Cash and cash equivalents at end of financial year	10	21,962	57,598	21,834	57,581

The accompanying notes form part of these statements.

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 2012 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 has received a letter 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 has indicated that the Government acknowledges its responsibilities in terms of the Corporation's liabilities as a Statutory Corporation and notes 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 2012

As at the date on which these financial statements were authorised for issue, the timing of the wind up is uncertain as the State Government is yet to decide on the wind up process including the distribution of its 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 ordinary activities 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.

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.

South Bank Corporation Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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.

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

South Bank Corporation Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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.

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 at the 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 the revised accounting standard AASB 140 *Investment Property*, from 2009-10, investment buildings under construction are now 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 now 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

South Bank Corporation Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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 Statement of Comprehensive Income 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.

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

South Bank Corporation Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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 21.

U

New and Revised Accounting Standards

The Corporation did not voluntarily change any of its accounting policies during 2011-12. Australian accounting standard changes applicable for the first time for 2011-12 have had minimal effect on the Corporation's financial statements, as explained below.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] became effective from reporting periods beginning on or after 1 January 2011. Given the Corporation's existing financial instruments, there was only a minor impact on the Corporation's financial instruments note (note 21), in relation to disclosures about credit risk. That note no longer needs to disclose amounts that best represent the maximum exposure to credit risk where the carrying amount of the instruments already reflects this.

As the Corporation held no collateral or other credit enhancements in respect of its financial instruments, and did not renegotiate the terms of any financial assets, during the reporting periods presented in these financial statements, there were no other changes required to the Corporation's financial instruments note arising from the amendments to AASB 7 Financial Instruments: Disclosures.

AASB 1054 Australian Additional Disclosures became effective from reporting periods beginning on or after 1 July 2011. Given the Corporation's previous disclosure practices, AASB 1054 had minimal impact on the Corporation. One of the footnotes to note 7 Other Expenses, regarding

audit fees, has been slightly amended to identify the Corporation's auditor and clarify the nature of the work performed by the auditor.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] also became effective from reporting periods beginning on or after 1 July 2011. The only potential implication for the Corporation from this amending standard was the deletion from AASB 101 Presentation of Financial Statements of the requirement for disclosure of commitments. However, Treasury Corporation's Financial Reporting Requirements require continuation of commitments disclosures, so this deletion from AASB 101 has no impact on the Corporation's commitments note (note 22).

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 the Treasury Corporation. 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.

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] applies as from reporting periods beginning on or after 1 July 2012. The only impact for the Corporation will be that, in the Statement of Comprehensive Income, items within the "Other Comprehensive Income" section will need to be presented in different sub-sections, according to whether or not they are subsequently re-classifiable to the operating result. Whether subsequent re-classification is possible depends on the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

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.

South Bank Corporation Notes to and forming part of the Financial Statements for the year ended 30 June 2012

The Corporation has not yet reviewed 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 perform this review, no significant 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.

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 2013. The main impacts of these standards on the Corporation are that they will change the requirements for the classification, measurement and disclosures associated with 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. Therefore, as from the 2013-14 financial statements, all of the Corporation's financial assets are expected to be required to be measured at fair value. 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.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2013 –

- 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].

These standards cannot be applied by not-for-profit entities prior to their effective date, as the AASB is presently considering modifying them for application by not-for-profit entities in an Australian context. Any such modifications are likely to clarify how the IASB's principles should be applied by not-for-profit entities. 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, which is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, subject to any not-for-profit modifications yet to be made to AASB 10, the Corporation will need to re-assess the nature of its relationships with other entities, including entities that aren't currently consolidated.

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 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

South Bank Corporation Notes to and forming part of the Financial Statements for the year ended 30 June 2012

reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6 and AASB 2011-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Treasury Department'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, Treasury Department is the regulator. Treasury Corporation has advised that its policy decision is to require adoption of tier 1 reporting by all Queensland Government Departments and statutory bodies (including the Corporation) that are consolidated into the whole-of-Government financial statements. Treasury's policy also prohibits the early adoption of the arrangements outlined in AASB 1053 and its accompanying amending standards. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Corporation.

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.

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.

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 2012**

Consolidated

Business Segments For the year ended 30 June 2012	Venue Hire \$'000	Tenancies \$'000	Car Parking \$'000	Community Activities & Promotions \$'000	Other \$'000	Total \$'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/(loss) 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
	44,241	15,996	14,665	345	24,537	99,784
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
	57,851	5,571	3,862	21,096	10,248	98,628
Net surplus / (deficit)	(13,610)	10,425	10,803	(20,751)	14,289	1,156
For the year ended 30 June 2011						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User charges	14,835	8,115	12,179	135	–	35,264
Sale of goods	21,756	–	–	69	–	21,825
Sale of development property	–	–	–	–	3,500	3,500
Interest received	–	10	–	–	4,439	4,449
Other	–	–	–	230	774	1,004
Operating grant and other contributions	–	–	–	–	10,025	10,025
Other grants	–	–	–	–	11,060	11,060
	36,591	8,125	12,179	434	29,798	87,127
Expenses						
Employee costs	5	351	416	4,014	2,311	7,097
Supplies and services	31,866	4,520	1,657	9,361	2,339	49,743
Cost of goods sold	5,270	–	–	54	–	5,324
Cost of property sales	–	–	–	–	1,471	1,471
Depreciation	9,703	–	1,718	3,500	248	15,169
Borrowing costs	–	–	–	–	1,708	1,708
Other	21	(7)	–	–	(6)	8
Loss on revaluation of investment property	–	6,998	–	–	–	6,998
Loss on disposal of plant & equipment	272	–	–	–	7,914	8,186
	47,137	11,862	3,791	16,929	15,985	95,704
Net surplus / (deficit)	(10,546)	(3,737)	8,388	(16,495)	13,813	(8,577)

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

South Bank Corporation

Business Segments For the year ended 30 June 2012	Venue Hire \$'000	Tenancies \$'000	Car Parking \$'000	Community Activities & Promotions \$'000	Other \$'000	Total \$'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/(loss) 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
	44,241	15,996	14,665	345	24,533	99,780
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
	57,851	5,571	3,862	21,096	10,244	98,624
Net surplus / (deficit)	(13,610)	10,425	10,803	(20,751)	14,289	1,156

For the year ended 30 June 2011	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User charges	14,835	8,115	12,179	135	–	35,264
Sale of goods sold	21,756	–	–	69	–	21,825
Sale of development property	–	–	–	–	3,500	3,500
Interest received	–	10	–	–	4,436	4,446
Other	–	–	–	230	774	1,004
Operating grant and other contributions	–	–	–	–	10,025	10,025
Capital project grants	–	–	–	–	11,060	11,060
	36,591	8,125	12,179	434	29,795	87,124
Expenses						
Employee costs	–	–	–	–	153	153
Supplies and services	31,871	4,871	2,073	13,375	4,494	56,684
Cost of goods sold	5,270	–	–	54	–	5,324
Cost of property sales	–	–	–	–	1,471	1,471
Depreciation	9,703	–	1,718	3,500	248	15,169
Borrowing costs	–	–	–	–	1,708	1,708
Other	21	(7)	–	–	(6)	8
Loss on revaluation of investment property	–	6,998	–	–	–	6,998
Loss on disposal of plant & equipment	272	–	–	–	7,914	8,186
	47,137	11,862	3,791	16,929	15,982	95,701
Net surplus / (deficit)	(10,546)	(3,737)	8,388	(16,495)	13,813	(8,577)

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
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3 User charges

Rental income	10,151	8,115	10,151	8,115
Venue hire	17,413	14,835	17,413	14,835
Car parking	14,095	12,179	14,095	12,179
Other	245	135	245	135
Total	41,904	35,264	41,904	35,264

4 Sale of goods

Food and beverage sales	25,828	21,756	25,828	21,756
Other	83	69	83	69
Total	25,911	21,825	25,911	21,825

5 Grants and other contributions received

Operating grant	10,025	10,025	10,025	10,025
Capital grants:				
Flood recovery	–	8,110	–	8,110
Stormwater Harvesting	100	2,950	100	2,950
	100	11,060	100	11,060
Total	10,125	21,085	10,125	21,085

6 Employee expenses

Wages and salaries	6,212	5,398	128	133
Superannuation	791	759	12	12
Payroll tax	366	327	7	8
Annual leave	530	475	–	–
Long service leave	78	28	–	–
Training and recruitment	302	110	–	–
Total	8,279	7,097	147	153

Full-time equivalents employed during the year 92 (2011: 86).

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

a Key Executive Management Personnel

Position	Responsibilities	Current Incumbent	
		Appointment authority	Date of appointment
Board Chair	Strategic management	Governor in Council	Initial appointment December 1996 Last reappointed April 2010
Board Members	Strategic management	Governor in Council	April 2010
Chief Executive Officer (CEO)	Responsibilities include strategic planning and development	Governor in Council	July 2005 to January 2012
Acting CEO and General Manager – Planning and Projects	Responsibilities include project management, development coordination and sustainability	South Bank Corporation Board	August 2007
General Manager – Commercial and Operations	Responsibilities include financial management, investment opportunities and operational management	South Bank Corporation Board	July 2009 to February 2012
General Manager – Marketing	Responsibilities include marketing, promotion and events	South Bank Corporation Board	November 2008 to March 2012
Acting General Manager – Marketing	Responsibilities include marketing, promotion and events	South Bank Corporation Board	March 2012

b Remuneration 2011-12

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Total Remuneration
	Base	Non-monetary Benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000
Board Chair	46	–	–	4	50
Board Members (paid to each member, except Chair and public sector employees)	14	–	–	1	15
Chief Executive Officer (CEO)	138	4	–	20	162
Acting CEO and General Manager – Planning and Projects	94	3	20	34	151
General Manager – Commercial and Operations	123	5	–	10	138
General Manager – Marketing	95	–	–	11	106
Acting General Manager – Marketing	87	–	–	8	95
Total	597	12	20	88	717

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

Remuneration 2010-11

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Total Remuneration
	Base	Non-monetary Benefits			
	\$'000	\$'000	\$'000	\$'000	\$'000
Board Chair	46	–	–	4	50
Board Members (paid to each member, except Chair and public sector employees)	14	–	–	1	15
Chief Executive Officer (CEO)	250	7	–	52	309
General Manager – Commercial and Operations	196	7	–	19	222
General Manager – Planning and Projects	152	–	4	50	206
General Manager – Marketing	56	–	–	8	64
Total	714	14	4	134	866

a Performance payments

Position	Date paid	Basis for payment
CEO	Oct 2011	Performance bonus paid on review, by the Board's Remuneration Committee, of performance against key focus areas. Bonus paid equated to 13.5% of total fixed remuneration payable: maximum is 15%.

The aggregate performance bonuses paid to all key executive management personnel was \$41,000 (2011: \$54,000).

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

7 Supplies and services

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Brisbane Convention and Exhibition Centre:				
Advertising, marketing and PR	822	743	822	743
Asset repairs and maintenance	7,723	3,161	7,723	3,161
Electricity	1,474	1,212	1,474	1,212
Operating costs and management fee	7,032	6,487	7,032	6,487
Staffing charges	22,647	20,086	22,647	20,086
External audit fees	114	86	95	68
Investment property operating costs	5,262	3,638	5,262	3,638
Insurance premiums:				
Qld Government Insurance Fund	881	855	881	855
Operating lease rentals	399	414	399	414
Parkland repairs and maintenance	3,380	2,185	3,380	2,185
Parkland outsourced contracts (security, cleaning, lifeguards & waste disposal)	3,106	3,395	3,106	3,395
Marketing and community events	1,539	2,283	1,539	2,283
SBE0 staffing charges	–	–	8,436	7,396
Other supplies and services	5,828	5,198	5,539	4,761
Total	60,207	49,743	68,335	56,684

Fees paid to the independent Chair of the Audit Committee \$5,600 (2011: \$5,600).

The total external audit fees of the Queensland Audit Office relating to the 2011-12 financial year are estimated to be \$114,000 (2011: \$95,710) for the consolidated group and \$95,000 (2011: \$67,200) for South Bank Corporation. There are no non-audit services included in this amount.

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
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8 Depreciation

Land and land improvements	4,470	2,985	4,470	2,985
Buildings	12,913	10,454	12,913	10,454
Heritage and cultural	158	128	158	128
Plant and equipment	2,159	1,602	2,159	1,602
Total	19,700	15,169	19,700	15,169

9 Brisbane floods – January 2011

Income received				
Grant – Queensland Reconstruction Authority	–	8,110	–	8,110
Business Interruption Insurance	–	700	–	700
Property Damage Insurance	1,570	–	1,570	–
	1,570	8,810	1,570	8,810
Supplies and services expenses:				
Venue Hire	–	1,408	–	1,408
Tenancies	–	798	–	798
Car Parking	–	496	–	496
Other	1,301	1,802	1,301	1,802
Loss on disposal of assets	–	4,119	–	4,119
	1,301	8,623	1,301	8,623
Other comprehensive loss:				
Revaluation impairment loss (note 13)	–	8,020	–	8,020
	1,301	16,643	1,301	16,643

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
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10 Cash and cash equivalents

Cash on hand	342	313	214	296
Cash at bank	3,333	2,688	3,333	2,688
Deposits at call	18,287	54,597	18,287	54,597
Total	21,962	57,598	21,834	57,581

11 Receivables

Trade and other receivables	1,597	2,337	1,597	2,337
Less allowance for impairment	(264)	(112)	(264)	(112)
Total	1,333	2,225	1,333	2,225

Movement in the allowance for impairment

Balance as at 1 July	112	120	112	120
Increase / (decrease) in allowance recognised in the statement of income	122	28	122	28
Amount recovered / (written off) during the year	30	(36)	30	(36)
Balance as at 30 June	264	112	264	112

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

12

Development property

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Current asset	–	2,064	–	2,064
Non-current asset	4,827	4,556	4,827	4,556
Total	4,827	6,620	4,827	6,620
At cost	1,562	2,538	1,562	2,538
Capitalised development costs	3,265	4,082	3,265	4,082
Total	4,827	6,620	4,827	6,620

Development property at cost comprises land valued by an independent valuer as at 30 June 1997.

As at 30 June 2012 the directors of the Corporation Board estimate the fair market value of the development property to be approximately \$20 million (2011: \$32 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.

13

Property, plant and equipment

Land and land improvements

At fair value	237,272	229,388	237,272	229,388
Less impairment loss	(8,020)	(8,020)	(8,020)	(8,020)
Less accumulated depreciation	(33,574)	(39,250)	(33,574)	(39,250)
	195,678	182,118	195,678	182,118

Buildings

At fair value	570,382	388,012	570,382	388,012
Less accumulated depreciation	(178,188)	(152,515)	(178,188)	(152,515)
	392,194	235,497	392,194	235,497

Heritage and Cultural assets

At fair value	8,353	8,329	8,353	8,329
Less accumulated depreciation	(3,025)	(2,895)	(3,025)	(2,895)
	5,328	5,434	5,328	5,434

Plant and equipment

At cost	24,045	21,122	24,045	21,122
Less accumulated depreciation	(13,313)	(13,478)	(13,313)	(13,478)
	10,732	7,644	10,732	7,644

Work in progress

At cost	1,856	137,154	1,856	137,154
Total	605,788	567,847	605,788	567,847

South Bank Corporation Notes to and forming part of the Financial Statements for the year ended 30 June 2012

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 2012 and 2011.

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 2012 by an independent valuer. The valuations were determined based on the written down 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 2012 and 2011 by independent valuers Knight Frank Valuations Queensland using 'fair value' principles, based on current market values.

The 'BCEC on Merivale Street' building and all non-commercial buildings were valued by an independent valuer as at 30 June 2012 and 2011, based on the written down 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 Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

Consolidated and South Bank Corporation

Property, Plant and Equipment reconciliation

	Land and Improvements \$'000	Buildings \$'000	Heritage & Cultural \$'000	Plant & Equipment \$'000	Work in progress \$'000	Total \$'000
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
2011						
Balance 1 July 2010	199,832	234,947	5,505	6,910	69,500	516,694
Additions	183	1,652	-	2,553	68,106	72,494
Disposals	(6,892)	(627)	-	(217)	(452)	(8,188)
Revaluation decrement – impairment loss	(8,020)	-	-	-	-	(8,020)
Revaluation increment	-	9,979	57	-	-	10,036
Depreciation	(2,985)	(10,454)	(128)	(1,602)	-	(15,169)
Balance 30 June 2011	182,118	235,497	5,434	7,644	137,154	567,847

The Corporation has plant and equipment with an original cost of \$9 million (2011: \$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.

14 Investment property

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Land and buildings				
Balance as at 1 July	60,450	55,095	60,450	55,095
Additions & work in progress	214	12,353	214	12,353
Fair value adjustment	5,836	(6,998)	5,836	(6,998)
Balance as at 30 June	66,500	60,450	66,500	60,450

The Parklands investment properties were independently valued as at 30 June 2012 and 2011 by registered valuers Knight Frank Valuations Queensland using 'fair value' principles, based on current market values and the rental stream received for the property.

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

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
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The rental income and direct operating expenses derived from the investment properties is shown as:

Property rental income	9,812	7,770	9,812	7,770
Direct operating expenses on property that generated rental income during the period	5,262	3,638	5,262	3,638

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.

The future minimum lease payments receivable under non-cancellable leases are:

Not later than one year	5,839	6,042	5,839	6,042
Later than one year and not later than five years	15,186	12,455	15,186	12,455
Later than five years	8,012	5,131	8,012	5,131
Total	29,037	23,628	29,037	23,628

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.

15 Payables

Current

Trade payables	2,085	2,295	2,083	2,286
Accruals	8,001	9,706	8,720	10,515
Annual leave	366	425	-	-
Other	2,043	2,475	2,043	2,475
	12,495	14,901	12,846	15,276
GST receivable	(557)	(338)	(557)	(338)
GST payable	791	569	791	569
	234	231	234	231
Total	12,729	15,132	13,080	15,507

Non-current

Other	645	488	645	488
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**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

16 Provisions

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Current				
Long service leave entitlements	267	273	–	–
Non-current				
Long service leave entitlements	219	184	–	–
Total	486	457	–	–
Movement in Provisions for Long Service Leave				
Balance as at 1 July	457	417	–	–
Additional provision recognised	107	68	–	–
Reduction in provision on payment	(78)	(28)	–	–
Balance as at 30 June	486	457	–	–

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.

17 Other financial liabilities

Current				
Finance lease liability (note 22)	–	2	–	2
Queensland Treasury Corporation (QTC) borrowings	424	391	424	391
Total	424	393	424	393
Non-current				
QTC borrowings	27,528	27,951	27,528	27,951
Total	27,528	27,951	27,528	27,951

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 from 2015 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 6.32%, ranging from 6.28% to 7.06% (2011: 6.35%, ranging from 6.28% to 7.27%). 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.

18 Unearned income

Unearned income as at 30 June 2012 includes premiums received of \$0.75 million (2011: \$12 million) on the sale of development land with the transaction to be completed in a future year.

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

19

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
2012				
Balance as at 1 July 2011	162,150	152,658	3,275	318,083
Revaluation increment	(1,921)	19,914	–	17,993
Balance as at 30 June 2012	160,229	172,572	3,275	336,076
2011				
Balance as at 1 July 2010	170,170	142,679	3,218	316,067
Revaluation decrement – Impairment loss	(8,020)	–	–	(8,020)
Revaluation increment	–	9,979	57	10,036
Balance as at 30 June 2011	162,150	152,658	3,275	318,083

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

20

**Reconciliation of operating surplus to net cash
provided by operating activities**

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Operating surplus / (loss)	1,156	(8,577)	1,156	(8,577)
Non-cash items:				
Depreciation	19,700	15,169	19,700	15,169
(Gain)/loss on revaluation of investment property	(5,836)	6,998	(5,836)	6,998
Loss on disposal of plant and equipment	157	8,186	157	8,186
Change in assets and liabilities:				
(Increase)/decrease in receivables	892	(332)	892	(332)
(Inc)/dec in prepayments and deposits	(37)	509	(95)	397
(Inc)/dec in inventories	24	(40)	24	(40)
(Inc)/dec in development property	1,793	1,336	1,793	1,336
(Dec)/inc in payables	(2,344)	556	(2,270)	722
(Dec)/inc in provisions	127	53	–	–
(Dec)/inc in other liabilities	(10,858)	4,636	(10,858)	4,636
Net cash from operating activities	4,774	28,494	4,663	28,495

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

21 Financial instruments

a Categorisation of Financial Instruments

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

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Financial asset				
Cash and cash equivalents (note 10)	21,962	57,598	21,834	57,581
Receivables (note 11)	1,333	2,225	1,333	2,225
Total	23,295	59,823	23,167	59,806
Financial liabilities				
Payables, excl. annual leave (note 15)	13,008	15,195	13,725	15,995
Other financial liabilities – Qld Treasury Corporation (QTC) borrowings (note 17)	27,952	28,342	27,952	28,342
Other financial liabilities – lease liabilities (note 17)	–	2	–	2
Total	40,960	43,539	41,677	44,339

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	21,962	57,598	21,834	57,581
Receivables	1,333	2,225	1,333	2,225

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

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 \$264,000 for the current year (2011: \$112,000).

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.

2012 Financial Assets Past Due

Contractual Repricing/Maturity Date:

	Not Overdue \$'000	Less than 30 days \$'000	30 – 60 days \$'000	61 – 90 days \$'000	More than 90 days \$'000	Total Overdue \$'000	Total Financial Assets \$'000
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Financial Assets Not Impaired

Receivables	956	133	48	398	61	640	1,596
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Financial Assets that have been Impaired

Receivables	–	–	–	158	106	264	264
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2011 Financial Assets Past Due

Contractual Repricing/Maturity Date:

	Not Overdue \$'000	Less than 30 days \$'000	30 – 60 days \$'000	61 – 90 days \$'000	More than 90 days \$'000	Total Overdue \$'000	Total Financial Assets \$'000
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Financial Assets Not Impaired

Receivables	1,598	202	209	167	49	627	2,225
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Financial Assets that have been Impaired

Receivables	–	–	–	–	112	112	112
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**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

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 cashflows.

	1 year or less \$'000	1 to 5 years \$'000	Greater than 5 years \$'000	Total \$'000
Consolidated Financial Liabilities				
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
2011				
Payables (excl. annual leave)	14,707	488	–	15,195
QTC borrowings	2,178	19,098	14,995	36,271
Finance leases	2	–	–	2
Total	16,887	19,586	14,995	51,468
South Bank Corporation Financial Liabilities				
2012				
Payables	12,520	488	–	13,008
QTC borrowings	2,173	33,232	–	35,405
Total	14,693	33,720	–	48,413
2011				
Payables	14,707	488	–	15,195
QTC borrowings	2,178	19,098	14,995	36,271
Finance leases	2	–	–	2
Total	16,887	19,586	14,995	51,468

e Market Risk

The Corporation does not trade in foreign currency and is not materially exposed to 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 \$60,000 (2011:\$293,000).

**South Bank Corporation Notes to and forming part of the Financial Statements
for the year ended 30 June 2012**

	Interest Rate Risk				
	Carrying Amount \$'000	-1%		+1%	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000

Consolidated Financial Instruments

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)

2011

Cash	57,598	(576)	(576)	576	576
QTC Borrowings	28,342	283	283	(283)	(283)
Overall effect on profit and equity		(293)	(293)	293	293

South Bank Corporation

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)

2011

Cash	57,581	(576)	(576)	576	576
QTC Borrowings	28,342	283	283	(283)	(283)
Overall effect on profit and equity		(293)	(293)	293	293

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 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
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Financial liabilities

QTC borrowings:				
Total carrying amount	27,952	28,342	27,952	28,342
Market value	30,487	29,288	30,487	29,288

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Commitments for expenditure

a Finance Lease Commitments

Lease liabilities recognised in the Statement of Financial Position:

	Consolidated 2012 \$'000	Consolidated 2011 \$'000	South Bank Corporation 2012 \$'000	South Bank Corporation 2011 \$'000
Current	–	2	–	2
Non-current	–	–	–	–
	–	2	–	2
Commitments under the finance leases at reporting date exclusive of GST are payable as follows:				
Not later than one year	–	2	–	2
Total commitments	–	2	–	2
Future finance charge	–	–	–	–
Total	–	2	–	2

Finance leases are entered into as a means of funding the acquisition of photocopiers. The lease payments are fixed, with a purchase option, and contingent rental obligations dependent on the volume of use.

b Non-cancellable Operating Lease Commitments

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

Not later than one year	441	443	441	443
Later than one year and not later than five years	10	440	10	440
Total commitments	451	883	451	883
Anticipated input tax credits	41	80	41	80

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.

c Capital Expenditure

Material capital expenditure commitments contracted for but not completed and therefore not recognised as a payable at balance date:

Not later than one year	–	21,328	–	21,328
Later than one year but not later than five years	–	–	–	–
Total commitments (incl. GST)	–	21,328	–	21,328

Contracted capital commitments in the 2011 year related to the construction of the expansion of the Brisbane Convention and Exhibition Centre, redevelopment of the Boardwalk and installation of the Storm Water Harvesting Project.

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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 \$1.4 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.

At the time of signing this report the Corporation was in negotiation with its building contractor for the BCEC on Grey St expansion. The contractor has submitted for payment a large number of contract variations, which the Corporation is disputing. The financial statements recognise liabilities for the full amount which the Corporation believes is payable under the terms of the contract.

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.

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Events after the date of the statement of financial position

As disclosed in note 1, 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. On 19 July 2012, the Corporation was informed by the Deputy Premier, Minister for State Development, Infrastructure and Planning that the Corporation has achieved the purpose for which it was established and it is the State Government's intention to wind up the Corporation, and has further instructed the Corporation to cease all planned capital and non-essential expenditure. The Corporation will not receive any further funding from the State Government. The exact details and timing of the wind up or transfer of the functions and responsibilities of the Corporation is uncertain at the time of signing these financial statements.

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 2012 and of the financial position of the Corporation at the end of that year.

S M Wilson
Chairman

Date: 27 September 2012

J Weigh
Chief Executive Officer

T Marsden
Chief Financial Officer

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 2012, 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 Office 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 [or insert equivalent], 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 2011 to 30 June 2012 and of the financial position as at the end of that year.

Emphasis of Matter – Winding up of South Bank Corporation

Without modifying my opinion, attention is drawn to Note 1(a) in the financial report which identifies that written notification has been received from the Deputy Premier and Minister for State Development, Infrastructure and Planning, 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.

Other Matters – Electronic Presentation of the Audited Financial Report

The auditor's report relates to the financial report of South Bank Corporation and the consolidated entity for the year ended 30 June 2012. Where the financial report is included on South Bank Corporation's website the Board is responsible for the integrity of South Bank Corporation's website and I have not been engaged to report on the integrity of South Bank Corporation's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

CF Dougherty CPA

(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

6 November 2012

10 Appendix one – compliance checklist

Summary of requirement	Basis for requirement	Annual report reference
Accessibility	Table of contents Glossary	p1
	Public availability	p4
	Interpreter service statement	p4
	Copyright notice	p4
	Government Information Licensing Framework (GILF) Licence	p4
Letter of compliance	A letter of compliance from the accountable officer or statutory body to the relevant Minister(s)	p5
General information	Introductory Information	p6–7
	Agency role and main functions	p10–13
	Operating environment	p14–22
	External scrutiny	p22
	Machinery of government changes	p22
	Review of proposed forward operations	p23–25

Appendix one – compliance checklist

Summary of requirement	Basis for requirement	Annual report reference	
Non-financial performance	Government objectives for the community	ARRs – section 11.1	p29
	Other whole-of-government plans / specific initiatives	ARRs – section 11.2	p30
	Council of Australian Government (COAG) initiatives	ARRs – section 11.3	p30
	Agency objectives and performance indicators	ARRs – section 11.4	p30–34
	Agency service areas, service standards and other measures	ARRs – section 11.5	p35
Financial performance	Summary of financial performance	ARRs – section 12.1	p39
	Chief Finance Officer (CFO) statement	ARRs – section 12.2	n/a
Governance – management and structure	Organisational structure	ARRs – section 13.1	p42
	Executive management	ARRs – section 13.2	p43–44
	Related entities	ARRs – section 13.3	p44
	Schedule of statutory authorities or instrumentalities	ARRs – section 13.4	p44
	Boards and committees	ARRs – section 13.5	p44–47
	Public Sector Ethics Act 1994	Public Sector Ethics Act 1994 (section 23 and Schedule) ARRs – section 13.6	p47
Governance – risk management and accountability	Risk management	ARRs – section 14.1	p51
	Audit committee	ARRs – section 14.2	p51
	Internal Audit	ARRs – section 14.3	p51
Governance – human resources	Workforce planning, attraction and retention	ARRs – section 15.1	p55
	Early retirement, redundancy and retrenchment	Directive No.17/09 Early Retirement, Redundancy and Retrenchment ARRs – section 15.2	p55
	Voluntary Separation Program	ARRs – section 15.3	p55
Financial statements	Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 16.1	p97
	Independent Auditors Report	FAA – section 62 FPMS – section 50 ARRs – section 16.2	p98
	Remuneration disclosures	Financial Reporting Requirements for Queensland Government Agencies ARRs – section 16.3	p80
Disclosure of additional information	Additional information to be reported online	ARRs – section 17	p56–61



South Bank Corporation

South Bank House
Stanley Street Plaza
South Bank QLD 4101

T 07 3867 2051

www.southbankcorporation.com.au

ABN 95 927 817 538