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**Government
of South Australia**

ADELAIDE FESTIVAL CORPORATION

2021-22 Annual Report

ADELAIDE FESTIVAL CORPORATION
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2021-22 ANNUAL REPORT for the Adelaide Festival Corporation

To:

The Hon Andrea Michaels MP
Minister for Arts

Dear Minister

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

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

Submitted on behalf of the Adelaide Festival Corporation by:

Kath M Mainland CBE
Chief Executive

Date 15-09-2022

Signature



From the Chief Executive

The 2022 Adelaide Festival took place from 4 – 20 March. Curated by Artistic Directors Rachel Healy and Neil Armfield AO, AF 2022 was an invigorating and inspiring 17-day event.

The 2022 Adelaide Festival offered 71 events in theatre, music, opera, dance, film, writing and visual arts – alongside our festivals-within-the-Festival: Adelaide Writers' Week, Chamber Landscapes, its immersive four-day chamber music event at UKARIA, and WOMADelaide. Across the 17 days, the festival programmed nine world premieres, six Australian premieres and 17 events exclusive to Adelaide, with most shows achieving their box office target.

Despite the reduced COVID capacity for most of the festival the Adelaide Festival exceeded its box office target, reaching \$4.9 million in box office (excluding WOMADelaide) and saw a total audience of 228,737 attend Adelaide Festival events (including WOMADelaide).

Interstate audiences remained committed to their annual festival pilgrimage, returning to almost pre pandemic levels, with 11,728 visitors spending 103,335 bed nights in the state. The Festival's economic impact is \$51.8 million gross expenditure with \$26.4 million net impact on the Gross State Product, and \$23.6 million of new money to South Australia.

Free events were again a staple of the Adelaide Festival program and were well attended with more than 93,895 visitors taking advantage of concerts, exhibitions and installations.

Opening Event *Macro* featuring Gravity & Other Myths and dance sensations Djuki Mala: 7,500 people attended the free event at the Village Green, Adelaide Oval. With support from Country Arts SA the event was also live streamed into 20 arts centres.

The Adelaide Festival schools program is designed to introduce children and young people to the arts and over the course of the Festival a total of 2,588 tickets were sold to 41 different schools across Adelaide. A total of 41 students from disadvantaged schools attended the dress rehearsal of *The Golden Cockerel* and thanks to the Tix For Next To Nix program, three disadvantaged schools accessed 81 tickets supported by The Balnaves Foundation.

150 students from four disadvantaged schools took part in a workshop with artists from *Chineke! Chamber Ensemble* and through the generosity of the Lang Foundation, special prices to 12 shows plus online resources for teachers (with links to ACARA, SACE and IB) created opportunities for students to develop as active and interrogative theatregoers and cultural critics.

Corporate growth and philanthropic support have again contributed to the success of the Festival. Through the generosity of The Balnaves Foundation, a record 2,039 tickets combined were made available through the Pay What You Can and Tix For

Next To Nix programs which gives those at an economic disadvantage the opportunity to attend Adelaide Festival flagship productions.

Adelaide Writers' Week, the fourth and final for director Jo Dyer in the Pioneer Women's Memorial Garden, ran from 5 –10 March and brought audiences together with 180 writers, poets, journalists, historians, scientists, politicians, academics and 41 chairs from around the world, for 108 sessions both live and virtual of free open-air readings, panel sessions and literary conversations. There were 20 international authors, three of whom appeared in person.

Adelaide Writers' Week was live streamed into 111 libraries, schools, retirement villages and nursing homes (an 11% increase in participating organisations from 2021).

It was marvellous to see the return to capacity theatres by the conclusion of the 2023 Festival and the entire festival was able to roll out smoothly despite the continuing and challenging COVID-19 environment. In total, 17,200 Rapid Antigen Tests helped keep our staff, artists and audiences safe.

Philanthropic and corporate support for the Festival is as high as it's ever been with 203 donors contributing \$1.94 million and 36 corporate partners supporting the Festival to the tune of \$2 million. In total the Adelaide Festival leverages its state funding dollar for dollar, enabling the benefits of this great festival to reach far into the community.

Adelaide Festival is THE major international cultural event in South Australia and the premier arts festival in the southern hemisphere. The social, cultural and economic benefits are significant. It provides a platform for our artists, is an economic engine, a driver of visitation and crucial element of Brand SA.



Kath M Mainland CBE

Chief Executive

Adelaide Festival Corporation

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Overview: about the agency

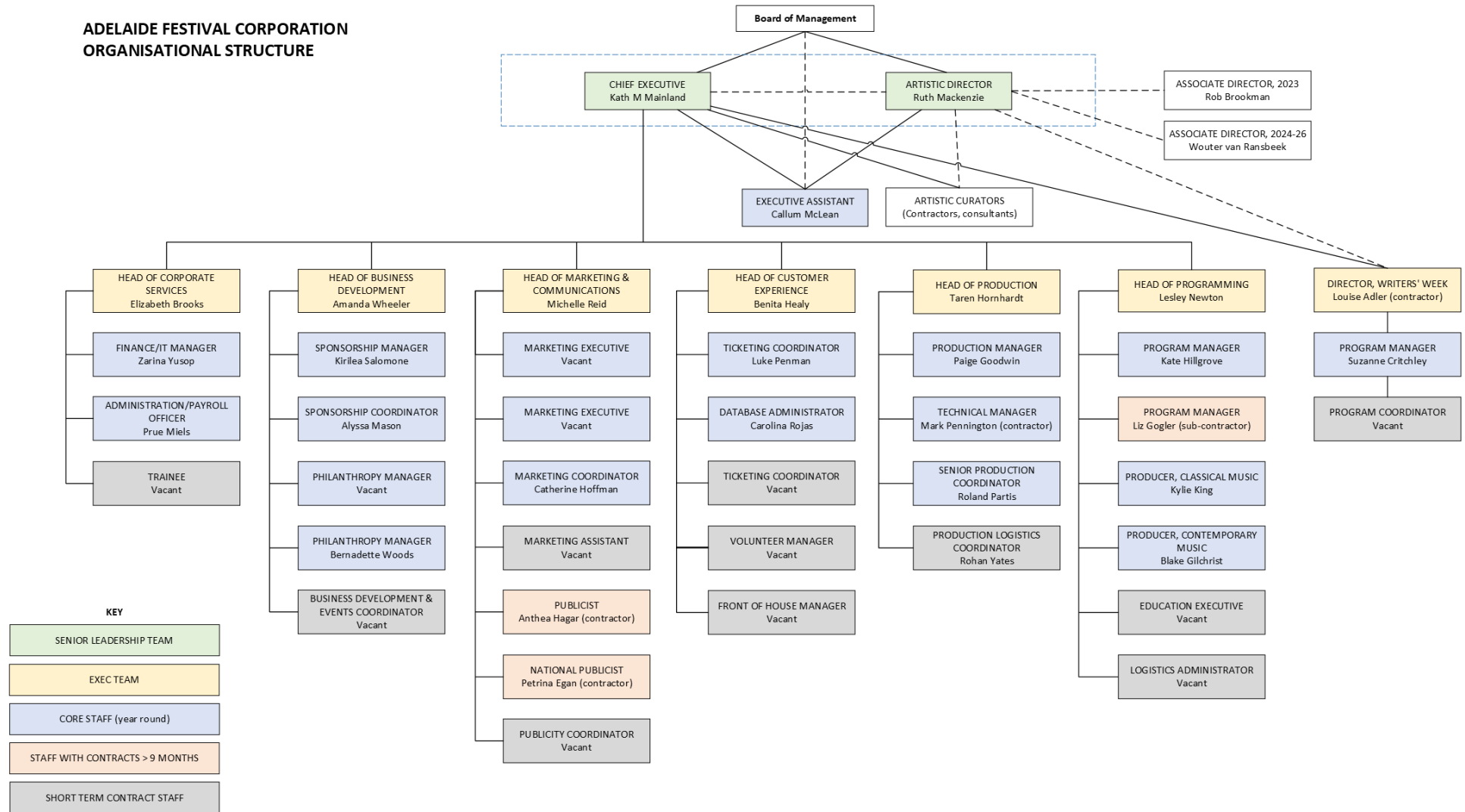
Our strategic focus

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

<p>Our functions, objectives and deliverables</p>	<p>1. Artistic Inspiration Goal: To present a multi-arts program that speaks to our times and offers audiences the transformative power of the arts.</p> <p>2. Adelaide Experience Goal: To have a transformative cultural impact on our city.</p> <p>3. National Market and Cultural Tourism Goal: To attract artists and audiences from across Australia and around the world.</p> <p>4. Audience Growth, Accessibility and Diversity Goal: To attract and inspire a growing and more diverse audience.</p> <p>5. Adelaide Festival (Organisation) Goal: To invest in the capabilities of the organisation to ensure it is fit for the future.</p>
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Our organisational structure

ADELAIDE FESTIVAL CORPORATION ORGANISATIONAL STRUCTURE



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Changes to the agency

During 2021-22 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- Elaine Chia resigned from the position of Executive Director in September 2021, and Kathie Massey was appointed as Interim Executive Director in her stead. Kath M Mainland CBE was announced as the new Chief Executive in January 2022, and took on the post in mid-April 2022.
- Following Artistic Directors Rachel Healy and Neil Armfield's resignation in March 2022, Ruth Mackenzie CBE was announced as Artistic Director in March 2022 for the 2024 – 2026 festivals.
- Following the end of Jo Dyer's contract as Adelaide Writers' Week Director, Louise Adler AM was announced as the new Director in December 2021 for AWW 2023 – 2025.

Our Minister

The Hon Andrea Michaels MP is the Minister for Arts.

Our Board

Name	Position	Term date
Judith Potter	Chair	28 Apr 2022 – 27 Aug 2022 <i>(temporary extension)</i>
Mark Roderick	Deputy Chair	28 Apr 2022 – 27 Aug 2022 <i>(temporary extension)</i>
The Hon Amanda Vanstone	Board Member	1 Aug 2019 – 31 Jul 2022
The Rt Hon Sandy Verschoor	Board Member	14 Mar 2022 – 13 Jul 2022 <i>(temporary extension)</i>
Alison Beare	Board Member	5 Dec 2019 – 4 December 2022
David Knox	Board Member	28 Apr 2022 – 27 Aug 2022
Jim Whalley	Board Member	28 Apr 2022 – 27 Aug 2022

Our Executive team

Kath M Mainland CBE – Chief Executive, responsible for managing the Corporation.

Ruth Mackenzie CBE – Artistic Director, responsible for curating and developing the annual Festival Program.

Legislation administered by the agency

Adelaide Festival Corporation Act 1998

The agency’s performance

Performance at a glance

The 2022 Adelaide Festival, curated by Artistic Directors Neil Armfield AO and Rachel Healy, was a staggering result for the Festival and the state that saw its economic impact reach near pre-pandemic levels. The full 17-day Festival which ran from 4 – 20 March generated **\$51.8 million gross expenditure** for South Australia.

The 2022 Festival offered **71** events in theatre, music, opera, dance, film, writing and visual arts, along with its festivals-within-the-Festival: Adelaide Writers’ Week, *Resonance: Chamber Landscapes* at UKARIA, and WOMADelaide. Altogether it comprised **9** world premieres, **6** Australian premieres and **17** events exclusive to Adelaide.

A total audience of **228,737** attended Adelaide Festival events (including WOMADelaide). The Festival issued **76,259** tickets, across **71** events and **823** performances. Through the generosity of the Balnaves Foundation **2,039** tickets were made available through the Open House program which encompassed Pay What You Can and Tix for Next to Nix initiatives.

There were a total of **10** Board sessional meetings held in 2021-22.

Date	Attendance
16 August 2022 (extraordinary meeting)	8 members
26 August 2021	8 members
23 September 2021	8 members
4 November 2021	8 members
9 December 2021	7 members
24 February 2022	7 members
13 April 2022	7 members
5 May 2022 (extraordinary meeting)	5 members
25 May 2022	5 members
24 June 2022	5 members

The 2022 Adelaide Festival by numbers:

\$51.8 million gross expenditure generated for South Australia

\$23.6 million new expenditure in South Australia

\$26.4 million net impact on the Gross State Product

11,728 visitors to the state

103,335 visitor bed nights

250 jobs (full time equivalent)

71 events

823 performances (includes 108 Writers’ Week sessions + Kids’ Day +YA day and 140 WOMADelaide performances)

9 world premieres and 6 Australian premieres

17 events exclusive to Adelaide
863 artists from 22 countries

Agency response to COVID-19

As in 2021, the Adelaide Festival provided strategic input to support the national arts and cultural sector’s response to COVID-19 and worked closely with SA Health throughout the year to achieve several COVID-safe protocols to successfully produce and present live performance events.

Agency contribution to whole of Government objectives

Agency’s contribution

- The Festival had a core staff of 28 for the 2021-22 financial year. For the six months leading up to the 2022 Festival a further 288 staff were added (in addition to artists employed for the Festival). During the festival period, over 316 staff and artists are directly employed. The Economic Impact Study commissioned by the Festival shows that the Festival created the equivalent of 250 full time jobs.
- The Festival has a rigorous procurement system with monthly forecast of expenditure across all department and regular reporting to the Audit and Risk Committee. The purchase order system allows managers of budgets to monitor actual spend against budget prior to approval.
- The Festival continued several initiatives to ensure more South Australians had access to festival events, including livestreamed events to regional South Australia (including Adelaide Writers’ Week, similarly to libraries, nursing homes and schools).
- Implementation of Tessitura saw a vast improvement and uptake of digital ticketing. Program information was made freely available and delivered to ticket buyers via digital daybills.
- The 2022 Festival schools program saw a total 2,588 students attend events and performances from 41 local schools. Over 400 students benefited from free transport to the Festival thanks to our Festival Connect program.
- The Festival continued its status as the only Australian major international multi-arts festival to be certified carbon neutral and encourages all artists and audiences to reduce their carbon footprint.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
<p>To present a multi-arts program that speaks to our times and offers audiences the transformative power of the arts</p>	<p>Multi-arts performances and events that speak to contemporary issues</p> <p>Maintain commitment to programming major centrepiece events, and works of varying scale including large scale free events</p> <p>Collaborate with international and national partners</p> <p>Ensure local creativity and participation</p> <p>Commission and present First Nation arts and artists</p>	<p>In 2022, the Adelaide Festival presented:</p> <ul style="list-style-type: none"> • 71 events including 16 free events • 823 performances (including 108 Writers’ Week sessions and 140 WOMADelaide performances) • 9 world premieres • 6 Australian premieres • 17 events exclusive to Adelaide • 863 artists from 22 countries • Major centrepiece events in opera, theatre and classical music, including <i>The Golden Cockerel</i>, <i>The Rite of Spring / common ground[s]</i> and <i>Watershed: The Death of Dr Duncan</i>. • Multi-arts events of scale, including opening event <i>Macro</i> with Gravity & Other Myths, Djuki Mala, Celtic musicians and the Young Adelaide Voices choir, and <i>ICEHOUSE: Great Southern Land 2022</i>. Both were presented at the Adelaide Oval Village Green to audiences of more than 5000. • International and national partners included the Edinburgh International Festival, the Chineke! Chamber Ensemble, Festival d’Aix-en-Provence, Pina

		<p>Bausch Foundation, École des Sables, Sadler’s Wells, Lost Dog, Bangarra Dance Theatre and Sydney Theatre Company.</p> <ul style="list-style-type: none"> • South Australian artists and companies in 2022 included the Adelaide Symphony Orchestra, Lewis Major (choreographer), the Adelaide Chamber Singers, Feast Festival, State Opera of South Australia, Emma Beech with Vitalstatistix and Brink Productions, and the Art Gallery of South Australia • First Nations artists featured in <i>Macro</i>, <i>Chineke! Chamber Ensemble</i>, <i>Wudjang: Not the Past</i>, <i>ICEHOUSE</i> and the Summerhouse, including William Barton, the Djuki Mala dance troupe, Emily Wurramara, Isaiah Firebrace, and the Bangarra Dance Theatre.
<p>To have a transformative cultural impact on our city</p>	<p>Program across a diversity of locations including non-traditional spaces</p> <p>Outdoor spaces activated</p>	<p>Festival events across 22 Adelaide locations including Adelaide Festival Centre, Her Majesty’s Theatre, Queen’s Theatre, UKARIA Cultural Centre.</p> <p>Non-traditional and outdoor spaces activated included Rundle Mall (<i>Groundswell</i>), the University of Adelaide (<i>Sex and Death_and the Internet</i>), Keith Stephenson Park in Mount Barker (<i>Cupid’s Koi Garden</i>) and Pioneer Women’s Memorial Garden (<i>Adelaide Writers’ Week</i>).</p>
<p>To attract artists and audiences from across Australia and around the world</p>	<p>Maintain exclusivity of core high-profile events, including opera</p>	<p>17 events exclusive to Adelaide.</p> <p>11,728 interstate visitors resulting in 103,335 visitor bed nights.</p>

	<p>Adelaide seen as focal point for tourists in March</p> <p>Position the Festival as a key contributor to Adelaide’s status as a UNESCO City of Music</p>	<p>Music was a key component of the 2022 Festival. Classical music included <i>Chineke! Chamber Ensemble</i>, <i>Haydn’s Solar Poetics</i>, <i>Chamber Landscapes: Resonance</i> at UKARIA Cultural Centre, closing event <i>Prayer for the Living</i> at the Festival Theatre. Contemporary music was presented at the Adelaide Festival hub, the Summerhouse.</p>
<p>To attract and inspire a growing and more diverse audience</p>	<p>Engage audiences across age groups, demographics and diverse cultures</p> <p>Develop new pilot programs that identify and remove barriers to participation</p> <p>Develop and grow youth and education programs</p>	<p>Events such as <i>The Picture of Dorian Gray</i> and the Summerhouse attracted audiences across a broad demographic, including many younger audiences.</p> <p>Open House program supported by The Balnaves Foundation provided over 2,000 tickets across Tix For Next To Nix and Pay What You Can.</p> <p>Education program reached 35 schools across South Australia. 66 Aboriginal and Torres Strait Islander students attended Adelaide Festival shows.</p>
<p>To invest in the capabilities of the organisation to ensure it is fit for the future</p>	<p>Embed effective management and governance</p> <p>Cultivate a positive and proactive team culture supported by efficient systems</p> <p>Develop Sustainability Program</p>	<p>2022 Adelaide Festival achieved a solid financial result in the midst of difficult economic turmoil, achieving a total box office income of \$4.38 million.</p> <p>Implementation of new CRM, event scheduling and rostering systems.</p> <p>Maintained Adelaide Festival carbon neutral certification, and presented <i>Climate Crisis & the Arts</i>.</p>

Corporate performance summary

In 2022, the Festival achieved a total box office income of \$4.38 million. Festival events attracted 228,737 attendances (including Festival Shows, and un-ticketed events such as Adelaide Writers Week). The program provided opportunities for 863 artists.

The 2022 Festival Program exceeded the targeted box office as attendances for some shows were increased to full capacity, due to easing of COVID-19 restrictions towards the end of the Festival.

Employment opportunity programs

Program name	Performance
Adelaide University internships	4 interns working across the following areas <ul style="list-style-type: none"> • Adelaide Writers' Week • Business Development • Climate Crisis and the Arts Forum • Education – Breakfast with Papers/Forums
NIDA secondments	<ul style="list-style-type: none"> • 1 x Secondment for AWW – From NIDA (3 weeks) • 1 x Secondment for Watershed – from NIDA (3 weeks)
AC Arts secondments	<ul style="list-style-type: none"> • 1 x Opera Secondment – from Adelaide Centre for the Arts (6 weeks)

Agency performance management and development systems

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

Work health, safety and return to work programs

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

Workplace injury claims	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total new workplace injury claims	5 Minor	6 Minor	-20%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

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

Work health and safety regulations	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data for previous years is available at:

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

Executive employment in the agency

Executive classification	Number of executives
Non-Public Service executives	1
Heads of Departments	8

Data for previous years is available at:

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

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-2022 are attached to this report.

Statement of Comprehensive Income	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	Past year 2020-21 Actual \$000s
Total Income	18,135	18,428	293	16,204
Total Expenses	18,135	19,173	(1,038)	15,987
Net Result	0	(745)	(745)	217
Total Comprehensive Result	0	(745)	(745)	217

Statement of Financial Position	2021-22 Budget \$000s	2021-22 Actual \$000s	Variation \$000s	Past year 2020-21 Actual \$000s
Current assets	2,224	2,486	262	2,455
Non-current assets	681	204	(477)	881
Total assets	2,905	2,690	(215)	3,336
Current liabilities	753	1,105	(352)	895
Non-current liabilities	214	179	35	290
Total liabilities	967	1,284	(317)	1,185
Net assets	1,938	1,406	(532)	2,151
Equity	1,938	1,406	(532)	2,151

Consultants disclosure

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

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

\$5,000 total value

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

Consultancies	Purpose	\$ Actual payment
Susan Comerford (Comerford Consulting)	Policy review	\$13,000
	Total	\$18,000

Data for previous years is available at:

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

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

\$19,410 total value

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

Contractors	Purpose	\$ Actual payment
Kathie Massey (Kathie Massey Consulting)	Interim Executive Director	\$176,000
Imprints Booksellers	AWW Book Tent Managers	\$40,000
Softread Enterprises	AWW Director	\$100,000
Adelaide Festival Centre / Town Hall	Bar / Front of House Management	\$567,625
Anthea Hagar	Publicity (SA)	\$55,560
Petrina Egan	Publicity (National)	\$36,200
Lee Francis (Risky Business)	Risk management	\$20,000

Contractors	Purpose	\$ Actual payment
Mark Pennington (Model Box Designs)	Technical Manager	\$75,490
Zac Tyler (Release Creative)	Programming management	\$74,450
Janelle McKenzie	Opera producer	\$32,494
Ruth Mackenzie (MackenzieParis)	Artistic Director	\$32,234
Rob Brookman (Sweet Reason)	Associate Director	\$21,150
	Total	\$1,250,613

Data for previous years is available at:

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

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

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

Risk management

Risk and audit at a glance

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

Fraud detected in the agency

Category/nature of fraud	Number of instances
None detected	0

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

Strategies implemented to control and prevent fraud

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

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

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

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

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

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

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

Data for previous years is available at:

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

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

Data for previous years is available at:

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

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
N/A	N/A

Reporting required under the *Carers' Recognition Act 2005*

The organisation is aware of its obligations under section 6 of the *Carers Recognition Act 2005*. For the period of the 2021-22 financial year there was no person or body contracted with the organisation to provide relevant services under the Act.

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

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2022
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	1
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2022
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	6
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	4
		Total	11

Additional Metrics – 2022 AF audience survey “provide any feedback” field	Total
Number of positive feedback comments	602
Number of negative feedback comments	205
Total number of feedback comments	807
% complaints resolved within policy timeframes	100%

Data for previous years is available at:

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

Service Improvements

Several of the complaints received were more differing opinions to artistic content and/or objections to artists involved – more comments/suggestions rather than bona fide complaints therefore no action could be taken.

Others were intended for third party organisations such as venues, ticketing providers, catering providers, carparking stations etc.

Less complaints were received this year compared with last year due to patrons being more aware of and used to wearing masks and showing vaccination certificates - unlike 2021 when these rules were still in their infancy. We were very proactive in delivering this information to patrons before their visit to Adelaide Festival.

Compliance Statement

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

Appendix: Audited financial statements 2021-22

Please see next page.

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Chair Adelaide Festival Corporation

Opinion

I have audited the financial report of Adelaide Festival Corporation for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Adelaide Festival Corporation as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chair, the Chief Executive and the Head of Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Adelaide Festival Corporation. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

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

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19(3) of the *Adelaide Festival Corporation Act 1998*, I have audited the financial report of Adelaide Festival Corporation for the financial year ended 30 June 2022.

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

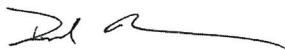
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Adelaide Festival Corporation's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Chief Executive and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

26 September 2022

Certification of the Financial Statements

We certify that the:

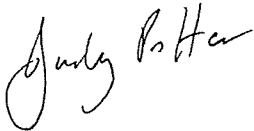
- financial statements of the Adelaide Festival Corporation:
 - are in accordance with the accounts and records of the authority;
 - comply with relevant Treasurer's instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority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



Kath Mainland
Chief Executive



Elizabeth Brooks
Head of Corporate Services



Judy Potter
Chair

Date

15/9/22

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2022

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Income			
SA Government grants	2.1	9,075	8 867
Non-SA Government grants	2.1	188	321
Box Office sales	2.2	4,383	3 538
Other sales		345	342
Interest		3	13
Other income	2.3	2,457	1 155
Sponsorship	2.4	1,977	1 968
Total income		18,428	16 204
Expenses			
Employee benefits expense	3.3	4,616	4 210
Supplies and services	4.1	13,862	11 204
Depreciation and amortisation	4.2	551	556
Loss on impairment of Non-current Asset	5.2	143	-
Borrowing costs	4.3	1	4
Net loss from the disposal of property, plant and equipment	4.4	-	13
Total expenses		19,173	15 987
Net result		(745)	217
Total comprehensive result		(745)	217

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

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2022

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	2,043	2 023
Receivables	6.2	443	432
Total current assets		2,486	2 455
Non-current assets			
Property, plant and equipment	5.1	94	794
Non-current Asset held for sale	5.1	60	-
Intangible Assets	5.4	50	87
Total non-current assets		204	881
Total assets		2,690	3 336
Current liabilities			
Payables	7.1	367	323
Financial liabilities	7.2	61	215
Employee benefits	3.4	232	100
Provisions	7.3	8	4
Contract Liabilities	7.4	437	253
Total current liabilities		1,105	895
Non-current liabilities			
Payables	7.1	13	19
Financial liabilities	7.2	-	61
Employee benefits	3.4	127	185
Provisions	7.3	39	25
Total non-current liabilities		179	290
Total liabilities		1,284	1 185
Net Assets		1,406	2 151
Equity			
Retained earnings		1,406	2 151
Total Equity		1,406	2 151

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2022

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Retained earnings \$'000	Total Equity \$'000
Balance at 1 July 2020	1,934	1,934
Net Result for 2020-21	217	217
Total Comprehensive Result for 2020-21	217	217
Balance at 30 June 2021	2,151	2,151
Net Result for 2021-22	(745)	(745)
Total Comprehensive Result for 2021-22	(745)	(745)
Balance at 30 June 2022	1,406	1,406

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

Adelaide Festival Corporation
Financial Statements For the year ended 30 June 2022

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note No.	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		9,075	8 867
Receipts from customers, sponsors, donors and others		9,656	7 488
Receipts from Commonwealth-sourced grants		50	301
Receipts from Overseas Governments		138	20
Interest received		3	13
GST recovered from the ATO		143	-
Cash generated from operations		19,065	16 689
Cash outflows			
Employee benefit payments		(4,525)	(4 102)
Payments for supplies and services		(14,019)	(11 364)
Interest paid		(1)	(4)
GST paid to the ATO		(267)	(239)
Cash used in operations		(18,812)	(15 709)
Net cash provided by operating activities		253	980
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment		(18)	(640)
Purchase of Intangibles		-	(23)
Net cash used in investing activities		(18)	(663)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(215)	(180)
Net cash used in financing activities		(215)	(180)
Net increase/(decrease) in cash and cash equivalents		20	137
Cash and cash equivalents at the beginning of the period		2,023	1 886
Cash and cash equivalents at the end of the period	6.1	2,043	2 023

The accompanying notes form part of these financial statements.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

1. About the Adelaide Festival Corporation

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

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

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

1.1 Basis of preparation

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

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

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

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

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

Cash flows include GST in the Statement of Cash Flows

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2. Objectives and programs

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

- (a) Conduct in Adelaide and other parts of the State the multifaceted arts event that is known as the Adelaide Festival of Arts;
- (b) Continue and further develop the Adelaide Festival of Arts as an event of international standing and excellence;

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

- (c) Conduct or promote other arts events and activities;
- (d) Provide advisory, consultative, managerial or support services within areas of the Corporation's expertise;
- (e) Undertake other activities that promote the arts or public interest in the arts, or that otherwise involve an appropriate use of its resources; and
- (f) Carry out other functions assigned to the Corporation by or under the *Adelaide Festival Corporation Act 1998* or any other Act, or by the Minister.

1.3. Impact of COVID-19 pandemic on the Corporation

The March 2022 Festival of Arts completed successfully on 20 March. Box office targets were set at the 75% legislated capacity. Festival expenditure was also reduced due to a lower level of international content being available for the 2022 Festival in comparison to pre-covid Festivals.

By 31 March 2022, the core staff had been reduced to 28 FTEs as planned and all were successfully set up for flexible working arrangements with no lost hours. The core staff continue to work on flexible working arrangements by working from home and attending the office on a roster basis.

Risk management for staff and artists was a high priority with a program of daily RAT testing and reporting occurring pre & post and throughout the Festival period.

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

2. Income

The 2022 Festival program exceeded the targeted box office as attendances for some shows were increased to full capacity, due to easing of COVID-19 restrictions towards the end of the Festival. The level of funding from SA Government increased slightly on 2021 but the SA Government's overall contribution to the Festival Program was 49.2% (2021: 54.7%) of total income.

2.1. Grants from Governments

	2022 \$'000	2021 \$'000
SA Government grants	9,075	8 867
Commonwealth-sourced grants	50	301
Overseas Government grants	138	20
<i>Non-SA Government grants</i>	<u>188</u>	<u>321</u>
Total grants from Governments	<u>9,263</u>	<u>9 188</u>

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

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

2.2. Box Office

	2022	2021
	\$'000	\$'000
Ticketek	1,948	-
Tessitura	2,435	-
BASS	-	3,538
Total box office	4,383	3,538

A contract is established when a customer purchases a show ticket. The performance is to deliver the show on time. As such, all the box office sales are recognised under AASB15 upon completion of show.

This financial year a new department was introduced to manage Customer Experience. It was the first time the Festival has used the database, *Tessitura*, for customer management and in-house ticket sales.

All ticket sales for Adelaide Festival Centre Trust venues are purchased by the public through Ticketek but the Festival is now able to use its own ticketing system to sell tickets for all other venues, where no ticketing contract exists. As with BASS, Ticketek charge an in-side charge for all tickets sold, which is recorded as cost-of-sales against box office. Customer Experience will also charge the in-side charge to the program as a form of income to support the department. The percentage of sales between the ticketing systems for the 2022 Festival are: Ticketek 44.4% and Tessitura 55.6%

2.3. Other income

	2022	2021
	\$'000	\$'000
Sundry	685	247
Friends membership	133	111
Donations	1,639	797
Total other income	2,457	1 155

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

Friends membership and sundry income are recognised under AASB 15 and refer note 2 for further information.

Donations are recognised upon receipt under AASB 1058

2.4. Sponsorship

	2022	2021
	\$'000	\$'000
Sponsorship – Cash	1,358	1 281
Sponsorship – In-kind	619	687
Total sponsorship	1,977	1 968

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

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

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

3. Board, committees and employees

3.1. Key management personnel

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

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

Total compensation for key management personnel was \$887 000 (2021: \$678 000).

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

Compensation of key management is disclosed above. There were no other transactions with key management personnel or related parties (2021: Nil).

3.2. Board and committee members

Members during the 2022 financial year were:

Board

Ms Judy Potter (Chair)
 Ms Alison Beare
 Mr David Knox
 Mr Mark Roderick
 Mr Alan James Whalley
 Hon. Amanda Vanstone
 Mr Ian McRae (to December 2021)
 Right Hon. The Lord Mayor of Adelaide Sandy Verschoor

Audit and Risk Committee

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

Board and committee remuneration

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

	2022	2021
\$0 - \$19,999	8	8
Total number of members	8	8

The total remuneration received or receivable by members was \$56 000 (2021: \$58 000). From which \$10,000 (\$19 000) was donated back to the Corporation. Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

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

3.3. Employee benefits expense

	2022 \$'000	2021 \$'000
Salaries and wages	3,942	3 612
Employment on-costs – superannuation	418	345
Employment on-costs – other	200	195
Board fees	56	58
Total employee benefits expense	4,616	4 210

Employment on-costs – superannuation

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

Executive remuneration

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

	2022 No	2021 No
\$157 001 to \$177 000	1	1
\$177 001 to \$197 000	1	-
\$217 001 to \$237 000	-	2
\$237 001 to \$257 000	1	-
Total	3	3

The total remuneration received by these employees for the year was \$603 000 (2021: \$620 000).

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

3.4. Employee benefits liability

	2022 \$'000	2021 \$'000
Current		
Accrued Salaries and Wages	34	19
Annual Leave	131	81
Long Service Leave	67	-
<i>Total current employee benefits</i>	232	100
Non-Current		
Long Service Leave	127	185
<i>Total non-current employee benefits</i>	127	185
Total employee benefits	359	285

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

Long-term employee benefits are measured as the present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave and sick leave

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

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

Long service leave

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

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

AASB119 *Employee benefits* requires the use of yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 1% to 3.25%. This rate is used as the rate to discount future long service leave cash flows.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$10 000 and employment benefits expense of \$10 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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

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

4. Expenses

4.1. Supplies and services

The current breakdown of supplies and services for the 2022 Festival shows that 72.9% went towards the presentation of the Festival, 11.15% went to the promotion of the Festival, 3.8% went to servicing our corporate sponsorship and philanthropy programs, and 12.15% went to corporate governance and artistic direction.

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

	2022	2021
	\$'000	\$'000
Presentation of the Festival		
Event staging and contracts	4,543	4 212
Cost of goods for sale	618	490
Royalty and license fees	229	258
Artist fees and payments	3,604	2 733
Artist travel and accommodation	1,102	559
Total presentation of the Festival	10,096	8 252
Promotion of the Festival		
Marketing, advertising and media	1,282	1 292
Design, printing and distribution costs	260	239
Total promotion of the Festival	1,542	1 531
Corporate governance and artistic direction		
Short-term and low-value leases	22	48
Communications and information technology	214	172
Insurance	161	48
Other expenditure	1,294	648
Total corporate governance and artistic direction	1,691	916
Corporate sponsorship and philanthropy programs		
Hospitality, sponsorship and ticketing	533	505
Total corporate sponsorship and philanthropy programs	533	505
	13,862	11 204
Total supplies and services		

Other expenses include audit fees paid/payable to the Auditor General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$42,000 (\$38,000). No other services were provided by the Auditor General's Department

Consultants

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

	No	2022 \$'000	No	2021 \$'000
Below \$10 000	1	5	-	-
\$10 000 or above	1	13	1	24
Total	2	18	1	24

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

4.2. Depreciation and amortisation

	2022	2021
	\$'000	\$'000
Plant and equipment	293	310
Right-of-use buildings	221	211
Purchased computer software	37	35
Total depreciation and amortisation	551	556

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

Useful life

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

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

Review of accounting estimates

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

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

4.3. Borrowing costs

	2022 \$'000	2021 \$'000
Interest expense on lease liabilities	1	4
Total borrowing costs	1	4

The Corporation does not capitalise borrowing costs.

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

	2022 \$'000	2021 \$'000
Net proceeds from disposal of plant and equipment	-	-
Less carrying amount of assets disposed	-	13
Net loss from disposal of plant and equipment	-	13

5. Non-financial assets

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

5.1. Property, plant and equipment by asset class

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

	2022 \$'000	2021 \$'000
Plant and equipment at cost (deemed Fair Value)	1043	1 748
Asset held for sale	60	-
Less: Accumulated depreciation	(955)	(1 182)
<i>Total plant and equipment</i>	148	566
Right-of-use buildings	658	658
Less: Accumulated depreciation	(652)	(430)
<i>Total Right-of-use buildings</i>	6	228
Total Property, plant and equipment	154	794

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

During the 2021 financial year the Summerhouse Club structure was designed and built, with an expected life of three Festivals up to 2023. With the decision not to re-establish the Summer House for the 2023 Festival it has been determined that, in the current year, the asset has suffered an impairment loss. The total costs for the Club were \$608 000 and its carrying amount at 30 June 2022 is now held for sale and valued at \$60 000. It has been included in the Plant and equipment at true market value.

5.2. Property, plant and equipment owned by the Corporation

Property, plant and equipment owned by the Corporation with a value equal to or in excess of \$1 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Corporation is recorded at fair value.

Impairment

Property, plant and equipment owned by the Corporation has been assessed for impairment.

Fair Value

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

Reconciliation 2021-2022

	Plant and equipment \$'000	Right-of- use buildings \$'000	Total \$'000
Carrying amount at the beginning of the period	566	228	794
Additions	18	0	18
Impairment of assets	(143)	0	(143)
Depreciation	(293)	(222)	(515)
Asset reclassification	0	0	-
Carrying amount at the end of the period	148	6	154

5.3. Property, plant and equipment leased by the Corporation

Right-of-use assets for property, plant and equipment leased by the Corporation as lessee are measured at cost. The Corporation's right-of-use assets mainly relate to a lease of 605.5m² floor of a building in the Adelaide CBD, being the registered office of the Corporation.

The Corporation also has a warehouse/storage space in Richmond and an outdoor storage in Netley, both leases are with the Department for Infrastructure and Transport (DIT).

Adelaide Festival Corporation
Notes to the Financial Statements For the year ended 30 June 2022

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

The lease liabilities related to the right-of-use assets are disclosed in note 7.2.

Impairment

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

5.4. Intangible assets

	2022 \$'000	2021 \$'000
Purchased computer software	181	181
Less: accumulated amortisation	(131)	(94)
Total intangible assets	50	87

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

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

Reconciliation 2021-2022

	Purchased computer software \$'000	Total \$'000
Carrying amount at beginning of the period	87	87
Additions	-	-
Amortisation	(37)	(37)
Carrying amount at the end of the period	50	50

6. Financial Assets

6.1. Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank	1,172	295
Cash at hand	1	1
Short term deposits with SAFA	870	1 727
Total cash and cash equivalents	2,043	2 023

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

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6.2. Receivables

	2022 \$'000	2021 \$'000
Current		
Trade receivables		
From non-government entities	55	175
Statutory receivables		
GST input tax recoverable	318	175
Prepayments	70	82
Total current receivables	<u>443</u>	<u>432</u>

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

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

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

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

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2022 \$'000	2021 \$'000
Current		
Trade payables and accrued expenses	250	181
Statutory payables		
Audit fees, payroll tax and other	96	126
Employment on-costs	21	16
<i>Total current payables</i>	<u>367</u>	<u>323</u>
Non-Current		
Statutory payables		
Employment on-costs	13	19
<i>Total non-current payables</i>	<u>13</u>	<u>19</u>
Total payables	<u>380</u>	<u>342</u>

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

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Statutory payables do not arise from contracts.

Employment on-costs

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

These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than being paid on termination, affects whether certain on-costs are recognised as a consequence of long service liabilities.

7.2. Financial Liabilities

	2022 \$'000	2021 \$'000
Current		
Lease Liabilities	61	215
<i>Total current payables</i>	<u>61</u>	<u>215</u>
Non-Current		
Lease Liabilities	-	61
<i>Total non-current payables</i>	<u>-</u>	<u>61</u>
Total financial liabilities	<u>61</u>	<u>276</u>

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

7.3. Provisions

	2022 \$000	2021 \$000
Current		
Provision for workers compensation	8	4
<i>Total current provisions</i>	<u>8</u>	<u>4</u>
Non-current		
Provision for remedial costs	15	15
Provision for workers compensation	24	10
<i>Total non-current provisions</i>	<u>39</u>	<u>25</u>
Total provisions	<u>47</u>	<u>29</u>

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Movement in provisions

	2022	2021
	\$'000	\$'000
Carrying amount at beginning of the period	29	10
Additional provisions recognised	18	19
Carrying amount at the end of the period	47	29

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

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

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

7.4. Contract Liabilities

	2022	2021
	\$'000	\$'000
Current		
Contract liabilities	437	253
Total contract liabilities	437	253

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

8. Other disclosures**8.1. Cash flow**

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

Total cash outflow for leases was \$215 000 (2021: \$225 000).

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9. Outlook**9.1. Unrecognised commitments**

Expenditure commitments

	2022 \$'000	2021 \$'000
Within one year	6	24
Later than one year but not longer than two years	2	48
Total expenditure commitments	8	72

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

9.2. Contingent assets and liabilities

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

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