

# URBAN RENEWAL AUTHORITY



**Government of  
South Australia**

## **Annual Report 2011-12**



# CONTENTS

This Annual Report discloses information relevant to the period 1 March 2012 to 30 June 2012.

<b>1. URBAN RENEWAL AUTHORITY</b>	<b>1</b>
<b>2. MESSAGE FROM THE CHIEF EXECUTIVE</b>	<b>4</b>
<b>3. HIGHLIGHTS OF 2011–12</b>	<b>7</b>
<b>4. OUR BOARD. OUR MANAGEMENT</b>	<b>9</b>
<b>5. DELIVERING SUSTAINABILITY</b>	<b>13</b>
<b>6. OUR KEY PROJECTS AND ACTIVITIES</b>	<b>14</b>
<b>7. OUR PEOPLE</b>	<b>48</b>
<b>8. OUR FINANCES</b>	<b>56</b>
<b>9. APPENDICES</b>	<b>87</b>

ABN 86 832 349 553

Level 9 (West), Riverside Centre  
North Terrace, Adelaide  
South Australia 5000  
GPO Box 698, Adelaide 5001

[info@ura.sa.gov.au](mailto:info@ura.sa.gov.au)  
[www.ura.sa.gov.au](http://www.ura.sa.gov.au)

Telephone +61 8 8207 1300  
Facsimile +61 8 8207 1301

DX 56502  
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**The Hon Patrick Conlon MP  
Minister for Housing and Urban Development  
GPO BOX 2969  
ADELAIDE SA 5001**

Dear Minister

On behalf of the Urban Renewal Authority, I have the pleasure in submitting for your information and tabling in Parliament, the inaugural Urban Renewal Authority Annual Report 2011-12.

The Annual Report meets the requirements of Department of the Premier and Cabinet Circular: PC013 – *Annual Reporting Requirements*.

The Annual Report incorporates audited financial statements for the year ending 30 June 2012 as required by section 30 of the *Housing and Urban Development (Administrative Arrangements) Act 1995*.

Yours sincerely



Hon Bronwyn Pike  
**Presiding Member  
Urban Renewal Authority**

19 October 2012

# 1. URBAN RENEWAL AUTHORITY

## Introduction

South Australia and Adelaide have long enjoyed an enviable reputation for being the state and city of choice when it comes to lifestyle.

The creation of the Urban Renewal Authority (URA) in March 2012 heralds a new era aimed at enhancing what we already have and also driving innovation for our State's future. A key objective of the URA is to provide opportunities for more South Australians to live in houses that are affordable and in areas of their choice.

The URA brings together crucial skills and expertise along with land and building assets that will significantly contribute to delivering on a number of the Government's seven key policy priorities, most importantly:

- creating a vibrant city
- safe communities, healthy neighbourhoods; and
- an affordable place to live.

Planning and delivering for our current and future economic and population growth are key drivers of the URA. It will ensure that we can accommodate the vast majority of our population wanting to live in our state within our existing urban footprint.

Indeed, being proactive will mean that we are better placed to meet the needs and aspirations of our communities in attaining high quality and sustainable urban development. We will see more medium density development done in a way that will not only suit Adelaide but will not detract from our suburbs and lifestyles.

Smart planning and delivery will be essential to take advantage of our expected population growth. We need to ensure our urban footprint is well planned and managed. The URA will work with communities, local government, the private sector and the not-for-profit sector to achieve this aim. It will have a strong focus on community engagement.

A priority for the URA is to support the development of urban communities linked by walkways, cycle tracks and public transport so that residents have ready access to education, health, employment and other key services and amenities.

## URA responsibilities

The State Government has created the URA under the Housing and Urban Development (Administrative Arrangements) (Urban Renewal Authority) Regulations 2012 made under the *Housing and Urban Development (Administrative Arrangements) Act 1995*. The URA has been established incorporating all the residential and industrial landholdings of the former Land Management Corporation along with key landholdings from Defence SA and specific urban renewal functions of Housing SA.

A major role for the URA will be to increase the supply and diversity of affordable housing and to accelerate the renewal of social housing stock to improve the quality of housing.

These functions are also levers to boost economic activity in this state and to create jobs within the construction and associated industries.

The URA is also responsible for the delivery of a number of current renewal projects and will work on releases of new opportunities.

It will also plan all future significant redevelopment projects of assets currently owned by the South Australian Housing Trust and work with not-for-profit organisations to strengthen the community housing and not-for-profit housing sectors and allow them to play a larger role than they have in the past.

### **Contribution to *The 30-Year Plan for Greater Adelaide***

The URA will be the key precinct planning and delivery agency for outcomes sought through *The 30-Year Plan for Greater Adelaide* and the new urban infill development target in *South Australia's Strategic Plan*.

It will conduct detailed precinct planning by consulting with government agencies, local communities, councils and other stakeholders on how best to prioritise and deliver appropriate infrastructure, human services, streetscapes and open space prior to development occurring either directly or through the private sector.

It is envisaged that the URA will have an important strategic role in identifying and assembling development sites (in either public or private ownership).

Consistent with the agreed approaches of the South Australian Government, specifically respect for individuals and fulfilling its responsibility to the community, the URA will consult and engage early and often with local communities, councils, other government agencies and the private sector to facilitate quality, well designed, affordable and sustainable developments.

### **South Australian Strategic Plan**

Through the delivery of a range projects and activities, the Urban Renewal Authority contributes to the achievement of the following South Australian Strategic Plan objectives:

- **Target 7 - Affordable Housing:** South Australia leads the nation over the period to 2020 in the proportion of homes sold or built that are affordable by low and moderate income households (baseline: 2010)
- **Target 8 - Housing stress:** South Australia leads the nation over the period to 2020 in the proportion of low income households not experiencing housing stress(baseline: 2010)

- **Target 16 - Economic disadvantage:** By 2020, increase by 2 per cent points the share of total household income earned by low income South Australians.
- **Target 56 - Strategic infrastructure:** ensure that the provision of key economic and social infrastructure accommodates population growth.
- **Target 60 - Energy efficiency – dwellings:** increase the energy efficiency of dwellings by 15 per cent by 2020. Milestone of 10 per cent by 2014.
- **Target 63 - Use of public transport:** increase the use of public transport to 10 per cent of metropolitan weekday passenger vehicle kilometres travelled by 2018.
- **Target 75 - Sustainable water use:** South Australia's water resources are managed within sustainable limits by 2018.

## Legislation

As at 30 June 2012 the Urban Renewal Authority was responsible for administering the Housing and Urban Development (Administrative Arrangement) Act 1995.

## Key benefits

The URA's strategic focus will deliver the following key benefits:

- foster community support for the government's urban renewal priorities based on the highest design and delivery standards
- provide certainty for the community, development industry, and the finance industry. This will provide investment confidence
- facilitate public and private sector delivery of urban infill targets, rather than continued urban development on the fringe of Adelaide
- preserve infill development opportunities
- realise the benefits of the new urban form identified in *The 30-Year Plan for Greater Adelaide* around competitiveness, liveability, climate change resilience and sustainability
- co-ordinate the provision of public realm, key infrastructure and services for infill development projects where the ownership of land is split between public and private ownership; and
- provide a single State Government 'voice' on urban renewal, and the provision of affordable housing, providing consistent and clear leadership.

In support of other government priorities the URA plays a key role in providing opportunities for industrial and commercial development on designated employment lands, supporting jobs growth, and influencing productivity and economic development.

## 2. MESSAGE FROM THE CHIEF EXECUTIVE

As the inaugural Chief Executive of the URA, my focus has been to ensure that we set the foundations and adopt best practices to urban development that allows us, in partnership with local communities, local and state government and the private sector, to enhance our quality of life.

With this mindset at hand, there is still much needed work to do in the years to come as the lead urban renewal development body in our state. Adelaide is a wonderful city that provides an environment where people want to live, work, recreate and raise their children, and the URA has a critical role in ensuring that this continues.

Urban areas around the world are facing incredible challenges. How do they maintain their quality of life in the face of growing populations, longer and longer travel times and climate change? Adelaide is at the forefront of regions that are unwilling to sit back and allow these pressures to define the lives of the people that call it home. Instead, through *The 30-Year Plan for Greater Adelaide*, the creation of the URA and a desire for high quality design, South Australia is set to take control of its development future.

Charged with the responsibility for leading and co-ordinating urban development, redevelopment and renewal activity, the URA will ensure that South Australia's future housing needs are met through quality design, planning and community involvement.

Through the development of a range of housing options in targeted locations we will assist in meeting the demands of low income and entry level home buyers, varying family types and our ageing population.

Like most cities, Adelaide's built environment encourages a reliance on cars. But what if we change that pattern? What if we stop growing out – north and south? The URA will instead aim to create choices for where and how people are able to meet their needs, whether it be for living, employment, school, shopping or recreation. We need to dovetail employment and housing opportunities to minimise travel and to incorporate retail, employment and public transport within walking or bike riding distance. This approach will result in safe, accessible and healthier communities.

By tipping the balance away from greenfield development towards infill, and by infilling with well-designed medium density developments, the URA will be able to affordably and flexibly accommodate a growing population within these neighbourhoods.

The URA has an impressive existing portfolio of projects, with many more to undergo further investigation over the next 12 months. While heavy focus has centred on the set up of the agency, I am delighted to report that the service and project teams continued to deliver major outcomes for their respective projects and initiatives. Progress of these projects and

some of the key achievements are highlighted in later parts of this report (see section 6. Our Key Projects and Activities).

From a broader economic perspective, 2011-12 saw the continued trend of soft property market conditions requiring the URA to pay considerably more attention to management of risks such as planning and environmental issues to assist purchasers to obtain finance. It would be fair to say that the current economic climate is impacting on the development industry. Financiers currently have little appetite for funding property development and potential purchasers are experiencing difficulties in securing funds for both the property purchase and the costs of development.

Fostering close working relationships with state and local government bodies, as well as forging successful partnerships with local communities and the private sector, will be at the forefront of our agenda moving forward. The URA's commitment to sustainability and focus on urban infill development will continue to facilitate opportunities for the private sector. Opportunity for industry to partner with the URA will come to fruition in many different ways and to varying levels through the delivery of a number of significant priorities in 2012-13. Some of these include:

- at the Bowden development, completion of Stage 1 civil and landscape construction and the release for purchase of the first townhouses and apartments in Stage 1. Commencement of Stage 2 land release and sales
- as part of planned activities to revitalise Port Adelaide, completion of community consultation and master planning. This will encompass both the waterfront land owned by the URA and the broader Port Adelaide Centre
- in Adelaide's north at the Playford Alive urban renewal project, completion of all infrastructure works surrounding the town centre to provide for the centre's possible opening in 2014. In addition there will be the opening of a new housing display village
- at Tonsley Park, completion of detailed design of the first two stages along with the establishment of an on-site office. Launching a marketing campaign for the 61-hectare sustainable mixed-use precinct, located on the former Mitsubishi Motors site
- in support of the State Government's affordable housing strategy, the URA is planning the release of 109 hectares of greenfield land at Evanston in Adelaide's north; and
- commencement of the first stage of development in the Inner City Precinct residential project bounded by Wakefield, Pulteney, Halifax and Hutt Streets.

In addition to these activities, the State Government has recently made a number of decisions to support the construction and development industry including:

- investment in infrastructure such as the Adelaide Oval, Royal Adelaide Hospital and the Southern Expressway duplication



- stamp duty relief for off-the-plan apartment purchases within the city and targeted urban renewal areas on the city fringe
- new city planning laws; and
- appointment of case managers for shovel-ready projects valued at more than \$20 million.

This support for industry will provide certainty and encourage investment from the private sector, which along with the work of the URA will continue to take this state forward and continue to support the goals of *The 30-Year Plan for Greater Adelaide*.

In moving forward, the key challenge for all of us is to be smarter, more creative in how we approach our housing needs, strengthen our communities and increase sustainability while supporting investment in our state.

Finally, I would like to acknowledge the tremendous support that we have received from the Minister for Housing and Urban Development, the Hon Patrick Conlon MP, and the members of the URA Board of Management, throughout the first four months of the URA's operation.

Thanks are also due to the management team and to all staff for their professionalism and patience in what has been a challenging beginning for us as organisation. That being said, the hard set up work in such a short time, has put us in a position to confidently take on the challenges that confront us in creating a better living future for all South Australians.

On behalf of the URA, I look forward to working with all of our key stakeholders and partners in the year ahead, who will collectively help shape our built environment.



Fred Hansen  
**Chief Executive**  
**Urban Renewal Authority**

### 3. PROJECT HIGHLIGHTS OF 2011–12

The URA delivers a wide range of residential, community and mixed-use developments through to commercial and industrial developments to benefit all South Australians. This section contains a snapshot of key achievements for some of the URA's projects during 2011–12.

#### **Playford Alive urban renewal project**

- The new Munno Para Railway Station opened in April 2012 and the roads to improve access through the project area have been completed.

#### **Bowden development**

- In March 2012, the URA released four development sites as Bowden Release 1, inviting purchase offers from teams of developers/builders and designers. In June 2012, the URA contracted the following four developers: ACDEV, Rossdale, Scott Salisbury Homes and Rivergum Homes.

#### **Lightsview**

- As at 30 June 2012, 691 allotments have been sold through development Stages 1-12 (over the life of the project) with planning approval also received for Stages 14 and 15. A total of 118 affordable dwellings have been sold to date (exceeding the required 15 per cent minimum affordable housing).

#### **Tonsley Park Redevelopment**

- TAFE's Sustainable Industries Education Centre (SIEC) has been approved and funded by the Government with construction commencing in May 2012.

#### **Edinburgh Park**

- As at 30 June 2012, approximately 248 hectares of land has been sold. Approximately 38 hectares of serviced industrial land is currently on the market.

#### **Seaford Industry Park**

- Practical completion of Stage 6 civil works and the commencement of marketing for Stage 6 allotments.

### **Affordable Homes program**

- The total value of properties sold via the *Property Locator* website during 2011-12 including listings from private developers was \$47.96 million (as at 30 June 2012).

### **Affordable Housing**

- As at 30 June 2012, 3640 outcomes have been committed through the State Government's 15 per cent requirement (in total since 2005).

### **The Works Program**

- During 2011-12, The Works Program delivered the following to the local community \$2.7 million of funding at Playford Alive and \$198,000 of funding at Bowden.

### **Horizon Apartments - Beach Rd, Christie Downs**

- Construction completed in June 2012.

### **UNO Apartments - 102 Waymouth Street**

- A total of 54 of 89 apartments available for sale have been contracted to 30 June 2012, including 10 during the month of June 2012 when apartments were eligible for the new stamp duty concession for inner city apartments purchased off the plan.

### **Woodville West - The Square**

- Marketing and sales campaign strategy approved in November 2011 with a marketing agent engaged in May 2012.

### **Northern Lefevre Peninsula Open Space**

- Works commenced in Falie Reserve, on Mutton Cove buffers and in Biodiversity Park.

## 4. OUR BOARD. OUR MANAGEMENT

### Structure

The URA commenced operations on on 1 March 2012 with the transfer of the following SA Government employees to the URA between 1 March and 23 April 2012:

- 79.3 full time equivalents (FTE) - transferred from Housing SA within the Department for Communities and Social Inclusion (DCSI)
- 15.6 FTE - transferred from Defence SA; and
- 97.8 FTE - transferred from the former Land Management Corporation.

Fred Hansen was appointed as inaugural URA Chief Executive in April 2012.

The organisational structure and recruitment of staff is being finalised, with the majority of staff assigned to positions. The staffing component for the URA as at 30 June 2012 is 190.6 FTE.

As at 30 June 2012, only those assets associated with the Woodville West Urban Renewal Project and the South Australian Housing Trust's (SAHT) holdings at River Street, Marden have been transferred to the URA. Other assets will be transferred, as required.

Through the transition phase the URA has continued to plan and deliver a range of existing and new projects and activities that will significantly contribute to the State Government's key directions.

### Governance

The URA is established under the Housing and Urban Development (Administrative Arrangements) (Urban Renewal Authority) Regulations 2012.

The URA incorporates all the residential and industrial landholdings of the former Land Management Corporation along with key landholdings from Defence SA and specific urban renewal functions of Housing SA.

At 30 June 2012 the URA was governed by an interim Board comprising seven members led by Mike Terlet AO. The Board reports to the Minister for Housing and Urban Development, Hon Patrick Conlon MP.

The Board is established under Division 3 of the *Housing and Urban Development (Administrative Arrangements) Act 1995* and the Corporation's functions are outlined in section 6 of the regulations.

The Charter for the URA (being developed in accordance with the *Public Corporations Act 1993*) is currently being finalised and will be tabled in Parliament once final consultation has occurred with the Board and it is signed off by the Minister and Treasurer. The Charter for the URA will be adopted in 2012-13.

Other key governance documents, including the Performance Statement and Ownership Framework, are being developed in consultation with the Department of Treasury and Finance.

## The Board

Members of the URA Board of Management are selected for their individual and combined expertise to provide strategic governance and direction to its operations. As at the 30 June 2012, the interim URA Board's membership (appointed from 1 March 2012) consistent of:

- **Mr Mike Terlet AO** (Presiding Member) - Appointed until 31 July 2012
- **Mr Theo Maras AM** - Appointed until 31 July 2012
- **Ms Jennifer Westacott** - Appointed until 31 July 2012
- **Dr Alice Clark** - Appointed until 31 July 2012
- **Mr Rod Hook** - Appointed until 31 July 2012
- **Ms Judith Carr** - Appointed until 31 July 2012
- **Vacant position**

### *Urban Renewal Authority Board of Management members' attendance record 1 March 2012 to 30 June 2012 (inclusive)*

Table 1. Board meetings

Members	Number of meetings held between 1 March 2012 to 30 June 2012 inclusive (which the member was eligible to attend)	Number member attended
Mike Terlet AO (Presiding Member)	4	4
Judith Carr	4	4
Dr Alice Clark	4	4
Rod Hook	4	4
Theo Maras AM	4	4
Jennifer Westacott	4	2

Table 2. Audit Committee

Members	Number of meetings held between 1 March 2012 to 30 June 2012 inclusive (which the member was eligible to attend)	Number member attended
Jennifer Westacott (Chair)	1	1
Judith Carr	1	1
Mike Terlet AO	1	1

## **Project Management Framework**

Following the establishment of the URA, a task force reviewed each of the predecessor organisations' project management frameworks (PMF) and prepared a PMF applicable to the URA.

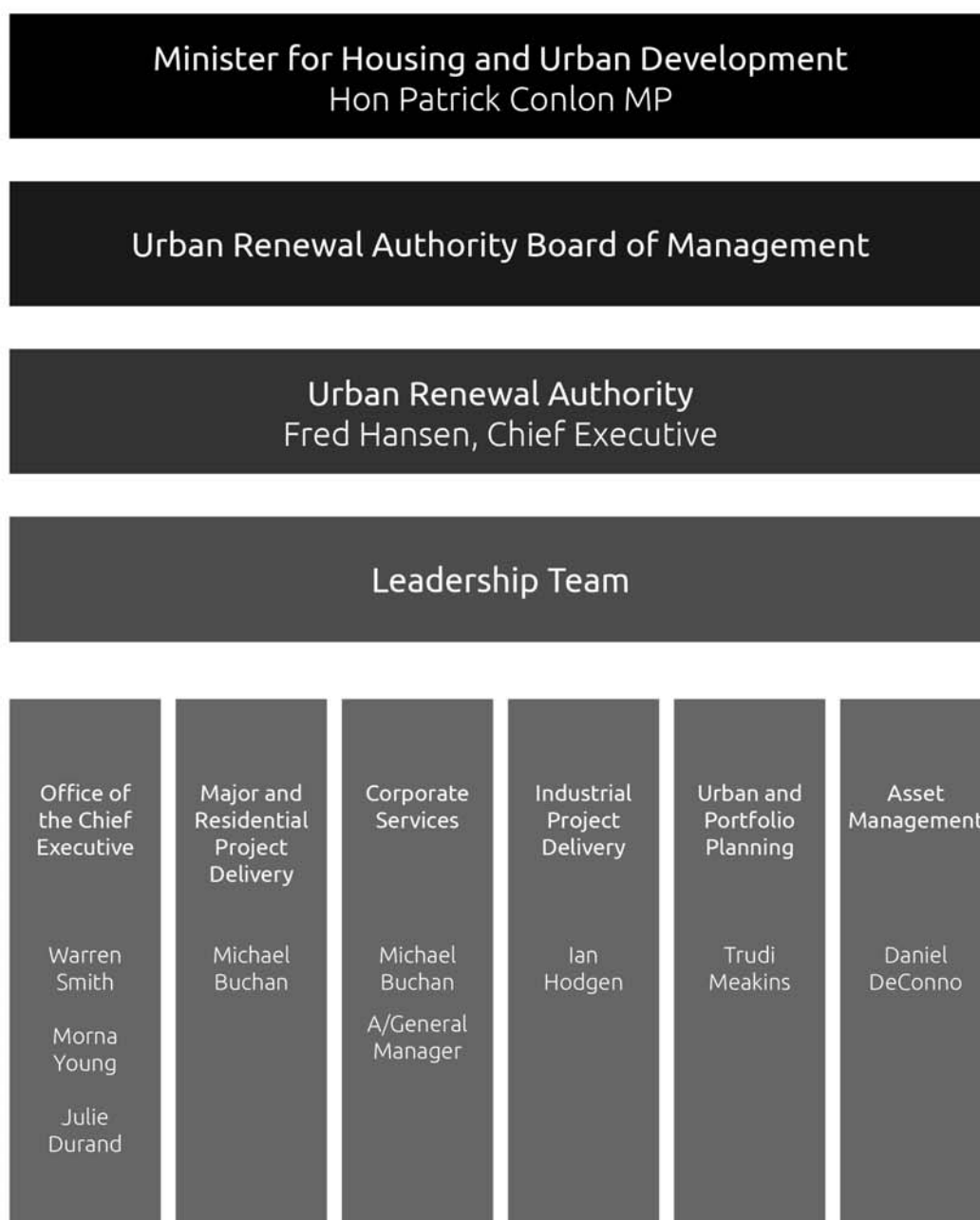
The URA PMF is mandated for use throughout the URA by all staff. It is used on all URA programs and projects, in order to provide a foundation for the application of consistent project management processes and practices across the organisation.

## Organisation Chart

Figure 1. Organisational Chart as at 30 June 2012

### Urban Renewal Authority Organisation Chart

Organisation Chart as at 30 June 2012



## 5. DELIVERING SUSTAINABILITY

### Corporate Responsibility

The URA has been reducing its environmental impacts and can demonstrate its commitment by targeting a 5 star green star office fit out (as a result of occupying the Five-Star Green Star office accommodation on Level 9 Riverside (West) previously occupied by the former Land Management Corporation).

This reduces energy and water consumption, has separated waste for recycling and employees of the agency can share an electric vehicle. Bicycle facilities are provided, with showers for staff to encourage bike riding which reduces our staff greenhouse impacts.

The URA's direct annual corporate emissions of electricity, vehicle travel and paper usage are monitored and reported in Table 23 (see the Appendices).

### Environmental Services

The URA's Environmental Services Group (ESG) provides direction and management of all environmental matters associated with the acquisition, development, management and divestment of URA and other government-owned land upon request through the Government Agency Property Services (GAPS) system.

The ESG also provides comments to the South Australian Environment Protection Authority and other government departments where required on proposed changes to legislation and participates in cross-government agency meetings on the development of guidelines and policies.

During the three months to 30 June 2012, the ESG managed numerous projects for the URA as well as other Government departments. These projects included land remediation and site contamination auditing for the Bowden development and Tonsley; and ongoing groundwater monitoring commitments associated with a number of URA sites that have been remediated or developed, including the Port Waterfront, Pickering Street and New Castalloy sites.

Work on the majority of these projects will continue in 2012–13.



## 6. OUR KEY PROJECTS AND ACTIVITIES

The URA incorporates all the residential and industrial landholdings of the former Land Management Corporation along with key landholdings from Defence SA and specific urban renewal functions of Housing SA.

Through the transition phase (commencement date 1 March 2012) the URA has continued to plan and deliver a range of existing and new projects and activities that will significantly contribute to the State Government's key directions.

The summaries in this section highlight project achievements and outcomes during the 2011-12 and identify some of the key targets for the year ahead.

### Residential Land Release Program

#### *Background*

- The URA manages a portfolio of land assets owned by the State Government and provides a supply of land and buffer stock for development to support the State Government's land release program.
- In reviewing the supply of, and demand for, residential allotments, the URA works closely with the Department of Planning, Transport and Infrastructure (DPTI) and consults with the development industry.
- The URA works within the land use policy framework established by government. It releases land held in its ownership that has been zoned for urban purposes and is identified to meet projected demand for finished allotments.
- The URA imposes a range of mandatory deliverables to ensure that developers achieve desired social, economic and environmental outcomes from each land release.

#### *Progress to Date*

- Land releases have occurred in accordance with the release program approved by the Minister.
- In recent years, residential land being sold or being developed under development agreements comprises:
  - 88 hectares at Blakeview - purchased by Lend Lease for the 1600-dwelling Blake's Crossing development
  - 107 hectares at Blakeview East – to be developed by the Fairmont Group as a 1700-dwelling development
  - 121 hectares at Penfield – to be developed by AV Jennings as a 1900-dwelling development including town centre with shops and services

- 132 hectares at Seaford Meadows – purchased by the Fairmont Group for a 2200-dwelling project with provision for supporting commercial and community facilities; and
- 77 hectares at Seaford Heights – purchased by Fairmont Group to deliver approximately 1200 allotments as well as retail and community facilities.
- As at 30 June 2012, the URA's remaining broad hectare residential land bank identified for future release was approximately 424 hectares.
- The URA continues to undertake master planning for landholdings identified for future residential development so that it is in a position to act quickly to meet future market demand which will be driven by market conditions.

### *Targets for 2012-13*

- Investigations and planning are underway for the remaining URA landholdings in order to meet its future release schedule:
  - 106 hectares at Evanston anticipated to be released as two parcels in 2012-13
  - monitor proposed relocation of Electranet transmission line as a precursor to release of 82 hectares at Blakeview North
  - review market and infrastructure requirements to inform timing of 99 hectare release at Blakeview West
  - 43 hectares at Seaford Meadows (land currently owned by Housing SA); and
  - consultation, rezoning and potential release of 94 hectares at Aldinga.

**Table 4. URA land and property sales 2011-12**

<b>URA Land and Property Sales<sup>1</sup></b>			
<b>Description</b>	<b>Area Sold (hectares)</b>	<b>Sale Price (\$) <sup>2</sup></b>	<b>Purchaser</b>
Lot 9 Acacia Court, Naracoorte	0.1092	55 000.00	M. Henderson
Lot 401 Main North Road,	0.3817	350 988.00	Tenix

<sup>1</sup> Property sold on behalf of State Government agencies are shown separately.

<sup>2</sup> The sale price reflects gross settlement proceeds prior to any settlement adjustments.

URA Development Projects			
Lightsview – Northgate 3	68 Northgate residential allotments		
Playford Alive Urban Renewal Project	62 Playford Alive residential allotments		
Lochiel Park Green Village	1 Lochiel Park residential allotments		
URA Land Sales on Behalf of Other Government Agencies (land was owned by other agencies)			
Description	Area Sold (hectares)	Sale Price (\$)	Purchaser
Denmead Ave, Campbelltown	0.0180	\$146 000	Kolan Investments Pty Ltd
Torrens Island (portion)	27.0000	\$360 000	AGL Energy
Loxton Police Station	0.1031	\$270 000	Kelvin D'hildred Westbrook and/or nominee

## Disposal of Surplus School Sites

### Background

- Under Premier and Cabinet Circular 114, *Government Real Property Management* the URA is the purchase and disposal agency to manage real property transactions on behalf of other government agencies (excepting exempt agencies). This program is known as the Government Agency Property Services (GAPS).
- At the instruction of the Department of Education and Children Development (DECD), the URA is managing the disposal of 27 surplus school sites across metropolitan and country areas.
- The surplus sites are:
  - Campbelltown Pre School
  - Coorara Pre School
  - Gepps Cross Senior School
  - John Morphett Primary School
  - Millbrook Primary School
  - Smith Creek Primary School
  - Morphett Vale West Primary School
  - Parafield Gardens Kindergarten
  - Enfield High School
  - Gepps Cross Girls High School
  - Ross Smith High School
  - Kilburn Primary School
  - Mansfield Park Primary School
  - Ferryden Park Primary School
  - Davoren Park Primary School
  - Coromandel Valley Primary School
  - Smithfield Plains Junior Primary and Primary Schools
  - Former Moculta Primary School
  - Terowie Rural School

- Salisbury North West Primary School
- Mannum Primary School
- Rapid Bay Primary School – Part
- Smithfield Plains High School
- Sedan Primary School
- St Pauls Kindergarten, Cowell
- Robertstown Primary School – Part
- Wharminda Primary School

### *Progress to Date*

- Settlements achieved for Dover Gardens Primary School, Blair Athol Pre-School and part Port Adelaide Primary School.
- URA is dealing with a number of government agencies that have expressed interest in purchasing surplus schools sites, particularly in the inner north western metropolitan area. Many of these expressions of interest are subject to Cabinet approval.
- Cabinet has approved direct sale of the former Gepps Cross Girls High School for mining-related industrial use subject to establishment of satisfactory commercial terms and conditions.
- URA is discussing a proposal with the City of Port Adelaide Enfield, for the development of active open space by the eventual purchaser of the Enfield High School as part of the contract of sale for this site.

### *Targets for 2012-13*

- Resolution of agency interest in surplus sites, with sites either transferred to the interested agency or released to the market.
- Continue to adopt an appropriate level of due diligence and disposal strategies on a site specific basis that recognise the difficult economic conditions and present the best likelihood of settlement.
- Coordinate delivery of three (3) sites for community mental health facilities for SA Health on portions of sites surplus to DECD needs.
- Ongoing and timely release of sites, primarily for future residential infill development cognisant of DECD and DTF timeframes and market conditions.
- URA is also leading a review of Premier and Cabinet Circular 114 to ensure that the processes facilitate urban redevelopment outcomes with which the URA has been tasked.

## Contribution to Affordable Housing

### *Background*

- In 2005 the *Housing Plan for South Australia* adopted a target that 15 per cent of all new significant developments be affordable, including 5 per cent high needs. In 2007, the *Statutes Amendment (Affordable Housing) Act* was enacted to provide enabling and enforcing functions.
- Criteria for affordable housing are gazetted annually by the Minister for Housing. The current 2011-12 price point is \$288 000 in metropolitan Adelaide (including selected regional centres) and \$244 000 in the rest of SA.
- Outcomes through the 15 per cent requirement include new social housing, affordable private rental and home ownership opportunities.
- In 2007 the Affordable Homes Program (AHP) was established to ensure affordable home ownership outcomes were directed to eligible low and moderate income households.
- New properties available through the AHP are listed on the Property Locator website exclusive for 90 days to customers who meet eligibility criteria.
- In July 2010, Cabinet noted the terms of reference for development of a long term Housing Strategy for South Australia and an inter-agency steering group was established.

### *Progress to Date*

#### Affordable housing

- As at 30 May 2012, 3,516 outcomes have been committed through the 15 per cent requirement (in total since 2005).

#### Affordable Homes Program

- 880 properties have been sold to eligible home buyers through the Affordable Homes Program since 2007, including 175 newly constructed homes as a result of the 15 per cent requirement and 705 former social housing properties.
- A marketing campaign to increase awareness of the AHP is underway.
- The total value of properties sold via the Property Locator website during 2011-12 (as at 31 May 2012) including listings from private developers was \$43.3 million.

#### Housing Strategy

- Development of a housing strategy is underway with 40 submissions received following a public consultation process in September - December 2011.

## *Targets for 2012-13*

### Affordable housing

- Secure at least 15 per cent affordable housing in all significant developments.
- Target 300 new commitments per year.

### Affordable Homes Program

- Sale of approximately 200 affordable homes with a total estimated value of \$43.2 million.
- Increase brand recognition.
- Transition Property Locator into commercial website in 2012-13.
- Support reforms to private rental market for long term, secure tenure and shared arrangements by July 2015.

### Housing Strategy

- The creation of the URA has enabled a much broader approach to housing and living affordability to be considered in the development of the Housing Strategy, which is to be finalised in 2012-13.

## Community Training and Employment

### *Background*

- The URA continues to establish engagement, training and employment initiatives with project partners and stakeholders to deliver additional community and social inclusion benefits from its residential and industrial development activities.
- As part of the URA's role in maximising community and social inclusion benefits from its urban development activities, a community training and employment strategy was established initially within the Playford Alive project in 2008. The concept proved very successful and was later extended to the Bowden project in 2012.
- Engagement, training and employment programs under the "Works Program" banner are developed in partnership with a variety of project partners, training providers and stakeholders to maximise community benefits.
- The Works Program model focuses on three areas to deliver economic outcomes:
  1. employment and work experience opportunities in URA-managed contracts.
  2. engagement, training and employment programs; and
  3. live training sites using URA-owned land and capital works contracts to provide local on-site training models for registered training organisations.

### *Progress to Date*

- Through the joint efforts of the URA, the City of Playford and the City of Charles Sturt, the URA Works Program has secured funding in excess of \$6 million in partnership with other stakeholders.
- These funds have been used to create opportunities for local people in areas such as numeracy and literacy, civil construction, building and construction, horticulture, retail, electro-technology and health.
- The Works Program at Playford Alive is now in its fourth year of delivery. The Works Program at Bowden was approved by the former LMC Board in December 2011 and commenced in February 2012.
- The Works Program at Playford Alive has delivered the following to the local community during 2011-12:
  - \$2.7 million of funding
  - 15 engagement, training and employment programs involving 309 local people
  - 219 work experience placements with 61 of these coming from Playford Alive contractors
  - 89 paid employment placements with 26 of these coming from Playford Alive contractors
  - four live training sites
  - economic development commitment clauses were written into Playford Alive commercial allotments expression of interest documents. This was a first for the URA as we had normally only focussed on capital infrastructure works and consultancy contracts; and
  - secured funding in partnership with City of Playford (CoP) for the Stretton Centre. CoP received \$11.3 million from the Federal Government to build the centre (3 storey community hub) in the Playford Alive town centre. Of that \$11.3 million - \$1.2 million will be allocated to develop a training and employment strategy as part of this infrastructure project.
- The Works Program at Bowden has delivered the following:
  - \$198 000 of funding
  - 30 accredited training places
  - one live training site
  - economic development commitment clauses were written into Bowden Key Worker Housing and Joint Venture Apartments expression of interest documents. This was a first for the URA in Bowden as we had normally only focussed on capital infrastructure works and consultancy contracts.

### *Targets for 2012-13*

In 2012–13, the Works Model at Playford Alive will deliver a minimum of:

- 50 work experience placements in URA capital works contracts
- 30 paid employment positions in URA capital works contracts
- 100 accredited training places for local people; and
- five live training sites.

In 2012-13 the Works Model at Bowden will deliver a minimum of:

- 40 work experience placements in URA capital works contracts
- 20 paid employment positions in URA capital works contracts
- 60 accredited training places for local people; and
- three live training sites.

## Asset Management

### *Background*

- The URA manages a significant portfolio of assets on behalf of Government including:
  - more than 1 000 individual land parcels
  - land area of 3 900 hectares approximately
  - building area greater than 275 000 square metres; and
  - over 125 leases under management.
- Key activities
  - Investment sales program including the following six key assets which have been prepared for sale:
    - ASC/AWD Building, Felixstow
    - Carl Zeiss Building, Lonsdale
    - BAE Building, Mawson Lakes
    - Endeavour House, Mawson Lakes
    - Optus Building, Mawson Lakes; and
    - New Castalloy premises, North Plympton
  - Management of Mawson Lakes Joint Venture (project completed in 2012).
  - Management of existing Industrial and Commercial Premises Scheme (ICPS) development projects and finalising a position on the future of the *Premises SA* scheme.
  - Management and control of the URA's Land Asset and Land Division Registers to address the amalgamation of all URA assets and to ensure timely and effective delivery of URA's land division program.



- Strategic review of URA's land holdings to identify non-strategic or under-used land that may be suitable for sale or transfer to Government or other entities.
- Completion of significant capital upgrade program of Innovation House and Endeavour House at Tech Park.

### *Progress to Date*

- Investment sales program:
  - boundary realignments for land harvesting completed for BAE and Optus Buildings at Tech Park with new car park constructed for BAE.
  - finalising sales of residual surplus land to Tenix and NewSat; and
  - New Castalloy premises at North Plympton being prepared for sale in 2012-13.
- In relation to Technology Park, Cabinet has approved funding for major capital upgrades with the majority of this work due to conclude June 2012.
- Formal finalisation of the Mawson Lakes Joint Venture Project:
  - winding up activities being managed with Lend Lease including management of encumbrances to 2015 and the completion of construction and rectification works.

### *Targets for 2012-13*

#### Asset management

- Technology Park Adelaide development project: negotiation of a development structure with the preferred development proponent and completion of a master plan and obtaining necessary planning approvals.

#### Major investment sales

- Completion of sale of the
  - BAE and Carl Zeiss Buildings in 2012-13 - forecast \$17.1 million; and
  - Optus and ASC/AWD Buildings and New Castalloy premises in 2013-14 - forecast \$38.5 million.
- Sale of Endeavour House at Technology Park - forecast \$12.95 million.
- Industrial and commercial sites: ongoing sales at Seaford Industry Park, Wingfield Cast Metals Precinct, East Grand Trunkway at Gillman, Edinburgh Park industrial estate.

#### Management of existing ICPS development projects and the *Premises SA* scheme

- Successful ongoing management of remaining projects.
- Determine future strategy of ICPS in conjunction with Department of Treasury and Finance.

## Better Neighbourhoods Program

### *Background*

- The Better Neighbourhoods Program (BNP) was approved by Cabinet in 2007.
- It has been widely acknowledged as a model to replace ageing public housing with new more appropriate housing in an almost cash-neutral way whilst also releasing new allotments for sale to the market. Benefits include reducing high concentrations of public housing.
- Current allocated expenditure is \$15 million a year and the program is expected to achieve \$15 million a year in revenue from land sales based on forward estimates.
- BNP has 100 projects where each project comprises the relocation of tenants, demolition of SAHT dwellings, subdivision and construction of new SAHT dwellings and sale of allotments to the open market.
- A succession of projects may be sequenced in order for the first to provide relocation opportunities for the second and so on in order to achieve small-scale urban renewal in clusters of SAHT ownership that are too small to support a full urban renewal program. Projects range in size from 2 to 20 outcomes.

### *Progress to Date*

- Summary of key achievements to date:
  - the program is forecast to achieve 71 new dwellings within its expenditure budget (\$11.548 million) for the 2011/12 financial year. A total of 47 houses have been completed YTD
  - 18 houses are currently under construction and expected to be completed by 30 June 2012
  - the program is on target to achieve its revenue sales targets for the 2011-12 financial year
  - 64 lots valued at \$12.101 million (net) have been sold YTD; and
  - 10 lots are expected to settle prior to 30 June 2012 valued at \$2.05 million (net).

### *Targets for 2012-13*

- The Better Neighbourhood Program is expected to:
  - complete 87 new dwellings in the 2012-13 financial year
  - critically assess house designs to improve facades and streetscape appearance for all Housing SA retained dwellings
  - operate in a cash-neutral manner with forecast expenditure and revenue of \$15 million; and

- generate sales of between 60 and 75 allotments for sale on the open market.

## Bowden

### *Background*

- Located on 16 hectares of former industrial land adjacent to the city's western park lands, the Bowden development is the first government-initiated and URA-managed higher density, mixed-use infill project for Adelaide.
- In October 2008, the State Government approved the purchase of the 10.3 hectare Clipsal site at Bowden for \$52.5 million. In December 2009, approval was granted for the purchase of the adjoining 5.9 hectare Origin Energy Site at Brompton for \$1 with Origin contributing \$12 million for future remediation of the site.
- When completed over the next 10-12 years, the project will be a flagship walkable urban neighbourhood comprising over 2400 dwellings accommodating more than 3500 people. Affordable housing will comprise over 15 per cent of dwellings.
- The Bowden development will feature shared streets and open spaces integrated with the surrounding community. The site will also incorporate a mixed-use retail centre close to existing rail and tram stations, surrounded by a variety of apartments and townhouses. Commercial and office space and civic uses will be available within the development.
- In April 2011, the State Government approved the site plan, staging plan, expenditure of \$264.7 million and delivery method for the Bowden development.
- An independent expert Design Review Panel (DRP) has been engaged to assist in evaluation of offers to purchase and assessment of design proposals.

### *Progress to Date*

- In March 2012, the URA released four development sites as Bowden Release 1, inviting purchase offers from teams of developers/builders and designers. To assist industry in submitting offers, a comprehensive Bowden Design Guidelines document was developed to ensure high quality standards.
- 11 developer groups submitted over 20 offers (multiple site offers) for the 4 allotments.
- In June 2012, the URA contracted the following four developers, ACDEV, Rosedale, Scott Salisbury Homes and Rivergum Homes as the successful proponents for Release 1.
- Progressive remediation has commenced on the former Clipsal factory site and the former Origin gasworks site in accordance with standards

established by the Environment Protection Authority. The URA has allocated \$43.1 million (an inflation-adjusted figure based on 2010 dollars) for remediation over the 10-12 year life of the project.

- The Information and Sales Centre located within the former Parkview Hotel opened in February 2012 to enable the community and potential residents to obtain further information about the development ahead of apartment sales off the plan commencing late 2012.
- Site works are underway and the first demonstration street and park will be completed by the end of July 2012.
- The Federal Government's May 2012 Budget provided funding to underground the rail line at Park Terrace from 2015-16 subject to state funding to be confirmed in the future.
- A community reference group continues to support the project and, to date, has endorsed branding, general project direction, master plan and provides input on other strategic and design matters, including new open space.
- The holding Development Plan Amendment (DPA) supporting the project has been gazetted and has interim effect. The DPA proper is waiting processing and Ministerial approval following an 11 April 2012 closure for public submissions. Gazettal occurred on 5 July 2012.
- Funding from the Department of Further Education, Employment, Science and Technology has been secured and a partnership confirmed with the City of Charles Sturt to support a Bowden Training and Employment program.

### *Targets for 2012-13*

- Off-the-plan and completed homes are anticipated to be available to the public from late 2012 through 2013 in the form of three-storey terraces and three-to-five storey apartment buildings in Stage 1 between Sixth and Seventh Streets.
- Complete Stage 1 civil and landscape construction including stage 1 of the western parklands upgrade.
- Commence works and confirm developer/occupant on Town Centre Retail Stage 1.
- Facilitate construction commencement on first community housing project for key worker housing.
- Commence Stage 2 civil and landscape construction including Bowden Town Square.
- Confirm the projects involvement in a joint venture project to demonstrate leadership in product mix, design and green star design.
- Complete Releases 2 and 3 including sites for a three storey terrace and a four storey apartment.

## Horizon Apartments - Beach Road, Christie Downs

### *Background*

- The housing development – a four-storey building comprising 24 apartments – is situated at the corner of Beach Road and McKinna Road, Christies Downs. Twenty one of the apartments have two bedrooms while the remaining three apartments have one bedroom.
- The development is adjacent the Noarlunga Regional Centre and the Noarlunga train station. This project represents the beginning of a master planned development fronting Beach Road within 400 metres of services, facilities and a transport hub.
- It was built using funds provided by the Federal Government's National Building Economic Stimulus Plan (NBESP).

### *Progress to Date*

- A further \$1.377 million of investment was approved from the Housing SA capital program to contribute to the cost of design revisions and specification modifications to improve the marketability of the building.
- Construction was completed by 30 June 2012.
- The building will be named 'Horizon Apartments' to assist it in gaining a market identity.
- In the lead up to construction completion, landscaping and signage will be done to enhance presentation on this prominent corner location.

### *Targets for 2012-13*

- Allocation of eight units to SAHT for management by Housing SA.
- Commencement of marketing and sales campaign for remaining 16 apartments: six to the general market, six for affordable sales and four included in the National Rental Affordable Scheme (NRAS) with expected revenue of \$3.85 million for re-investment in new housing.

## Lightsview

### *Background*

- The Lightsview project is a land development joint venture between the URA and CIC Australia located at Northgate, eight kilometres from the Adelaide CBD.

- The project covers 91 hectares, and when completed, will provide about 1 700 allotments and approximately 2 200 dwellings. The project will also provide 155 retirement village dwellings and a 110-place aged care facility that will be integrated with the surrounding residential subdivision.
- Adjacent to Lightsview is the vacant former Ross Smith Secondary School site which is a residentially-zoned parcel of about 11 hectares with frontage to Hampstead Road. The Government has approved the commencement of negotiations with the Lightsview Joint Venture to incorporate a portion of this land into the Lightsview development (subject to further government approval).

### *Progress to Date*

- As at 30 June 2012, 691 allotments were sold through development Stages 1-12 (over the life of the project) with planning approval also received for stages 14 and 15.
- There are currently 12 allotment types available ranging in price from \$114 000 to \$475 000. The average allotment price to date is \$202 000 with the range of allotment types spread throughout the development.
- The Joint Venture is currently delivering the 15 per cent affordable housing policy with a range of innovative affordable housing types being made available at house and land prices below \$319 000. [Due to additional sustainability features, Lightsview homes are permitted to exceed the standard \$288 000 affordability price limit by up to 15 per cent].
- A total of 118 affordable dwellings have been sold to date (exceeding the required 15 per cent) and the Joint Venture was awarded the 2011 national and SA Urban Development Institute of Australia Awards for Affordable Development.

### *Targets for 2012-13*

- Continued allotment sales and settlements through existing stages and new stages 14 and 15.
- Completion of the East Parkway road connection through Lightsview and the former Ross Smith School site to Hampstead Road.
- Finalise negotiations for recycled water system to residents.
- Finalisation of Ross Smith negotiations with the Lightsview Joint Venture and investigations into the community hub (by Office for Recreation and Sport and Arts SA).
- Completion of 208 sales and settlement

## Lochiel Park Green Village Development

### *Background*

- In 2004, the South Australian Government announced that Lochiel Park, a 15 hectare former government educational facility and training centre site in Campbelltown, would be transformed into a mixture of natural parklands and a 106-dwelling demonstration housing development.
- Lochiel Park is 8 kilometres north-east of the Adelaide CBD, between the River Torrens Linear Park and the O-Bahn high speed busway.
- Lochiel Park has become a model “green village” incorporating Ecologically Sustainable Development (ESD) technologies.
- It demonstrates South Australia’s credentials as a world leader in sustainable living and technology enhancement. Performance targets include reducing residential potable water supply by 78 per cent, greenhouse gas emissions by 74 per cent and energy use by 66 per cent (all figures compared to the 2004 SA average).
- Consistent with the State Government’s 15 per cent affordable housing policy, a total of 23 medium density dwellings (comprising 20 two-bedroom apartments and three two-storey townhouses) were completed in April 2011.

### *Progress to Date*

- All major infrastructure works and public realm have been completed.
- Nearly all housing lots have been sold with the URA having nine remaining house and land packages plus the Sustainability Centre (a converted home) for sale.
- Housing SA’s 23 dwelling affordable housing development has been completed, of which:
  - five dwellings have been retained for Housing SA rental stock within the 23 dwelling affordable housing development
  - eighteen sales in total comprising 10 National Rental Affordable Sales (NRAS) properties and eight Property Locator Sales
  - eight out of 10 NRAS are contracted, one sold and one remaining on market; and
  - seven of the eight Property Locator dwellings sold with one remaining contracted.
- The winner of the Zero Carbon House design competition at Lochiel Park was announced in February 2012 with construction work on the winning design to commence late 2012.
- Recycled water infrastructure has been vested in SA Water.

### *Targets for 2012-13*

- All allotments sold and settled.
- All affordable housing dwellings sold and settled.
- Development handover completed to Campbelltown Council and others.
- Zero Carbon House completed.
- Analysis and reporting on success and learnings of project presented to stakeholders.
- Final report to Parliament's Public Works Committee.
- Recycled water delivered to residents.

## Noarlunga Centre – Inspire Development

### *Background*

- The Noarlunga Centre Affordable Housing Project comprises 4.7 hectare of land being developed as a community-oriented sustainable development in two stages with construction of Stage 1 (27 dwellings) and Stage 2 (34 dwellings) completed and nearly sold out.
- Stage 3 construction (39 dwellings) has been completed and is to be on sale from July 2012.

### *Progress to Date*

- In March 2010, approval was given for \$5.8 million funding from the NBESP to construct 23 apartments at the gateway of the project. Construction commenced in July 2010 and was completed in March 2012.
- Due to the reallocation of NBESP funding, approval was also given for the construction of four homes within Stage 2 and 16 homes on the balance of land in Stage 3. Construction started in August 2011 to meet NBESP requirements for completion by 30 June 2012.
- The expenditure budget for the 20 houses (four in Stage 2, 16 in Stage 3) is approximately \$6.4m.
- In 2011-12, the revenue budget is \$1.1 million and the expenditure budget \$10.108 million. Actual revenue achieved as at 30 April 2012 was \$0.603 million and actual expenditure was \$6.448 million.



### *Targets for 2012-13*

- Complete sale of 1 ex-display home in Stage 1.
- Complete sale of 8 house-and-land packages in Stage 2.
- Final sales are forecast to generate \$10.017 million in revenue by end June 2013.
- Allocation of 11 apartments to SAHT for management by Housing SA.
- Sale of 12 townhouses, four lofts and 12 apartments.

## Playford Alive – Greenfield and Urban Renewal

### *Background*

- The URA is managing the delivery of the Playford Alive project, which involves the physical and community renewal of the existing suburbs of Davoren Park and Smithfield Plains linked to the development of adjacent URA- owned greenfield land located at Munno Para.
- More than 9 000 new dwellings will be created across the total project area with all Housing SA assets to be either demolished or refurbished for retention or sale.
- The project will provide new and refurbished housing along with new schools, shopping and recreation facilities and will increase the population through the project area by more than 20 000 people.

### *Progress to Date*

- Since commencing in 2007, the project has created over 1 000 residential lots and has achieved a total of 778 residential lot sales with 549 sales in Munno Para, 100 in Andrews Farm and 129 in Smithfield Plains. More than 150 new homes are now occupied. Nineteen refurbished dwellings have also been sold.
- Sixty nine new public housing dwellings have been constructed
- Two new schools have been constructed and opened while a number of older schools within Smithfield Plains and Davoren Park have closed.
- Significant open space reserves have been completed, including significant wetlands at Stebonheath Park and Munno Para which are components of Playford Council's aquifer storage and recharge system. A third wetland is now under construction at the corner of Curtis and Stebonheath Roads, Munno Para.
- The new Munno Para Railway Station opened in April 2012 and the roads to improve access through the project area have been completed.
- As at 31 May 2012, 99 public housing dwellings have been upgraded and 24 are underway.

- The project has also delivered sites for a new GP SuperClinic and childcare facility which have both been completed and are now operational. A medical training facility is also nearing completion.
- Since the project started, more than 1 000 northern suburbs people have received training under the *Playford Alive Works* program, of which 276 were placed into work experience and 318 of them into paid employment.
- Final negotiations are underway with Woolworths, the purchaser of the town centre site, to enable a staged settlement to commence in the 2012-13 financial year.

### *Targets for 2012-13*

#### Urban renewal:

- Finalise land division planning for the remainder of Smithfield Plains and commence planning in Davoren Park.
- Build and put on sale 14 new dwellings in Smithfield Plains.
- Create 45 new housing allotments including development lots to suit 48 dwellings; complete planning and design of a further 64 lots representing 67 dwellings.
- Construct 52 new public housing dwellings and complete upgrades to an additional 60 dwellings.
- The DTF-approved revenue budget for 2012-13 is \$8.2 million from the sale of completed dwellings and allotments, and the expenditure budget is \$21.377 million.

#### Greenfield:

- Complete sales of sites in Town Centre to Woolworths.
- Complete infrastructure works surrounding the Town Centre to provide for the development of the centre.
- Undertake an assessment of demand for a new display village and refresh the existing village and sales centre.
- Deliver to the market up to five commercial sites along Curtis Road.
- Community consultation and design of the Town Centre reserve.
- Landscaping to completed stages of development and on wetlands.
- Review development options and scope of TOD including land to east and west of rail line.
- Continue the delivery of community development programs and events including Playford Alive Award program.

## Tonsley Park Development

### *Background*

- In December 2009 Cabinet approved the purchase of 61 hectares of the former Mitsubishi Motors vehicle assembly plant site at Tonsley Park.
- In February 2012, Cabinet approved the master plan to create a sustainable mixed-use employment, education, services, retail and residential precinct investing \$253 million over the 20 year life of the project.
- The private sector is projected to invest over \$1 billion over the life of the project.
- Objectives for the redevelopment include over 6 000 FTEs in high value jobs; 10 000 students a year; and 1 500 to 2 000 residents living in high quality accommodation.
- The URA is partnering with the Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) in planning, marketing and delivering the project.
- URA will manage the physical delivery of the redevelopment on the ground, including site remediation, establishment of roads and infrastructure, public spaces and landscaping, and managing the selling of allotments to the private sector.
- DMITRE is responsible for the jobs creation and industry attraction that will support the integration of education with industry, research and development.

### *Progress to Date*

- TAFE's Sustainable Industries Education Centre (SIEC) has been approved and funded by the Government with construction commencing in May 2012.
- The SIEC will be opened in January 2014 and will accommodate over 8 000 students per year.
- In January 2012, Baulderstone was announced as the builder for the SIEC with enabling works commencing February 2012.
- Cabinet has approved undertaking up to \$13 million of work including asbestos removal, structural upgrade and slab cleaning of the existing main assembly building.

### *Targets for 2012-13*

- Complete the next level of design which includes detailed design of stages 1 and 2 and the adaptive reuse of the main assembly building.

- Complete a brand strategy early in 2012-13 and commence roll out of a marketing campaign with official project launch in January 2013
- Establish on-site project office and commence construction of infrastructure and public realm for Stages 1 and 2 in early 2014.
- Targeted allotment release mid 2013.
- TAFE's \$100 million Sustainable Industries Education Centre (SIEC) to be operational by January 2014

## UNO Apartments - 102 Waymouth Street

### *Background*

- This recently-completed mixed use development – marketed as 'UNO Apartments' – comprises a building of 17 levels containing 146 apartments, ground floor retail space and parking for 36 cars.
- Thirty apartments are set aside for homeless youth with full time on-site supervision.
- Cabinet approval was given in December 2009 for construction of a mixed-use development at 102 Waymouth Street, Adelaide.
- The building delivers a mix of occupancy and ownership opportunities including social housing, affordable rental and purchase outcomes, general market sales and youth crisis accommodation outcomes as follows:
  - 27 for social housing
  - 27 for National Rental Affordability Scheme (NRAS)
  - 28 for affordable purchase to eligible buyers
  - 34 for general market sales; and
  - 30 for homeless youth.
- The Federal Government's Nation Building Economic Stimulus Plan (NBESP) fund provided \$48.9 million of the \$50.9 million project budget. A further \$2.0 million was sourced from uncommitted crisis accommodation program funds as a contribution to the youth crisis accommodation.
- The Federal Government has approved for the sales proceeds from apartments to be reinvested into further social housing outcomes, extending the benefit of stimulus funding into at least two additional housing projects.

### *Progress to Date*

- Construction works commenced in October 2010.
- As at 31 May 2012, fit-out works to the interiors of all apartments were completed to Level 6, including all youth service apartments.

- Civil works have commenced with reinstatement of roads, footpaths, guttering, upgrading of stormwater works in the adjacent laneway and paving to adjacent plaza.
- Practical completion was achieved by 30 June 2012.
- Contract negotiations are being finalised with an external provider for place making in preparation for building completion.

### *Targets for 2012-13*

- Sales of remaining 10 affordable and market apartments (from 62 in total).
- Sale of 24 remaining National Rental Affordability Scheme (NRAS) properties (from 27 in total).
- Successful leasing of ground floor retail space.
- Establishment of building facility / place / strata manager into the project; and integration of tenants into the UNO community.

## Westwood Urban Renewal Project

### *Background*

- The Westwood Urban Renewal Project commenced in January 1999 to revitalise the area of Adelaide known as 'The Parks', situated approximately 7 kilometres north west from the CBD.
- Over the life of the project 2 325 outdated houses were redeveloped. The majority of these properties were demolished and replaced by 2 345 residential allotments. A further 478 houses were substantially refurbished. The Westwood project also funded more than \$2 million to deliver community and economic development programs to build the local community.
- The project was finalised in March 2012.

### *Progress to Date*

- During 2011-12 vacant land to accommodate 12 new dwellings was sold and a further two dwellings were refurbished and sold. Three allotments have been retained for public housing.
- An additional 23 allotments to accommodate 32 housing outcomes were committed to the Nation Building Program for construction of new housing.
- Negotiations are continuing with JV partner Urban Pacific Limited on the timing and due diligence involved in winding up the joint venture.

### *Targets for 2012-13*

- Minor sales program, consisting of approximately six allotments.

## Woodville West - The Square

### *Background*

- The project will deliver at least 425 new dwellings on a 13 hectare site in Woodville West with 35 per cent of product sold as affordable housing, 15% retained as social housing and the remainder sold on the open market.
- Cabinet approved the Woodville West Urban Renewal Project in November 2009.
- Commonwealth funding totalling \$43 million and Housing SA assets are being used to contribute to a newly invigorated and activated community within a contemporary setting.
- The project involves the demolition of 184 dwellings (78 per cent being SAHT-owned) and redevelopment of the site with a minimum of 425 new dwellings.
- Redevelopment of the 13-hectare site includes the reconfiguration of roads and creation of new public spaces. Overall, social housing will reduce to 15 per cent.
- 35 per cent of product will be sold as affordable housing with the remainder sold to the open market.
- The Woodville West Master Plan supports a good mix of dwelling outcomes that will appeal to a diverse range of households and deliver affordable housing (both sale and rental) opportunities for low to moderate income households.
- The seven-year project will be developed across several stages with completion scheduled for June 2017.

### *Progress to Date*

- Stage 1
  - Construction of housing outcomes on track for completion in June 2012 and all civil works to be completed by November 2012.
  - Marketing and sales campaign strategy approved in November 2011. Marketing agent engaged May 2012.
- Stage 2
  - Feasibility planning commenced March 2012 with key consultants to be engaged in July 2012.

### *Targets for 2012-13*

- Stage 1 will deliver 69 dwellings, completion scheduled for July 2012.
  - Allocate 11 dwellings to SAHT for management by Housing SA.
  - Second major marketing campaign commencing in October 2012, sale of 58 dwellings.
- Stage 2 completion of design and construction of civil works.
  - Commencement of detailed design of dwellings for Stage 2.

## East Grand Trunkway

### *Background*

- The East Grand Trunkway project - comprising 15.4 hectares of subdivided land - will provide allotments in the future strategic industrial area of Gillman which is much sought-after by industry.
- Land for the East Grand Trunkway project area (15.4 hectares from a broader 53 hectare parcel) is low-lying and has proven to be particularly challenging in terms of its development.
- The project will provide the first recent release of industrial allotments in the future strategic industrial area of Gillman which is a much sought-after location for industry.
- Detailed planning and design commenced in 2008 with development and financial approval in late 2010.
- This project has been linked to the possible relocation of Incitec Pivot Fertilisers from its existing Port Adelaide site.
- Proposals to develop a motorplex at Gillman are not impacted upon by the East Grand Trunkway development.

### *Progress to Date*

- Detailed subdivision design is complete.
- The URA is continuing to source fill materials to facilitate future development activities, including surplus material sourced from the Adelaide Oval redevelopment.
- Design for the upgrade of the Grand Trunkway (required as part of the project) is complete, but requires final approval from the Department for Planning, Transport and Infrastructure (DPTI).

### *Targets for 2012-13*

- Completion of soil importing activities.
- Completion of subdivision works and Grand Trunkway upgrade.
- Commence marketing of allotments.

## Edinburgh Parks Industrial Estate

### *Background*

- Edinburgh Parks industrial estate covers 600 hectares of URA-owned land located 25 kilometres north of the Adelaide CBD, between the Elizabeth and Salisbury city centres, and close to Port Wakefield Road, the Northern Expressway and other major transport infrastructure. Edinburgh Parks provides a key location for business, industry and manufacturing.
- The estate is split into two sections - north and south. Development started in the south under DMITRE with an Automotive Precinct for suppliers to the adjacent Holden facility.
- The URA has been responsible for developing the estate from 2005.
- Land in the south is now fully developed and serviced allotments ranging from 2 500 square metres to over 10 hectares are available.

### *Progress to Date*

- Sale of approximately 248 hectares.
- Approximately 38 hectares of serviced industrial land is currently on the market.
- Construction has commenced on an extension to the northern detention basin to facilitate development of the northern land. The northern detention basin contract is scheduled to be complete in early 2013.
- Master planning for industry uses of land in the north has been undertaken, however, development is pending the outcome of investigations for the mixed use development (Elizabeth Centre West concept).

### *Targets for 2012-13*

- Continue land sales in the southern area.
- Complete northern detention basin works.
- Review infrastructure, including allowing access for road trains to broaden the estate's appeal to potential industry buyers.



## Northern Lefevre Peninsula Open Space

### *Background*

- As a part of the endorsement of the Northern Lefevre Peninsula Master Plan, the State Government committed \$5 million in March 2008 to enhance the open space network on the Northern Lefevre Peninsula.
- This provides a unique opportunity to develop an open space network combining conservation areas, landscaped buffers and passive recreation facilities such as pedestrian and cycling trails and playgrounds.
- The planning and design of the open space was undertaken in conjunction with key stakeholders including the Port Adelaide Enfield Council, relevant State Government departments, representatives of the local community and special interest groups.
- The available budget is being used to implement landscape works across five precincts: Lady Ruthven Reserve, Biodiversity Park, Kardi Yarta, Falie Reserve, and Mutton Cove Buffers.

### *Progress to Date*

- Landscaping contract was awarded to Landscape Construction Services in February 2012.
- Works commenced in Falie Reserve, on Mutton Cove buffers and in Biodiversity Park.

### *Targets for 2012-13*

- Completion of landscape works in each of the five reserves as follows:
  - Falie Reserve – June 2012
  - Mutton Cove Buffers – July 2012
  - Biodiversity Park – September 2012
  - Lady Ruthven Reserve – November 2012
- Kardi Yarta – January 2013

## Port Direct Industrial Precinct

### *Background*

- The Port Direct industrial precinct is located on the northern tip of Lefevre Peninsula, 22 kilometres north of Adelaide's central business district and in close proximity to Adelaide's international port.
- Zoned General Industry, Port Direct is being developed over three stages with the release of each stage dictated by market conditions.
- The industrial precinct arose from the Northern Lefevre Peninsula Master Plan, endorsed by Cabinet in March 2008, which in turn led to the initiation of the Northern Lefevre Peninsula Industry and Open Space Development Plan Amendment (gazetted in November 2008).
- This approval enabled detailed planning, design and construction of infrastructure head works on the Northern Lefevre Peninsula and the Port Direct subdivision.

### *Progress to Date*

- Stage 1 was released to the market in November 2011 with each allotment geo-technically prepared, environmentally certified and ready for immediate development.
- Stage 1 release comprises 13 allotments from 5 993 to 8 217 square metres.
- Stages 2 and 3 are planned for future development subject to market demand.
- Pre-loading of Stage 2 and 3 is due for completion in late 2012.

### *Targets for 2012-13*

- Continued sales of allotments in Stage 1.
- Finalise Stage 2 and 3 pre-loading – due December 2012.

## Seaford Industry Park

### *Background*

- Seaford Industry Park is located 25 kilometres south of the Adelaide CBD and provides for the development and delivery of industrial land with access to the Southern Expressway.

- Originally commenced as a joint venture with Housing SA, the URA (as the former Land Management Corporation) took control of the project in 2004 and has progressively developed the park as 'master developer' in stages.
- The final stage of Seaford Industry Park (Stage 6) will comprise 22 allotments ranging in size from 1 800 to 7 399 square metres and bring the total number of allotments in the estate to 92.

### *Progress to Date*

- Successful completion of subdivision works and sale of allotments in all previous stages.
- Practical completion of Stage 6 civil works.
- Commenced marketing Stage 6 allotments.

### *Targets for 2012-13*

- Continued sale of allotments in Stage 6.

## Techport Australia Supplier Precinct

### *Background*

- Techport Australia is a world-class shipbuilding, defence and industry precinct developed by the Government of South Australia.
- The precinct was developed in 2008 to deliver the State Government's commitments to the \$8 billion Air Warfare Destroyer project and the multi-billion dollar, through-life-support contract for the Collins Class submarines.
- Techport Australia's Supplier Precinct is located on the northern LeFevre Peninsula, alongside anchor tenant ASC Pty Ltd.
- Stage 1 of the precinct covers 14 hectares and comprises 13 allotments.
- All land in the supplier precinct is sold subject to an encumbrance requiring purchasers or occupiers to be defence-orientated.

### *Progress to Date*

- Five of the 13 allotments have been sold, representing approximately 8.5 hectares of the total site.
- The remaining eight allotments are currently being actively marketed and range in size from 4 700 to 9 300 square metres.

### *Targets for 2012-13*

- Continued sales and marketing activities of the remaining allotments.

## Port Adelaide Revitalisation Strategy

### *Background*

- In October 2011, Cabinet approved the termination of the Port Adelaide Waterfront Redevelopment Development Agreement with the Newport Quays Consortium. They agreed to a fresh approach to urban renewal in Port Adelaide with a new master plan being prepared to cover the wider Port Adelaide Centre (the Centre) and waterfront.
- In December 2011, Cabinet approved \$3.6 million as a 50% contribution with matching Council funds, to the upgrade of a Town Square in Commercial Road North (i.e. a total of \$7.2 million).
- The consolidation of Cabinet approved funds together with expected Council commitments totals \$7.95 million (forecast by URA to be spent between 2011-12 and 2013-14).
- In July 2012, Cabinet noted a submission that sought approval to reallocate the Cabinet approved funds to provide for alternate "early win" activation and capital works. Cabinet noted the paper but the use of funds was subject to Council's contribution being formally confirmed and community support for the new strategy.
- Resetting budgets and forecasts needs to occur through the Mid Year Budget Review process to align with the Stage 1 program.

### *Progress to Date*

- The project is being managed by Mr John Hanlon Deputy Chief Executive of the Department of Planning, Transport and Infrastructure (DPTI) with URA assisting with delivery.
- A community based Steering Committee has been established which has endorsed a new vision for the Port ("More people will be living, working, investing and spending time in the Port."), and the strategy to deliver early win projects with the reallocation of approved funds.
- Council has been briefed on the Stage 1 works program and has offered in principle support. DPTI has written to Council seeking formal endorsement and their funding commitment, expected on 8 August 2012.
- The new master planning project area is to cover an area generally bound by Grand Junction Rd; Causeway Rd, Semaphore Rd; Victoria Road; No 2 Dock; Eastern Parade; Perkins Dive and the old railway alignment. Four precincts have been defined within the masterplan area which will have specific guidelines associated with delivery and will have individual delivery strategies. Masterplan is expected to be a document that collates

and synthesises existing community approved plans and fills research gaps.

- The community engagement strategy is expected to involve:
  - an Open Day in October 2012 to present and seek endorsement/comment on stage 1 works, and development principles for Precincts on which to base the Masterplan strategy
  - ongoing Steering Committee involvement in the preparation of the Masterplan; and
  - specific community engagement processes to inform future planning and works.
- A Cabinet submission will then be prepared detailing the outcomes of the above processes and to seek formal approval for next stages.
- A housing project is being considered by URA and DCSI on the Harts Mill site through the use of Federal Nation Building funds. Feasibility analysis is being completed for the DCSI consideration.
- The activation of streets and community programs is being pursued through the funding of various community led initiatives including making vacant government tenancies available temporarily at non commercial rates for fledgling companies.
- Consideration is being given to the redevelopment options of Customs House and McLarens Wharf by private developers.

### *Targets for 2012-13*

- An Open Day in October 2012 to seek community comments on:
  - the Masterplan strategy
  - the Stage 1 works
  - Expression of Interest documentation and development principles for the development of URA lands
- Delivery of Stage 1 works and activation programs
- Offers to the market (i.e. through EOI processes) of URA lands for development
- Preparation of the Masterplan
- Complete investigations into a housing project on the Harts Mill.

## River Street Marden

### *Background*

- The precinct is a medium density public housing estate located approximately 5 kilometres north east of the Adelaide CBD and bordered by Torrens Linear Park to the north.
- The total site area of 3.66 hectares originally contained 136 Housing SA dwellings used for mixed accommodation.
- In October 2011, the Minister for Housing approved the allocation of \$550 000 for the relocation of tenants and demolition of 65 villa flat dwellings located on Lot 302 to create 2.1 hectares of vacant land for development.

### *Progress to Date*

- Development proposals for the site show a housing yield of 140 dwellings within an integrated high density mixed tenure housing development consisting of a range of house types such as multi storey townhouses and apartments.
- It is proposed that development would generate a minimum of 35 per cent affordable housing outcomes (5 per cent high need housing, 10 per cent affordable rental and 20 per cent affordable home ownership).
- Demolition of the 65 villa flats were completed in June 2012.

### *Targets for 2012-13*

- Consult with community on the Master Plan for entire project area.
- Obtain government and statutory approvals for land development and building construction by June 2013.

## Woodville Gardens

### *Background*

- In 2005, 122 dwellings in Woodville Gardens (Precinct 7 – Stage 4 of the Westwood Urban Renewal Project) were excluded by Housing SA during the renegotiation of the Westwood Project Agreement held between Housing SA with Urban Pacific Limited.
- The intention at the time was for Housing SA to renew this area in the future.

- The URA is now undertaking this renewal project.
- A program to relocate tenants and demolish the old dwellings commenced in May 2010.
- Approximately one-fifth of the area is now vacant land.

### *Progress to Date*

- Developed concept plan to support a wide diversity of housing types including detached, semi-detached, townhouse and row houses to allow varying configurations from one to five bedrooms.
- Social housing concentration across the project area will be reduced from 77 per cent down to 25 per cent.
- To assist with tenant relocations, 30 dwellings are currently under construction in the wider Westwood area.

### *Targets for 2012-13*

- Consult with community on master plan for entire project area.
- Obtain government and statutory approvals for land development and building construction.

## Gillman Employment Lands

### *Background*

- The land is identified in *The 30-Year Plan for Greater Adelaide* as a key employment area with strong access to road, rail and shipping infrastructure.
- The URA owns approximately 450 hectares of land at Gillman and Dry Creek. Approximately 250 hectares of this land is likely to be useable for traditional employment generating precincts.
- The remaining land is required for stormwater management uses and is likely to also accommodate open space uses.
- The land includes the former Dean Rifle Range, which had been jointly owned with the Adelaide City Council whose interest was compulsorily acquired in February 2010.
- The amount of compensation payable to ACC as a result of the compulsory acquisition is yet to be determined and is currently before the Land and Valuation Division of the Supreme Court of South Australia.

- ACC retains an obligation to remediate a portion of the area (Allotment 201) pursuant to an Environment Protection Order served on council prior to the acquisition.
- A portion of the land is dedicated for use by resource recovery companies.

### *Progress to Date*

- A detailed structure plan has been prepared for the area and the URA has obtained preliminary costs for infrastructure required to support future development.
- Twenty hectares of the land has been released to facilitate an expansion of facilities for existing private-sector resource recovery and general industry users in the area.
- The URA has commissioned engineers to design the extension of Hanson Road to facilitate improved access to existing purchasers and to facilitate further land releases.
- The URA has granted ACC access via a licence to Allotment 201 to undertake the agreed remediation works.

### *Targets for 2012-13*

- Finalise and close-out ACC's claim for compensation.
- Completion of remediation works for Allotment 201 (by ACC).
- Commence construction of Hanson Road extension and marketing of initial allotments created through those works.
- Complete a master plan for the area.
- Development strategy for the area prepared and approved.

## Technology Park Adelaide

### *Background*

- Technology Park Adelaide (Tech Park), established in 1982, is the state's high-tech precinct focussed on defence, information and communications technology, electronics, light manufacturing and professional services.
- Comprising 65 hectares, Tech Park abuts the Mawson Lakes residential development and forms a core component of the Mawson Innovation Precinct which includes a world-class research and development precinct at the adjoining University of South Australia campus.



- For a number of years, the URA and Defence SA have marketed the commercially developable land within Tech Park (smaller serviced and englobo allotments).
- In May 2010, Defence SA engaged Realty Solutions Australia to identify a development strategy and implementation options for Tech Park. The development strategy resulted in a revised vision for Tech Park as “an integrated, vibrant and commercially sustainable precinct that is a recognised technology hub across a broad range of industries and home to a unique, resilient and flourishing local community.”
- To achieve the stated procurement objective, Defence SA conducted a multi-stage process to identify an appropriately experienced company with the desire, capability and capacity to initially develop a master plan to reposition Tech Park and to potentially partner with the government to develop the site.

### *Progress to Date*

- Over a multi-stage procurement process the final two proponents were required to submit a conceptual master plan and financial proposal. The evaluation panel recommended Charter Hall as the preferred proponent, based on the concept plan and the associated financial proposal provided.
- The Charter Hall concept provides for:
  - a new residential precinct in the currently undeveloped sites to the south of the site comprising approximately 440 allotments
  - commercial lot locations adjacent to a newly created “High Street” of Park Way resulting in 10 000-15 000 square metres of net lettable area on the developable land
  - a proposed small new retail facility to act as the heart of the new residential precinct
  - new roadway linked to an improved entrance off Main North Road; and
- Up to 13 per cent public open space.

### *Targets for 2012-13*

- Negotiation of a development structure with the preferred development proponent.
- Completion of a master plan and obtaining necessary planning approvals.

## Projects Under Active Consideration

There are a number of residential and mixed use projects under active consideration by the URA. Further investigation will continue in 2012-13 for the following projects:

- Elizabeth Centre West
- Inner City Precinct
- Kilburn / Blair Athol
- Morphettville; and
- Woodville Road Precinct –  
St Clair Reserve

## 7. OUR PEOPLE

### Management of Human Resources

#### Employee Numbers, Gender and Status

**Table 5. EMPLOYEE NUMBERS, GENDER AND STATUS**

Total Number of Employees (as at 30 June 2012)		
Persons	196.0	
FTEs	190.6	FTEs shown to one decimal place

Gender	% Persons	% FTEs
Male	56.6 (111 people)	58.2 (110.9 FTE)
Female	43.4 (85 people)	41.8 (79.7 FTE)

Number of Persons During the 2011-12 Financial Year	
Separated from URA	3
Recruited to URA	1

Number of Persons at 30 June 2012	
On Leave Without Pay	7

**Table 6. NUMBER OF EMPLOYEES BY SALARY BRACKET**

Salary Bracket	Male	Female	Total
\$0 - \$49 199	3	4	7
\$49 200 - \$62 499	13	25	38
\$62 500 - \$80 099	19	24	43
\$80 100 - \$100 999	36	23	59
\$101 000	40	9	49
<b>TOTAL</b>	<b>111</b>	<b>85</b>	<b>196</b>

*Note: Salary details relate to pre-tax income excluding Super and FBT. Non-executive employees on salary sacrifice arrangements are shown as pre-sacrifice values. Executive employees are shown as the value of the financial benefits component of their Total Remuneration Package Value excluding Super. Non-financial benefits and allowances are excluded for all employees. The salary brackets have been constructed as an approximation for the level of responsibility and are based on the current remuneration structures of the PS Act Administrative Services Stream with consideration of the Operational, Professional, Technical and Executive Streams.*

Table 7. STATUS OF EMPLOYEES IN CURRENT POSITION

FTEs	Ongoing	Short-term Contract	Long-term Contract	Other (casual)	Total
Male	38.9	12.0	60.0	0	110.9
Female	27.9	12.4	39.4	0	79.7
TOTAL	66.8	24.4	99.4	0	190.6

PERSONS	Ongoing	Short-term Contract	Long-term Contract	Other (casual)	Total
Male	39	12	60	0	111
Female	31	13	41	0	85
TOTAL	70	25	101	0	196

### Executives

Table 8. EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

	Ongoing		Contract Tenured		Contract Untenured		Other (Casual)		Total	
Classification	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Executive A	0	0	0	0	0	2	0	0	0	2
Executive B	0	0	0	0	1	0	0	0	1	0
Executive C	0	0	0	0	2	0	0	0	2	0
Executive D	0	0	0	0	1	0	0	0	1	0
Executive E	0	0	0	0	1	0	0	0	1	0
Total	0	0	0	0	5	2	0	0	5	2

### Leave Management

Table 9. AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Leave Type	2011-12
Sick Leave	3.15
Family Carer's Leave	0.27
Miscellaneous Special Leave	0.13

## Workforce Diversity

**Table 10. ABORIGINAL AND / OR TORRES STRAIT ISLANDER EMPLOYEES**

Salary Bracket	Aboriginal Staff	Total Staff	Percentage Aboriginal	Target* (%)
\$0 - \$49 199	0	7	0	2
\$4 ,200 - \$62 499	0	38	0	2
\$62 500 - \$80 099	0	43	0	2
\$80 100 - \$100 999	0	56#	0	2
\$101 000 +	0	49	0	2
<b>TOTAL</b>	<b>0</b>	<b>193#</b>	<b>0</b>	<b>2</b>

\* Target from South Australia's Strategic Plan

# 3.0 employees - no reply

**Table 11. NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER**

Age Bracket	Male	Female	Total	% of Total	Workforce Benchmark (%)*
15-19	0	0	0	0.0	6.1
20-24	2	2	4	2.0	10.6
25-29	11	11	22	11.2	10.5
30-34	12	10	22	11.2	9.4
35-39	12	20	32	16.3	11.2
40-44	19	10	29	14.8	11.1
45-49	16	10	26	13.3	12.2
50-54	10	10	20	10.2	11.0
55-59	16	9	25	12.8	9.2
60-64	8	2	10	5.1	6.0
65+	5	1	6	3.1	2.9
<b>TOTAL</b>	<b>111</b>	<b>85</b>	<b>196</b>	<b>100.0</b>	<b>100.0</b>

\*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb '78 Supertable, South Australia at May 2010.

**Table 12. CULTURAL AND LINGUISTIC DIVERSITY**

	Male	Female	Total	% Agency	% SA Community*
Number of employees born overseas	23	25	48	24.5	20.3
Number of employees who speak language(s) other than English at home	8	9	17	8.7	16.6

\* Benchmarks from ABS Publication Basic Community Profile (SA) Cat No. 2001.0, 2006 census.

**Table 13. NUMBER OF EMPLOYEES WITH DISABILITIES  
(ACCORDING TO COMMONWEALTH DDA DEFINITION)**

Male	Female	Total	% of Agency
5	1	6	3.1

**Table 14. TYPES OF EMPLOYEE DISABILITIES**

Disability	Male	Female	Total	% of Agency
Disability requiring workplace adaptation	0	0	0	0.0
Physical	4	0	4	2.0
Intellectual	0	0	0	0.0
Sensory	1	1	2	1.0
Psychological / Psychiatric	0	0	0	0.0

### **Voluntary Flexible Working Arrangements**

**Table 15. VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER**

	Male	Female	Total
Purchased Leave	6	3	9
Flexitime / Programmed Days Off	62	45	107
Compressed Weeks	0	2	2
Part-Time	1	16	17
Job Share	0	0	0
Working From Home	0	4	4

### **Performance Development**

**Table 16. DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT**

Employees with...	% of Total Workforce
A review within the past 12 months	0.0
A review older than 12 months	0.0
No review	100.0*

\* This figure is from the time of commencement of the URA – ie. no formal performance review has taken place between 01 March 2012-30 June 2012.

### **Leadership and Management Development**

**Table 17. LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE**

Training and Development	Total Cost \$	% of Total Salary Expenditure
Total training and development expenditure	23 987.02	0.51
Total leadership and management development expenditure	2 029.30	0.04

### Accredited Training Packages

**Table 18. ACCREDITED TRAINING PACKAGES BY CLASSIFICATION**

Classification	Number of Accredited Training Packages
All Accredited Training Packages	0

### Occupational Health, Safety and Injury Management

**Table 19. OHS NOTICES AND CORRECTIVE ACTION TAKEN**

Action	Number
Notifiable occurrences pursuant to OHS&W Regulations Division 6.6	0
Notifiable injuries pursuant to OHS&W Regulations Division 6.6	0
Notices served pursuant to OHS&W Act s35,s39 and s40 (default, improvement and prohibition notices)	0

**Table 20. LMC / URA GROSS\* WORKERS COMPENSATION EXPENDITURE FOR 2011–12 COMPARED WITH 2010–11**

Expenditure	2011–12 (\$m)	2010–11 (\$m)	Variation (\$m)+(-)	% change + (-)
Income maintenance	Nil	0.0011	- 0.0011	- 100
Lump sum settlements redemptions – section 42	0	0	0	
Lump sum settlements permanent disability – section 43	0	0	0	
Medical/hospital costs combined	0.000088	0.0063	- 0.0062	- 98.6
Other	0	0	0	
<b>Total claims expenditure</b>	<b>0.000088</b>	<b>0.0074</b>	<b>- 0.0073</b>	<b>- 98.8</b>

Note: 2010-11 data is LMC data

- Before third party recovery.



**Table 21. MEETING SAFETY PERFORMANCE TARGETS**

	Base: 2009–10	Performance: 12 months to end of June 2012			Final target
	Number or %	Actual	Notional quarterly target	Variation	Numbers or %
1. Workplace fatalities	0	0	0	No change	0
2. New workplace injury claims	3	0	3	-3	2
3. New workplace injury claims frequency rate	9.37	0	8.43	-8.43	7.03
4. Lost time injury frequency rate ***	6.25	0	5.62	-5.62	4.69
5 New psychological injury claims	0	0	0	No change	0
6. Rehabilitation and return to work					
6a Early assessment within 2 days	33.33%				80% or more
6b Early intervention within 5 days.					
6c Days Lost less than or equal to 10 days.	100%				60% or more
7. Claim determination					
7a.Claims determined for provisional liability in 7 calendar days					
7b.Claims determined in 10 business days	100%				75% or more
7c.Claims still to be determined after 3 months	0%				3% or less
8. Income maintenance payments for recent injuries:					
2010–11 injuries (at 24 months development)		\$1120	\$0	+ \$1120	
2011–12 injuries (at 12 months development)		\$0	\$1337	-\$1337	
*** Lost Time Injury Frequency Rate Injury frequency rate for new lost-time injury/disease for each one million hours worked. This frequency rate is calculated for benchmarking and is used by the WorkCover Corporation.					
Lost Time Injury frequency rate (new claims):					
$\frac{\text{Number of new cases of lost time injury/disease for year}}{\text{Number of hours worked in the year.}} \times 1\,000\,000$					

## Occupational Health, Safety and Injury Management

The URA is committed to the principle of zero harm.

During 2011-12, our lost time injury rate (LTIFR) was nil. This low level of LTIFR was achieved by the positive contributions of many employees to working safely.

In addition to the ongoing senior management commitment, several initiatives were undertaken during the transition period to maintain employee focus on safe work including:

- provision of a dedicated Workplace Health and Safety (WHS) resource to provide advice as well as review and improve our safety system
- induction of transition employees in the URA OHS and Injury Management policies and procedures; and
- establishing a new WHS Committee to represent the new organisation structure.

We strive for continuous improvement in our safety system. In response to the proposed legislative changes a project was commenced to upgrade existing OHS documentation to align with the proposed WHS legislation.

## Employee Health and Wellbeing

The URA continued to provide events and activities targeted at improving employee health and fostering team building. The scope included a broad range of activities including flu vaccinations, Corporate Spin Challenge and an information session on our Employee Assistance Program.

## URA Employment Opportunity Programs

Recruitments are advertised widely to encourage all suitable applicants, including via the internet and print media.

Employment opportunity programs within the Urban Renewal Authority include a graduate scheme supported by South Australian Housing Trust. This scheme finalises in January 2013 with employees within this scheme already successfully securing work both internally and externally to State Government.

Moving forward, the Urban Renewal Authority is keen to develop employment opportunities and is considering programs including apprenticeships and a further graduate scheme. The Urban Renewal Authority is proactive in encouraging all employees in their professional development and working towards achieving their career aspirations.

## 8. OUR FINANCES

URBAN RENEWAL AUTHORITY		
Statement of Comprehensive Income		
for the period 1 March 2012 to 30 June 2012		
	Note	2012 \$'000
<b>INCOME</b>		
Revenue from sales	4	12,904
Less: cost of sales	4	4,434
<b>Gross Profit</b>		<b>8,470</b>
Share of net profits of joint venture entities	5.1	964
Revenues from Government	6	6,673
Interest revenues	7	1,171
Property income	8	6,475
Other revenues	9	1,218
Net gain from the disposal of non-current assets and investments	10	-
<b>Total other income</b>		<b>16,501</b>
Net gain from restructure	38	373,176
<b>TOTAL INCOME</b>		<b>398,147</b>
<b>EXPENSES</b>		
Employee benefits expenses	11	6,165
Operating expenditure	14	15,356
Borrowing costs	15	5,251
Depreciation and amortisation	23	151
Loss resulting from changes in value of properties	21, 22	44,301
Payments to SA Government entities	3.1	238,489
<b>TOTAL EXPENSES</b>		<b>309,713</b>
<b>PROFIT BEFORE INCOME TAX EQUIVALENT</b>		<b>88,434</b>
Income tax equivalents expense	17	-
<b>PROFIT AFTER INCOME TAX EQUIVALENT</b>		<b>88,434</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>88,434</b>
The comprehensive result is attributable to the SA Government as owner		

URBAN RENEWAL AUTHORITY		
Statement of Financial Position as at 30 June 2012		
	Note	2012 \$'000
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	36	20,475
Mortgage debtor receivables	19	7,585
Receivables	20	4,864
Inventories	21	91,771
Investment in joint ventures	5.1	1,655
<b>Total current assets</b>		<b>126,350</b>
<b>NON CURRENT ASSETS</b>		
Mortgage debtor receivables	19	29,363
Receivables	20	3,556
Inventories	21	354,309
Investment property	22	128,347
Property, plant and equipment	23	3,476
Work in progress	24	1,114
Investment in joint ventures	5.1	6,645
<b>Total non current assets</b>		<b>526,810</b>
<b>TOTAL ASSETS</b>		<b>653,160</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payables	25	28,827
Unearned income	28	10,079
Tax liabilities	27	-
Borrowings	26	283,405
Provision	29	5,967
Employee benefits	30	1,607
<b>Total current liabilities</b>		<b>329,885</b>
<b>NON CURRENT LIABILITIES</b>		
Payables	25	342
Unearned income	28	10,558
Borrowings	26	107,703
Employee benefits	30	3,652
Other non current liabilities	31	4,647
<b>Total non current liabilities</b>		<b>126,902</b>
<b>TOTAL LIABILITIES</b>		<b>456,787</b>
<b>NET ASSETS</b>		<b>196,373</b>
<b>EQUITY</b>		
Contributed capital		107,939
Retained earnings		88,434
<b>TOTAL EQUITY</b>		<b>196,373</b>
Total equity is attributable to the SA Government as owner		
Unrecognised contractual commitments - operating leases	32	
Unrecognised contractual commitments - capital expenditure	33	
Contingent assets and liabilities	34	

URBAN RENEWAL AUTHORITY				
Statement of Changes in Equity for the period 1 March 2012 to 30 June 2012				
	Note	Contributed Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 March 2012		-	-	-
Equity contribution from the SA Government		107,939	-	107,939
Profit after income tax equivalent for 2011-12		-	88,434	88,434
Total comprehensive result for 2011-12		-	88,434	88,434
Dividend paid	18	-	-	-
Balance at 30 June 2012		107,939	88,434	196,373
All changes in equity are attributable to the SA Government as owner				

All changes in equity are attributable to the SA Government as owner

URBAN RENEWAL AUTHORITY		
Statement of Cash Flows for the period 1 March 2012 to 30 June 2012		
	Note	2012 \$'000 Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Receipts from sales		12,904
Receipts from sales in advance		4,758
Receipts from SA Government		6,673
Interest received		318
Receipts from mortgage debtors (principal & interest)		5,001
Receipts from tenants (rent & recoveries)		1,747
Recoveries and sundry receipts		1,050
Funds held in trust		2,797
GST recovered from the ATO		2,430
Transfer in from administrative restructure		7,707
Receipts from Paid Parental Scheme		4
<b>Cash generated from operations</b>		<u>45,389</u>
<b>Cash outflows</b>		
GST paid to the ATO		(2,370)
Payments to Paid Parental Scheme		(6)
Payments for land purchase and development		(25,182)
Payments for funds held in trust		(250)
Employee benefit payments		(5,475)
Payments for supplies and services		(9,496)
Land tax paid		(4,288)
Interest paid		(6,045)
Income tax equivalent paid	17	-
Payment to SA Government entities	3.1	<u>(238,489)</u>
<b>Cash used in operations</b>		<u>(291,601)</u>
<b>Net cash used in operating activities</b>	35	<u>(246,212)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Capital repayments by joint ventures		388
Distributions of profit by joint ventures		112
<b>Cash generated from investing activities</b>		<u>500</u>
<b>Cash outflows</b>		
Capital contributions to joint ventures	5.1	-
Purchase of property, plant and equipment and investment property		(197)
Payments for work in progress (rental properties)		(179)
<b>Cash used in investing activities</b>		<u>(376)</u>
<b>Net cash provided by investing activities</b>		<u>124</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Capital Contributions Received from the SA Government		107,939
Proceeds from borrowings		161,452
<b>Cash generated from financing activities</b>		<u>269,391</u>
<b>Cash outflows</b>		
Repayment of borrowings		(2,828)
Dividend paid to SA Government	18	-
<b>Cash used in financing activities</b>		<u>(2,828)</u>
<b>Net cash provided by financing activities</b>		<u>266,563</u>
<b>Net increase in cash held</b>		<u>20,475</u>
<b>Cash and cash equivalents at 1 March</b>		<u>-</u>
<b>Cash and cash equivalents at 30 June</b>	36	<u>20,475</u>

## URBAN RENEWAL AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

**1. Objectives of the Urban Renewal Authority**

The Urban Renewal Authority (the "Authority") was established as a statutory authority on 1 March 2012 by the *Housing and Urban Development (Administrative Arrangements) (Urban Renewal Authority) Regulations 2012* (the "Regulations") under the *Housing and Urban Development (Administrative Arrangements) Act 1995*.

In accordance with the Regulations the Authority's Board of Management is appointed by the His Excellency the Governor and comprises seven members, including a Presiding Member. The Presiding Member reports to the Minister for Housing and Urban Development. The Authority's functions are contained in regulation 6 of the Regulations and the specific powers of the Authority are contained in regulation 7.

In undertaking its functions the Authority will make a significant contribution to creating a vibrant city; renewing our neighbourhoods to make them safe and healthy; and ensuring an affordable place to live for everyone. The Authority has the responsibility for leading and co-ordinating urban renewal activity to ensure that our future housing needs are met through better planned, affordable and vibrant mixed use (residential and commercial) urban developments located near to transport, employment, education and other services.

Renewal SA has the following key strategic objectives:

(a) Contribute to key strategic priorities of the South Australian Government, including:

- creating a vibrant city
- renewing our neighbourhoods to make them safe and healthy; and
- having an affordable place to live for everyone.

(b) As the key precinct planning and delivery agency responsible for outcomes sought through The 30-year Plan for Greater Adelaide work in partnership with communities and industry to significantly contribute to the reduction of urban sprawl that will progressively deliver 70% of urban growth within existing urban areas by 2038.

(c) Ensure levels of affordable housing (purchase and rental) are increased, and overall levels of social rental housing (public, not-for-profit and community housing) are maintained across urban renewal projects.

(d) Engage, involve and consult with the community and other stakeholders during the planning and delivery of residential, commercial and mixed use projects that connect people to transport, services, employment and the community around them.

(e) Through innovation and excellence in design quality, create well connected and integrated neighbourhoods where people can afford to live in safe, vibrant and healthy communities.

(f) Show leadership to the market in social and environmental sustainability with smart planning and delivery essential to accommodate South Australia's expected population growth.

(g) Support economic development through the creation and supply of employment lands and create opportunities for the private sector that will enable them to invest capital that will drive investment in urban renewal activities.

(h) Facilitate opportunities to renew and improve social housing stock through urban renewal projects and by supporting the growth of the not-for-profit housing sector to meet future tenancy needs and to reduce current concentrations of social disadvantage.

(i) Acquire and assemble land to generate agreed urban outcomes in strategic locations for development or redevelopment via commercial negotiation and by leveraging opportunities from government owned land assets.

(j) Undertake development, including infrastructure and human services planning and coordination, to ensure the appropriate delivery of approved projects.

(k) Negotiate with key stakeholders financial arrangements for the delivery of necessary infrastructure in development areas.

(l) To be accountable and operate commercially in accordance with:

- Sound business and financial management policies and practices
- Government policy objectives; and
- Prudent risk management practices.

**2. Summary of significant accounting policies****2.1 Statement of compliance**

The Authority has prepared these financial statements in compliance with section 23 of the Public Finance and Audit Act 1987.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with applicable Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987* (PFAA).

The Authority has applied Australian Accounting Standards that are applicable to for-profit entities, as the Authority is a for-profit entity.

Australian accounting standards and interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Authority for the reporting period ended 30 June 2012. The Authority has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Authority.



## URBAN RENEWAL AUTHORITY

**2.2 Basis of preparation**

The preparation of the financial statements requires:-

- the use of certain accounting estimates and management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:-
  - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
  - b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
  - c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the Authority to those employees.

The Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared for the period 1 March 2012 to 30 June 2012 and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the four month period ended 30 June 2012.

**2.3 Transferred Functions and Administrative Restuctures**

A proclamation made by the Governor on 23 February 2012, through the Housing and Urban Development (Administrative Arrangements)(Urban Renewal Authority) Regulations 2012 under the Housing and Urban Development (Administrative Arrangements) Act 1995, created the Authority effective 1 March 2012. Upon establishment, the Authority incorporated all the residential and industrial land holdings of the former Land Management Corporation (LMC) along with key landholdings from Defence SA and specific urban renewal functions of Department for Communities and Social Inclusion (Housing SA) operations. All assets, liabilities and contractual commitments of LMC and Defence SA transferred to the Authority on 1 March 2012. The assets of Housing SA transferred to the Authority on 26 April 2012.

**2.4 Comparative information and rounding**

There is no comparative information as the Authority was incorporated on 1 March 2012.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

**2.5 Taxation**

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, the Authority is required to pay to the State Government an income tax equivalent. The income tax liability is based on the State Taxation Equivalent Regime, which applies the accounting profit method. This requires that the corporate income tax rate be applied to the net profit. The current income tax liability, if applicable, relates to the income tax expense outstanding for the current period (refer to Note 27).

The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

- when the GST incurred on the 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.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

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 are recoverable from, or payable to, the Australian Taxation Office are classified as part of operating cash flows.

Unrecognised commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

**2.6 Events after the end of the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event arose after 30 June 2012 and before the financial statements are authorised for issue, where those events provided information about conditions that existed at 30 June 2012.

Note disclosure is made about events between 30 June 2012 and the date the financial statements are authorised for issue where the events relate to a condition which occurred after 30 June 2012 and which may have a material impact on the results of subsequent years.



## URBAN RENEWAL AUTHORITY

## 2.7 Income and expenses

**Income**

Income is recognised to the extent that it is probable that the flow of economic benefits to the Authority will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose income where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

The following are specific recognition criteria:-

*Revenues from sales**(i) Inventories - Land held for resale*

Sales revenue in respect of land made available to the Mawson Lakes and Northgate Joint Ventures is brought to account when settlement occurs on individual allotments, on the basis of a percentage of gross sales revenue as specified in the respective Joint Venture Agreements.

With respect to all other land sales, recognition of sales revenue occurs when settlements are completed and legal title has transferred to purchasers.

*(ii) Investment Properties*

Sales revenue for investment properties is recognised when settlement occurs and legal title transfers to the purchaser.

For investment properties that are the subject of a deferred purchase agreement, sales revenue is recognised at the commencement of the agreement (which coincides with expiration of the twelve month building defects liability period), however title to the property does not transfer to the purchaser until the deferred purchase agreement has been paid out in full.

*Revenue from development fees*

Development fee revenue is recognised when the right to develop parcels of land is transferred to the developer and the right to receive payment is established and it is expected that additional revenue will be realised from the subsequent sales of the allotments.

*Property income*

Property income arising on investment properties is accounted for on a straight line basis over the lease term. Income received in advance is disclosed as unearned income to the extent that it relates to future accounting periods.

*Interest income*

Interest revenue includes interest received on bank term deposits, interest from investments, interest from mortgage debtors, and other interest received. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

*Joint venture income*

Joint venture income is recognised when the right to receive payment is established.

*Revenues from the SA Government*

Grants from the Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Authority will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the Statement of Comprehensive Income over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are recognised as deferred income and are credited to the Statement of Comprehensive Income on a straight line basis over the expected lives of the related assets.

Where money has been received in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Authority and the funding is recorded as contributed equity.

*Other contributions*

All contributions from non-government entities are recognised as income when the Authority obtains control of the contribution or the right to receive the contribution and the income recognition criteria are met.

*Net gain from disposal of non-current assets*

Income from the disposal of non-current assets and investments is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount. When revalued non-current assets are sold, the revaluation increments are transferred to retained earnings.

*Other revenues*

Other income is derived from the provision of goods and services to the public and other SA government agencies. This revenue is recognised upon delivery of the service or by reference to the stage of completion and is brought to account when earned (refer Note 9).

## URBAN RENEWAL AUTHORITY

**2.7 Income and expenses (continued)****Expenses**

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Authority will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

The following are specific recognition criteria:-

**Employee benefits expenses**

Employee benefits expense includes all costs related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

**Superannuation**

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Authority to superannuation plans in respect of current services of current Authority staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole-of-government financial statements.

**Supplies and services**

Supplies and services generally represent day-to-day running costs, including maintenance costs, incurred in the normal operations of the Authority. These items are recognised as an expense in the reporting period in which they are incurred.

**Cost of sales**

Cost of sales comprises all direct costs of acquisition, planning, development and construction in respect of inventory sold during the reporting period. The carrying amount of any inventory held for sale is expensed as a cost of sale when settlement occurs. A portion of future development obligations, where applicable, in respect of land which has been sold is also recognised in cost of sales when settlement occurs.

**Project expenditure**

Costs associated with projects are capitalised where it is expected that future economic benefits will be derived by the Authority so as to recover those capitalised costs. Project costs are expensed where it is expected that the costs incurred will not be recovered.

**Depreciation and amortisation**

All non-current assets except land, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to assets such as leasehold improvements, while depreciation is applied to tangible assets such as property, plant and equipment.

Investment properties are not depreciated (refer Note 2.14).

Depreciation/ amortisation is calculated on a straight line basis over the estimated useful life of various classes of assets as follows:-

Leasehold improvements	Life of lease
Plant and equipment	5 - 10 years
Furniture and fittings	5 - 10 years
Computer equipment	5 years

**Borrowing costs**

Borrowing costs include interest expense, guarantee fees and indemnity margin.

In accordance with Accounting Policy Framework III Asset Accounting Framework and AASB 123, borrowing costs attributable to the construction of a qualifying asset are capitalised. All other borrowing costs are expensed when incurred.

**Payments to SA Government**

Payments to the SA Government include income tax equivalents and dividends.

**2.8 Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. The Authority has a clearly identifiable operating cycle of twelve months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle, even when they are not expected to be realised within twelve months after the reporting date, have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the Authority has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

**2.9 Assets**

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be realised within twelve months and more than twelve months, the Authority has separately disclosed the amounts expected to be recovered after more than twelve months.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

**2.10 Cash and cash equivalents**

Cash assets in the Statement of Financial Position includes cash at bank, cash on hand, cash held in trust accounts and other short-term highly-liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and equivalents consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

## URBAN RENEWAL AUTHORITY

- 2.11 Receivables**  
Receivables include amounts receivable from the sale of goods and services, GST input tax credits recoverable, prepayments and other accruals, measured at historical cost.  
Trade receivables arise in the normal course of selling goods and services to the public and other government agencies. Trade receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.  
Collectability of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified.
- 2.12 Mortgage debtor receivables**  
Mortgage debtor receivables include amounts receivable from deferred-purchase arrangements, measured at historical cost.  
Mortgage debtor receivables arise from the administering of deferred-purchase agreements to the public and other government agencies. Mortgage debtor receivables are generally receivable as specified in the original contract payment schedule.  
Collectability of mortgage debtor receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified.
- 2.13 Inventories**  
Inventories include land and other property held for sale in the ordinary course of business. It excludes depreciating assets and investment properties.  
The amount of any inventory write-down to net realisable value or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.  
The following are specific recognition criteria:-  
(i) *Land held for resale*  
Land held for resale is carried at the lower of cost or net realisable value. Costs are assigned on the basis of specific identification and comprise all direct costs of acquisition, planning, development and construction. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale. The Authority reviews its inventory balances periodically and writes off inventory where the net realisable value is less than the carrying amount.  
All land inventory is classified as a non-current asset unless its value is anticipated to be realised through sale within twelve months.  
Where inventory was acquired at no or nominal value as part of a restructuring of administrative arrangements, the inventory is recorded at the value recorded by the transferor prior to transfer.
- 2.14 Investment property**  
The Authority's investment properties consist of freehold land and buildings which are considered as having the function of an investment and therefore are regarded as a composite asset, the overall value of which is influenced by many factors, the most prominent being income yield, rather than by the diminution in value of the building content due to the passing of time. Accordingly, the buildings and all components thereof, including integral plant and equipment, are not depreciated.  
Initially, investment properties are measured at cost including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Authority. Subsequent to initial recognition, the Authority's portfolio of investment properties is stated at fair value. Gains and losses arising from changes in the fair values of investment properties are included in the Statement of Comprehensive Income in the period in which they arise. Any gains or losses on the sale of an investment property are recognised in the Statement of Comprehensive Income in the year of sale.  
At each reporting date the carrying value of the portfolio of investment properties is assessed and where the carrying value differs materially from the assessment of fair value, an adjustment to the carrying value is recorded as appropriate. The assessment of fair value of each investment property is confirmed by annual independent valuations conducted on a rolling basis. In determining the fair value, the capitalisation of net income method and the discounting of future cash flows to their present value have been used. An independent valuation of these properties was conducted as at 30 June 2012.  
Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income as part of property income, on a straight line basis over the lease term.
- 2.15 Acquisition and recognition of non-current assets**  
Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation.  
All non-current tangible assets with a value equal to or in excess of \$10,000 are capitalised.  
All non-current assets, having limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Depreciation is applied to tangible assets such as property, plant and equipment.  
Assets' residual values, useful lives and depreciation 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, which is a change in accounting estimate.  
Land and investment properties are not depreciated.
- 2.16 Interests in joint venture entities**  
The Authority's interest in joint ventures is measured by applying the equity method of accounting. The Authority's share of the assets and liabilities of joint venture entities in which it has a participating interest is included in the Statement of Financial Position as Investment in Joint Venture Entities. The Authority's share of net profit from joint venture entities is included as revenue in the Statement of Comprehensive Income as Share of Net Profits of Joint Venture Entities. Details of the Authority's interests in joint venture entities are shown in Note 5.



## URBAN RENEWAL AUTHORITY

**2.17 Work in progress***(i) Deposits received*

The Authority acts as a project manager and financier for the construction of buildings for clients under the Premises SA Scheme. Prior to the commencement of construction the client in most cases is required to pay a deposit towards the overall cost of construction. The deposit held is offset against construction projects in progress.

*(ii) Operational projects in progress*

Expenditure associated with the construction of projects held for operational purposes is capitalised as work in progress as incurred (refer Note 24). When a project of this nature reaches practical completion (which generally coincides with the commencement of the building defects liability period), the accumulated costs are transferred from work in progress to property, plant and equipment.

**2.18 Impairment**

All non-current tangible assets are tested for indication of impairment at each reporting date. If there is an indication of impairment, the asset's carrying value is compared to its recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the Statement of Comprehensive Income. Refer to note disclosures on inventories, financial assets and investment properties for further information in relation to these specific assets.

**2.19 Liabilities**

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the Authority has separately disclosed the amounts expected to be settled after more than twelve months.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

**2.20 Payables**

Payables include creditors, accrued expenses, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Authority.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

The paid parental leave scheme payable represents amounts which the Authority has received from the Commonwealth Government to forward onto eligible employees via the Authority's standard payroll processes. That is, the Authority is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

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

**2.21 Borrowings/ Financial liabilities**

The Authority measures financial liabilities including borrowings/debt at historical cost.

**2.22 Leases**

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Authority has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

*The Urban Renewal Authority as lessor*

The Authority has not entered into any finance leases as lessor.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as income in a manner consistent with the basis on which they are determined.

*The Urban Renewal Authority as lessee*

The Authority has not entered into any finance leases as lessee.

Operating leases are recognised as an expense in the income statement on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Where applicable, the aggregate benefit of lease incentives received by the Authority in respect of operating leases have been recorded as a reduction of rental expense over the lease term on a straight-line basis.

## URBAN RENEWAL AUTHORITY

### 2.23 Employee benefits

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

#### *Wages, salaries, annual leave and sick leave*

Liabilities for salaries and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where annual leave is payable later than 12 months, the liability will be measured at present value.

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

#### *Long service leave*

An actuarial assessment of long service leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. Based on this actuarial assessment, the short hand method was used to measure the long service leave liability for 2012. Refer to Note 30. This calculation is consistent with the Authority's experience of employee retention and leave taken.

The portion of the long service leave liability classified as current represents the amount that may be expected to be paid as leave taken or paid on termination of employment during the Authority's normal operating cycle.

#### *Employee benefit on-costs*

Employee benefit on-costs (payroll tax and superannuation) are recognised separately under payables.

### 2.24 Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, it is probable that an outflow of resources to settle the obligation will occur and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

### 2.25 Guarantees and indemnities

The Authority constructs and owns specialised building premises which are leased or sold to private companies under the Premises SA Scheme. The construction of these buildings is financed through the use of SA Government Financing Authority loans. In some instances the outstanding loan amount in respect of construction exceeds the market value of the building. In order to address these value shortfalls, the former Industrial and Commercial Premises Corporation obtained guarantees and indemnities from the Minister for Industry and Trade for some of the arrangements entered into. The Authority is now the beneficiary of these guarantees and indemnities.

### 2.26 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include those operating, capital and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value (refer Note 32 and 33).

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 (refer Note 34).

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

### 2.27 Insurance

The Authority has arranged to insure all major risks of the authority through SAICORP. The excess payable under this arrangement varies depending on each class of insurance held.

### 2.28 Financial risk management

The Authority is exposed to a variety of financial risks, market risk (foreign exchange and price), credit risk and liquidity risk (refer Note 37).

Risk management is carried out by the corporate services section and risk management policies and practices are in accordance with International Risk Management Standards and internal written policies approved by the Board.

The Authority has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (cash at Treasury and SAFA and mortgage debtor receivables) and liabilities (borrowings from the SA Government).

The Authority's exposure to foreign exchange risk and cash flow interest risk is minimal. The Authority is exposed to price risk for changes in interest rates that relate to long-term debt obligations and investments classified either as available-for-sale or fair value.

The Authority has no significant concentration of credit risk. The Authority has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

## 3 Material transactions

### 3.1 Payments to Defence SA and South Australian Housing Trust

The Authority made payments of \$184.668m and \$53.821m to Defence SA and South Australian Housing Trust respectively. These payments relate to the transferred functions and administrative restructure that resulted in the establishment of the Authority.

### 3.2 Caroma site

The Authority made payment of \$15.351m to acquire the Caroma site which was settled on 5 June 2012. The total acquisition cost for this site is \$15.901m, including a deposit paid by the Land Management Corporation in February 2012.

## URBAN RENEWAL AUTHORITY

## 4. Sales revenue and cost of sales

Sales revenue comprises revenue earned from the sale of land for residential, commercial and community purposes, including land made available for joint venture developments at Mawson Lakes and Northgate. 2012  
Sales revenue for the reporting period is summarised as follows :- \$'000

Land sales to :-	
Joint ventures	3,105
Entities within the SA Government	-
Other	9,799
Total sales revenue	<u>12,904</u>

Cost of sales comprise all direct costs of acquisition, planning, development and construction in respect of inventory sold during the reporting period.

Cost of sales for the reporting period is summarised as follows :- 2012  
\$'000

Cost of sales associated with:	
Joint ventures	274
Entities within the SA Government	-
Other	4,160
Total cost of sales	<u>4,434</u>

## 5. Joint venture entities

## 5.1 Joint venture summary

The Authority's share of the profit from ordinary activities of joint venture entities in which the Authority has a participating interest, is as follows:-

	2012
	\$'000
Revenues	11,205
Expenses	(10,241)
Profit from ordinary activities	<u>964</u>

Movements in the Authority's investment in joint venture entities during the reporting period are summarised as follows:-

	2012
Share of accumulated profits -	
Carrying amount at 1 March 2012	-
Transfer in from administrative restructure	7,835
Profit for the reporting period	964
Distribution of profit to the Authority during the reporting period	(499)
Total carrying amount of investment in joint venture entities	<u>8,300</u>

The Authority's investment in joint venture entities is represented by its share of assets and liabilities as follows:-

	2012
	\$'000
Current assets	
Cash	2,669
Receivables	758
Inventories	9,112
Non-interest bearing financial assets	197
Deferred tax asset	157
Prepayments	-
	<u>12,893</u>
Non current assets	
Inventories	18
Property, plant and equipment	67
	<u>85</u>
Total assets	<u>12,978</u>

	2012
	\$'000
Current liabilities	
Creditors and other payables	4,389
Non-interest bearing financial liabilities	225
Tax liabilities	64
	<u>4,678</u>

Total liabilities	<u>4,678</u>
Net assets	<u>8,300</u>

The net assets is split as follows:

Current	1,655
Non current	6,645
	<u>8,300</u>

## URBAN RENEWAL AUTHORITY

## 5. Joint venture entities (continued)

## 5.2 Northgate Stage 3 Joint Venture

On 31 July 2006 documentation was executed with CIC Northgate Pty Ltd, a wholly-owned subsidiary of CIC Australia Limited, to establish a joint venture to develop the land subdivision component of Precinct One at Northgate Stage 3. On 19 November 2010 documentation was executed with the same partner, to extend the Lightsview Joint Venture over the Corporation's adjoining Precinct 2 land parcel.

The project primarily comprises the subdivision and sale of residential allotments and integrated housing sites together with the development of reserves and associated community facilities. The 85.6 hectare project is forecast to deliver in the order of 1,700 allotments and 2,200 dwellings and is required to achieve a number of Paramount Development Objectives established by the Government, including the provision of a wide diversity of housing allotments and 15% of sites for high-needs and affordable housing.

The Authority has a 50% interest in the joint venture. Under the terms of the agreements for the joint venture, the Authority will make available to the joint venture land for development and receive progressive land payments as development proceeds.

## 5.3 Mawson Lakes Economic Development Project

On 10 July 1997 Joint Venture Agreements were executed with Delfin Property Group Limited (now Lend Lease Communities Australia Limited), Lend Lease Corporation Limited and associated subsidiary companies to commence the Mawson Lakes Economic Project at the Levels.

This project comprises residential, retail and industrial land to be developed over a fifteen year timeframe. Other parties with commitments to the joint venture arrangements are the City of Salisbury, University of South Australia and the Government of South Australia.

The Authority had a 50% interest in the joint venture. Under the terms of the agreements for the joint venture, the Authority made available to the joint venture land for development. In addition the State Government had obligations for various infrastructure works associated with the project.

The joint venture terminated on 30 June 2011. A Project Completion Arrangements Deed is now in effect. This deed covers the sale of the remaining residential and commercial lots unsold at June 2011 and the completion of some remaining works. The lots continue to be marketed but are proving difficult to sell in the current market and at 30 June 2012, 7 residential and 2 commercial/mixed use lots remain available for sale. Final works obligations are expected to be complete by June 2013.

## 5.4 PAWR Marina Joint Venture

The Authority has a 50% interest in a joint venture with Newport Quays Consortium, the former developers of the Port Adelaide Waterfront Redevelopment (PAWR). The Newport Quays Consortium comprises developers Urban Construct Pty. Limited and Brookfield Multiplex Developments Australia Pty. Limited. The PAWR Marina Joint Venture involves the construction of approximately 600 marina berths in the Port Adelaide inner harbour to be staged with the land-based development over the next 10-13 years.

Marina berths are being offered under leasehold arrangements, with the Authority retaining ownership of the inner harbour (subadjacent land). The Authority will enter into lease arrangements with marina companies (representing berth holders) that will place obligations on lessees to procure the services of competent marina managers and achieve appropriate environmental standards in the management of the marinas. The marinas will be subject to statutory planning processes and regulatory requirements as with any other form of development. The Authority will receive revenue by way of land payments for the subadjacent land and individual marina berth sales.

The PAWR Marina Joint Venture (the Joint Venture) has total assets of \$1.9m including \$0.685m of cash and total liabilities of \$1.5m resulting in net assets of \$0.351m. This has been accounted for within the Authority's accounts in accordance with the equity method of accounting.

Each head lease agreement between the Authority and the marina companies includes a clause which allows the Authority to recover all rates and taxes it has incurred in respect of the Marina land from the Joint Venture. The Authority has paid the land tax liabilities for the Joint Venture for land taxes accrued and in accordance with the agreement has sought to recover these. The total value of these receivables unpaid as at 30 June 2012 is \$0.028m (excluding GST) and have been recognised as a liability in the Joint Venture accounts. The valuations used by the Valuer-General in the calculation of the land tax are currently being disputed by the Joint Venture with new valuations being sought. Given this dispute a total of \$0.028m relating to these receivables has been included in the Authority's doubtful debts.

The Joint Venture agreement has not terminated by virtue of the termination of the Project Development Agreement with the Newport Quays Consortium announced on 31 October 2011. The Authority is having discussions with the other Joint Venturer concerning the future operation of the PAWR Marina Joint Venture.

## 6. Revenues from Government

	2012
	\$'000
Recurrent transfer received from Department of Treasury & Finance, Administered Items	885
Transfer from Department of Treasury & Finance	5,788
Total Revenues from Government	<u>6,673</u>

## 7. Interest revenues

Interest revenue includes interest received on bank term deposits, interest from investments, interest from mortgage debtors, and other interest received. Interest revenue for the reporting period is summarised as follows:-

	2012
	\$'000
Interest received/receivable from entities within the SA Government	
- Interest from operations	182
Interest received/receivable from entities external to the SA Government	
- Mortgage debtor interest	896
- Interest from operations	93
Total interest revenue	<u>1,171</u>



## URBAN RENEWAL AUTHORITY

## 8. Property income

Property income includes rent and recoveries from leased properties. Property income for the reporting period is summarised as follows:-

	2012
	\$'000
Property income received/receivable from entities within the SA Government	522
Property income received/receivable from entities external to the SA Government	5,953
Total property income	<u>6,475</u>

## 9. Other revenues

Other revenues includes recoveries and sundry income. Other revenues for the reporting period is summarised as follows:-

	2012
	\$'000
Other revenues received/receivable from entities within the SA Government	1,106
Other revenues received/receivable from entities external to the SA Government	112
Total other revenues	<u>1,218</u>

## 10. Net gain/loss from the disposal of non-current assets and investments

There was no net gain/loss from the disposal of non-current assets or investments during the period ended 30 June 2012.

## 11. Employees benefits expenses

	2012
	\$'000
Salaries and wages	4,717
Long service leave	312
Annual leave	166
Employment on-costs - superannuation	589
Employment on-costs - other	191
Board fees	51
Other employee-related expenses	139
Total employee benefit expenses	<u>6,165</u>

No employees were paid targeted voluntary separation packages during the reporting period.

*Remuneration of employees*

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

following bands were:-	2012
	No.
\$134,000 - \$143,999	9
\$144,000 - \$153,999	8
\$154,000 - \$163,999	1
\$164,000 - \$173,999	2
\$174,000 - \$183,999	1
\$184,000 - \$193,999	3
\$194,000 - \$203,999	1
\$204,000 - \$213,999	2
\$224,000 - \$233,999	2
\$254,000 - \$263,999	1
\$344,000 - \$353,999	1
	<u>31</u>

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level between 1 July 2011 and 30 June 2012. Remuneration of employees reflects all costs of employment to the Authority and other relevant agencies (ie the former Land Management Corporation, Defence SA and Department for Communities and Social Inclusion (South Australian Housing Trust)), including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. Total income received or due and receivable by the above employees for the period they held office was \$5.400m.

The number of employees at the reporting date was 189.

*Remuneration commitments*

Commitments for the payment of salaries and other remuneration under fixed term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:-

	2012
	\$'000
Within one year	10,642
Later than one year but not longer than five years	7,785
	<u>18,427</u>



## URBAN RENEWAL AUTHORITY

## 12. Key management personnel

## 12.1 Board members

The following persons held the position of governing board member during the period for the transitional URA Board:-

M J Terlet AO, Presiding Member	J M Carr*
J A Westacott	T S Maras AM
R G Hook*	A Clark

## 12.2 Other key management personnel

The following persons held authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly during the current reporting period:-

F J Hansen	Chief Executive
R G Hook	Transitional Chief Executive
W Gibblings	Transitional Chief Operating Officer
M J Buchan	Transitional General Manager, Corporate Services
	Transitional General Manager, Major & Residential Project Delivery
D J DeConno	Transitional General Manager, Asset Management
I H Hodgen	Transitional General Manager, Industrial Project Delivery
P A Fagan-Schmidt	Transitional General Manager, Urban & Portfolio Planning
T Meakins	Transitional General Manager, Urban & Portfolio Planning
M Young	Executive Director, Corporate Affairs and Strategy
W Smith	Executive Director, People and Organisational Development
J Durrand	Executive Director, Marketing and Corporate Relations

Note that not all persons above were remunerated by the Authority, as some were employed by other government agencies. As a result, these persons are not reflected in the total employee benefits amount in Note 12.3 below.

## 12.3 Key management personnel compensation

Key management personnel compensation for the period ended 30 June 2012 is set out below.

The key management personnel are the governing board members and the senior management team (including the Chief Executive) who have responsibility for the strategic direction and management of the Authority.

	2012
	\$'000
Short-term employee benefits	1,640
Total employee benefits	<u>1,640</u>

## 12.4 Remuneration of governing board members

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

	2012
	No.
Nil	2
\$10,000 - \$19,999	4
Total number of governing board members	<u>6</u>

Income received or due and receivable by all governing board members for the period they held office was \$0.051m plus \$0.005m superannuation.

The number of board members who held office at 30 June 2012 was 6.

\* In accordance with the Department of the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for governing board duties during the financial year. Refer to Note 12.1.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

## 13. Related party disclosure

## Directors

Details of the Directors of the Authority appointed in accordance with the *Housing and Urban Development (Administrative Arrangements) (Urban Renewal Authority) Regulations 2012* are set out in Note 12.

During the period of their appointment to the Authority the Directors disclosed the following:-

Mr M J Terlet AO was Chairman of United Water International until 16 December 2011, the ACHA Health Group and the International Centre of Excellence in Water Research Management and Operation Flinders. He was State Chairman of the Australian British Chamber of Commerce. He was Director and Chairman of Tidswell Financial Services Ltd. He was a Director of E & A Limited. He was a board member of Business SA. He was Co-Chairman of the SA Business and Parliamentary Trust. He was a Director of the Australian Government Centre for Plant Functional Genomics.

Ms J A Westacott was Chief Executive of the Business Council of Australia.

Ms J M Carr was Executive Director, Building Management, Department of Planning, Transport and Infrastructure and a Board Member of the State Procurement Board and Chair of the South Australian Heritage Council.

Ms A Clark was the Executive Director of Shelter SA.

Mr R G Hook was Chief Executive of the Department of Planning, Transport and Infrastructure. He was South Australia's Coordinator-General for the Nation Building Economic Stimulus Plan and South Australia's Commissioner of Highways.

## URBAN RENEWAL AUTHORITY

Mr T S Maras AM was owner/director of the Maras Group and Director of Mancorp Group. He was Chairman and Director of Common Ground, Member of the South Australian Affordable Housing Trust Board, Chairman of the Unley Business and Economic Development Committee, Chairman of the University of Adelaide Heritage Foundation Trust, Chairman of the Rundle Mall Management Authority, Chairman of The Australian Centre for Child Protection, President of the Federation of Greek Orthodox Communities of Australia, member of Ridleyton Greek Home for the Aged, member of the Helpmann Academy, member of the Norwood Economic Development Board, member of the State Library of South Australia Foundation Board and member of the Foundation for Modern Greek.

From time to time the Authority may have dealings with the above entities. Any transactions entered into with these entities are carried out in the ordinary course of business and on normal commercial terms and conditions.

Apart from the above interests, no Directors have a pecuniary interest, either direct or indirect, in any firm, trust or company with which the Authority had entered into a transaction during the period 1 March 2012 to 30 June 2012.

<b>14. Operating expenditure</b>	<b>2012</b>
	<b>\$'000</b>
Expenditure on supplies and services provided by entities external to the SA Government:-	
- Property expenditure	3,661
- Contractors and consultants	991
- Accommodation costs	73
- Administration and other expenditure	2,556
Total supplies and service expenditure - non SA Government entities	<u>7,281</u>
Expenditure on supplies and services provided by entities within the SA Government:-	
- Property expenditure	1,184
- Land tax	5,939
- Contractors and consultants	1
- Accommodation costs	261
- Administration and other expenditure	690
Total supplies and service expenditure - SA Government entities	<u>8,075</u>
Total operating expenditure	<u><u>15,356</u></u>

**14.1 External consultants**

The number and dollar amount of external consultancies paid/payable included in the Statement of Comprehensive Income that fell within the following bands:-

	2012 No.	2012 \$'000
Below \$10,000	34	144
Between \$10,000 and \$50,000	8	209
Above \$50,000	1	69
Total paid/payable to consultants engaged	<u>43</u>	<u>422</u>

<b>15. Borrowing costs</b>	<b>2012</b>
	<b>\$'000</b>
Services provided by entities within the SA Government	
- Borrowing costs ICPS loans	1,508
- Borrowing costs other loans	2,033
- Borrowing costs overdraft	755
- Guarantee fees ICPS loans	111
- Guarantee fees other loans	577
- Guarantee fees overdraft	267
Total borrowing costs	<u>5,251</u>

<b>16. Auditors' remuneration</b>	<b>2012</b>
	<b>\$'000</b>
Audit fees paid/payable to the Auditor-General's Department relating to the financial statements audit	79
Total auditors' remuneration	<u>79</u>

No other services were provided by the Auditor-General's Department.

**17. Income tax equivalent**

In accordance with Treasurer's Instructions issued under the Public Finance and Audit Act 1987, the Authority is required to pay to the State Government an income tax equivalent. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate (presently 30%) be applied to the profit for the reporting period. The Authority made a financial loss during the current reporting period before considering administrative restructure transactions. The Treasurer approved that the gain on transferred function is exempt from the Authority's income tax calculation for 2011-12.

**18. Dividends paid to SA Government**

Pursuant to the *Housing and Urban Development (Administrative Arrangements) Act 1995*, the Authority may be required to pay dividends to the Minister. Following recommendations by the Board, and after consultation with the Treasurer, the Minister determined that there is no dividend payable in respect of the reporting period.

## URBAN RENEWAL AUTHORITY

<b>19. Mortgage debtor receivables</b>	<b>2012</b>
	<b>\$'000</b>
Current -	
Mortgage debtor receivables	<u>7,585</u>
	<u>7,585</u>
Non Current -	
Mortgage debtor receivables	<u>29,363</u>
	<u>29,363</u>
Total mortgage debtor receivables	<u><u>36,948</u></u>

(a) Maturity Analysis of Financial Assets and Liabilities - Please refer to Note 37.4.

(b) Categorisation of Financial Instruments and risk exposure information - Please refer to Note 37.1.

<b>20. Receivables</b>	<b>2012</b>
	<b>\$'000</b>
Current -	
Trade and other debtors (a)	5,428
Allowance for doubtful debts	(579)
Marina Adelaide	-
Prepayments	<u>15</u>
Total current receivables	<u><u>4,864</u></u>
(a) Included in this balance are receivables from SA Government entities totalling \$1.002m.	
Non Current -	
Marina Adelaide	<u>3,556</u>
Total non current receivables	<u><u>3,556</u></u>
Total Receivables	<u><u>8,420</u></u>

*Movement in the allowance for doubtful debts*

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in Note 14 for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	<b>2012</b>
	<b>\$'000</b>
Movements in carrying amounts -	
Carrying amount at 1 March 2012	-
Transfer in from administrative restructure	551
Increase/(decrease) in allowance recognised in profit or loss	<u>28</u>
Carrying amount at the end of the period	<u><u>579</u></u>

Bad and doubtful debts expense	<b>2012</b>
	<b>\$'000</b>
Bad debts written off -	
- Trade debtors	1
Transfer to provision for doubtful debts -	
- Trade debtors	<u>28</u>
Total bad and doubtful debts expense	<u><u>29</u></u>

The bad and doubtful debts expense is recorded in operating expenditure (refer Note 14).

*Interest rate and credit risk*

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

*Maturity analysis of receivables*

Refer to table in Note 37.

*Categorisation of financial instruments and risk exposure information*

Refer to table in Note 37.

URBAN RENEWAL AUTHORITY		2012
21. Inventories		\$'000
Current -		
Cost of acquisition	65,020	
Development cost capitalised	26,751	
	<u>91,771</u>	
Non current -		
Cost of acquisition	247,995	
Development cost capitalised	106,314	
	<u>354,309</u>	
Total inventories	<u>446,080</u>	
		2012
		\$'000
Movements in carrying amounts -		
Carrying amount at 1 March 2012	-	
Transfer in from administrative restructure	454,423	
Land purchases	15,744	
Transfer from investment properties	2,063	
Development costs capitalised	20,897	
Cost of sales	(4,434)	
Inventory write-down	(42,613)	
Carrying amount at 30 June 2012	<u>446,080</u>	
The Authority has recognised land inventory within the Statement of Financial Position at the lower of cost or net realisable value in accordance with AASB 102 Inventories. However, the fair value of inventory as at 30 June 2012 is \$1.168m.		
22. Investment property		2012
		\$'000
Investment property at fair value -		
Freehold land at fair value:		
Independent valuation - 2012	68,527	
	<u>68,527</u>	
Buildings at fair value:		
Independent valuation - 2012	59,820	
	<u>59,820</u>	
Total investment property	<u>128,347</u>	
Movements in carrying amounts -		2012
Freehold land at fair value -		\$'000
Carrying amount at 1 March 2012	-	
Transfer in from administrative restructure	72,985	
Transfer from inventory		
Reclassifications to inventory	(2,063)	
Gain/(Loss) on fair value adjustment	(2,395)	
Carrying amount at the end of the period	<u>68,527</u>	
Buildings at fair value -		
Carrying amount at 1 March 2012	-	
Transfer in from administrative restructure	59,113	
Additions	-	
Gain/(Loss) on fair value adjustment	707	
Carrying amount at the end of the period	<u>59,820</u>	
Total carrying amount at the end of the period	<u>128,347</u>	
Amounts recognised in profit and loss -		
Income (included in Note 8)	3,601	
Direct operating expenses from property that generated income (included in Note 14)	(2,280)	
Total amount recognised in the profit and loss	<u>1,321</u>	

URBAN RENEWAL AUTHORITY		
<b>23. Property, plant and equipment</b>		<b>2012</b>
		<b>\$'000</b>
Leasehold Improvements		
At cost		2,928
Accumulated amortisation		(105)
Total leasehold improvements		<u>2,823</u>
Impairment		
There were no indications of impairment of leasehold improvements at 30 June 2012.		
Movements in carrying amounts -		<b>2012</b>
		<b>\$'000</b>
Leasehold improvements -		
Carrying amount at 1 March 2012		-
Transfer in from administrative restructure		2,928
Amortisation		(105)
Carrying amount at the end of the period		<u>2,823</u>
Plant and equipment -		<b>2012</b>
At cost		<b>\$'000</b>
Accumulated depreciation		699
Total plant and equipment		<u>(46)</u>
Carrying amount of plant and equipment		<u>653</u>
Plant and equipment includes \$0.954m (cost) of fully depreciated property still in use.		
Impairment		
There were no indications of impairment of plant and equipment at 30 June 2012.		
Movements in carrying amounts -		<b>2012</b>
		<b>\$'000</b>
Plant and equipment -		
Carrying amount at 1 March 2012		-
Transfer in from administrative restructure		502
Additions		197
Depreciation		(46)
Carrying amount at the end of the period		<u>653</u>
Total property plant and equipment		<u>3,476</u>
<b>24. Work in progress</b>		<b>2012</b>
		<b>\$'000</b>
Movements in carrying amounts -		
Carrying amount at 1 March 2012		-
Transfer in from administrative restructure		936
Additions		178
Carrying amount at the end of the period		<u>1,114</u>
<b>25. Payables</b>		<b>2012</b>
		<b>\$'000</b>
Current -		
Trade creditors		10,055
Sundry creditors and accrued expenses		18,380
Parental Leave Scheme		-
Employment on costs		392
		<u>28,827</u>
Non current -		
Sundry creditors and accrued expenses		-
Employment on costs		342
		<u>342</u>
Total payables		<u>29,169</u>
The total includes liabilities payable to SA Government entities, comprising:-		
Current -		
Trade creditors		4,452
Sundry creditors and accrued expenses		12,670
Employment on costs		378
		<u>17,500</u>
Non current -		
Sundry creditors and accrued expenses		-
Employment on costs		327
		<u>327</u>
Total payables to SA Government entities		<u>17,827</u>

## URBAN RENEWAL AUTHORITY

## 25. Payables (continued)

*Interest rate and credit risk*

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

*Maturity analysis of payables*

Refer to table in Note 37.

*Categorisation of financial instruments and risk exposure information*

Refer to table in Note 37.

## 26. Borrowings

2012

\$'000

## Current -

Loans - South Australian Government Financing Authority (a)

38,154

Loans - South Australian Government Financing Authority (b)

245,251

283,405

## Non current -

Loans - South Australian Government Financing Authority (a)

35,953

Loans - South Australian Government Financing Authority (b)

71,750

107,703

## Total borrowings

391,108

(a) Comprises borrowings from the South Australian Government Financing Authority (SAFA) in respect of funding for industrial and commercial construction projects under the Premises SA Development Scheme.

(b) Comprises borrowings from SAFA in respect of other activities of the Authority.

*Maturity analysis of borrowings*

Refer to table in Note 37.4.

*Categorisation of financial instruments and risk exposure information*

Refer to Note 37.1.

*Defaults and breaches*

There were no defaults or breaches on any of the above liabilities throughout the year.

## 27. Tax liabilities

2012

\$'000

## Current -

Income tax equivalent

-

## Total tax liabilities

-

## 28. Unearned income

2012

\$'000

## Current -

Unearned income

10,079

10,079

## Non Current -

Unearned income

10,558

10,558

## Total unearned income

20,637

## Movements in carrying amounts -

Carrying amount at 1 March 2012

-

Transfer in from administrative restructure

20,704

Received during the year

4,778

Recognised in the statement of comprehensive income

(4,845)

Carrying amount at the end of the period

20,637

Consists of sales proceeds received in advance for Blakeview and rental income received in advance from Knight Frank.

## URBAN RENEWAL AUTHORITY

## 29. Provision

Provision for general expenditure	2012 \$'000
Current -	
Provision for general expenditure	5,967
Total provision for general expenditure	<u>5,967</u>
Movements in carrying amounts -	
Provision for general expenditure	
Carrying amount at 1 March 2012	-
Transfer in from administrative restructure	5,967
Total carrying amount at the end of the period	<u>5,967</u>

A provision for general expenditure has been set aside to meet future needs in relation to the termination of the Port Adelaide Waterfront Redevelopment Project Development Agreement with Newport Quays Consortium.

## 30. Employee benefits

	2012 \$'000
Current -	
Accrued wages and salaries	199
Annual leave	1,291
Long service leave	117
	<u>1,607</u>
Non current -	
Long service leave	3,652
	<u>3,652</u>
Total employee benefits	<u>5,259</u>
Total current and non-current employees expense (ie aggregate employee benefits and related on-costs (refer Note 25)):	<u>5,993</u>

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability. It is accepted practice to estimate the present values of future cash outflows associated with the long service leave liability by using a shorthand measurement technique. The shorthand measurement technique takes into account such factors as changes in discount rates and salary inflation. AASB 119 requires the use of the 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 decreased. This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the changes in the financial period is an increase in the long service leave liability of \$0.932m.

## 31. Other non current liabilities

	2012 \$'000
Funds held in trust -	
Cheltenham funds	4,647
Total funds held in trust	<u>4,647</u>

These funds are being held in trust on behalf of the Minister for Housing and Urban Development. The funds are to be disbursed by the Authority to the developer of the land formerly occupied by the Cheltenham race course upon achievement of key deliverables related to affordable housing and the development of open spaces.



## URBAN RENEWAL AUTHORITY

## 32. Unrecognised contractual commitments - operating leases

*Operating lease receivables*

Future minimum rental revenues under non-cancellable operating property leases held at balance date but not provided in the accounts:-

	2012
	\$'000
Due not later than one year	13,404
Due later than one year but not later than five years	37,502
Due later than five years	40,297
Total operating lease receivables	<u>91,203</u>

*Operating lease payables*

Non-cancellable operating leases contracted for at balance date but not provided in the accounts, net of GST:-

	2012
	\$'000
Payable not later than one year	782
Payable later than one year but not later than five years	2,859
Payable later than five years	2,808
Total operating lease payables	<u>6,449</u>

These amounts comprise property leases and leases for motor vehicles. The property leases are non-cancellable and will expire on 31 December 2020, with rent payable monthly in advance. Motor vehicles are leased over varying terms up to three years.

## 33. Unrecognised contractual commitments - capital expenditure

*Capital expenditure commitments arising from general operations*

At reporting date the Authority had capital expenditure commitments from general operations as follows:

	2012
	\$'000
Payable not later than one year	29,981
Payable later than one year but not later than five years	3,027
Payable later than five years	21
	<u>33,029</u>

The Playford Alive, Bowden, Tonsley and Woodville West projects contains a significant portion of commitments for 2012. As at 30 June 2012 commitments relating to Playford Alive were estimated to be \$8.184m, commitments for Bowden were estimated to be \$6.981m, commitments for Tonsley were estimated to be \$8.332m, commitments for Woodville West were estimated to be \$3.817m, and commitments for Lochiel Park were estimated to be \$0.921m.

Estimates of additional commitments in respect of the Edinburgh Parks acquisition are detailed below and are not included in the above amounts.

*Capital expenditure commitments arising from Edinburgh Parks acquisition*

On 10 May 2004 Cabinet approved the transfer of the management of the land known collectively as Edinburgh Parks to the former Land Management Corporation, from the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE), to be exercised in stages and effective from 1 July 2004. At balance date commitments for the purchase are summarised as follows:

## Stage 0 land and buildings -

Based on the contractual agreements, an amount may be payable to DMITRE, representing 25% of the net profit arising from completion of the development and sale of Stage 0. At balance date, this amount is estimated to be \$1.911m.

	2012
	\$'000
Payable not later than one year	844
Payable later than one year but not later than five years	1,067
	<u>1,911</u>

## Stages 1 &amp; 3 -

Assets included in stages 1 and 3 have been acquired by the Authority on a deferred payment basis. Payments are made to DMITRE and the Commonwealth Department of Defence based on the land area sold.

Expenditure commitments are summarised below, subject to the sale of remaining allotments.

	2012
	\$'000
Stages 1 & 3 land -	
Payable later than one year but not later than five years	7,019
Payable later than five years	4,754
	<u>11,773</u>



## URBAN RENEWAL AUTHORITY

## 33. Unrecognised contractual commitments - capital expenditure (continued)

Stage 2 had previously been completed by the former Department of Trade and Economic Development.

Stages 4 onwards -

On 1 June 2005, a further 505.6 hectares was acquired from the Commonwealth. Commitments for the purchase of this land, based on current sales forecasts, are summarised below:

	2012
	\$'000
Stages 4 onwards land -	
Payable not later than one year	966
Payable later than one year but not later than five years	868
Payable later than five years	4,829
	<u>6,663</u>
<b>Total capital expenditure commitments</b>	2012
	\$'000
Payable not later than one year	31,791
Payable later than one year but not later than five years	11,981
Payable later than five years	9,604
	<u>53,376</u>

## 34. Contingent assets and liabilities

**Contingent assets**

The Authority has indemnities from DMITRE relating to various Industry Assistance packages totalling \$3.212m as at 30 June 2012. These indemnities relate to purpose-built facilities constructed under the Premises SA Scheme and are provided as follows:

- i) In respect of properties owned by the Authority and leased to tenants, the indemnity covers any shortfall between current valuation and historical cost.
- ii) In respect of properties that are subject to a deferred purchase arrangement, the indemnity covers any shortfall between current valuation and loan balance outstanding.

As at 30 June 2012, the Authority has no other contingent assets related to land acquisitions.

**Contingent liabilities***Port Adelaide Waterfront Redevelopment Project*

Due to the termination of the Port Adelaide Waterfront Redevelopment Project Development Agreement with the Newport Quays Consortium (NQC), announced on 31 October 2011, the former Land Management Corporation (the Corporation) was obliged to make certain payments (which are secured by the \$5m performance bond provided by the Corporation to NQC), to NQC pursuant to provisions of the Agreement related to the Corporation's right to terminate the Agreement. The Corporation calculated the quantum of the monies that the Corporation considered was payable by the Corporation to NQC arising from the Corporation's termination of the Agreement, to be in the order of \$5.96m. NQC have disputed this quantum and has asserted that the quantum is in the order of \$25m (which was disputed by the Corporation). The Authority is now responsible for these obligations. As at reporting date no substantive claim has been made by NQC against the Authority arising from the termination of the Agreement by the Corporation.

*Dean Rifle Range*

In October 2009, Cabinet approved the compulsory acquisition of the interest held by the Corporation of the City of Adelaide (the ACC) in the Dean Rifle Range (DRR), being a 50% interest in the DRR, with the remaining 50% equitable interest owned by the former Land Management Corporation (now owned by the Authority). The compulsory acquisition of the ACC's 50% equitable interest was completed on 11 February 2010 by the Minister for Environment and Conservation ("the Minister"). In 2011, The ACC instituted proceedings against the Minister disputing the compensation payable for the compulsory acquisition of the ACC's interest in the DRR.

The Corporation was nominated as the Minister's agent in relation to the compulsory acquisition of the ACC's 50% equitable interest in the DRR.

The Minister transferred the ACC's 50% equitable interest and as a result the Corporation became the owner of 100% legal and equitable interest in the DRR.

As at 30 June 2012 the Minister (acting through the Authority as the Minister's agents) and the ACC were still disputing the compensation amount. As this relates to ongoing court proceedings, no value has been disclosed.

Pursuant to the arrangement between the Authority and the Minister in respect of the Authority becoming the 100% legal and equitable owner of the DRR, the Authority will be responsible for any compensation which may be determined to be payable, which exceeds the compensation amount paid by the Authority to the Court.

*GST treatment for the Asset Transfer*

The Authority made payments of \$184.668m to Defence SA and \$53.821m to the South Australian Housing Trust on 28 June 2012. These payments related to the transfer of assets from these agencies to the Authority. The Authority is currently seeking independent advice on the correct GST treatment of these payments. As at reporting date, it is not possible to quantify the potential GST applicable to these payments.

URBAN RENEWAL AUTHORITY		2012
35. Cash flow reconciliation		\$'000
Reconciliation of cash and cash equivalents - cash at the end of the reporting period		
Statement of Cash Flows		20,475
Statement of Financial Position		20,475
Reconciliation of total comprehensive result to net cash provided by/(used in) operating activities:		
Total comprehensive result		88,434
<i>Add/less non-cash items</i>		
Share of net profits of joint venture entities	(964)	
Depreciation and amortisation	151	
Investment property fair value adjustments	1,688	
Receivables assumed on restructure	46,820	
Work in progress assumed on restructure	633	
Inventories assumed on restructure	454,423	
Reclassification from investment property to inventories	2,063	
Payables assumed on restructure	(14,117)	
Unearned income assumed on restructure	(20,704)	
Provisions assumed on restructure	(5,967)	
Employee benefits assumed on restructure	(4,700)	
Non current liabilities assumed on restructure	(2,101)	
Increase in cash from restructure	7,707	
Net gain from restructure	(373,176)	
<i>Movements in assets and liabilities:</i>		
Increase in mortgage debtor receivables	(36,948)	
Increase in other receivables	(8,420)	
Increase in work in progress	(633)	
Increase in inventories	(446,080)	
Increase in payables	29,169	
Increase in unearned income	20,637	
Increase in provisions	5,967	
Increase in employee benefits	5,259	
Increase in other non current liabilities	4,647	
Net cash used in operating activities	(246,212)	
36. Cash and cash equivalents		2012
		\$'000
Deposits with the Treasurer		15,255
Short-term deposits with SAFA		154
Cash held in Cheltenham trust account		4,647
Cash at bank and on hand		419
Total cash and cash equivalents		20,475
<i>Deposits with the Treasurer</i>		
Includes funds held in the Authority's operating account.		
<i>Short-term deposits</i>		
Short-term deposits are made for varying periods of between one day and three months, are lodged with SAFA and earn the respective short-term deposit rates.		
<i>Interest rate risk</i>		
Cash at bank and on hand is non-interest bearing. Deposits with SAFA and with the Treasurer, and cash held in the Cheltenham Trust Account, earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash represents fair value.		

## URBAN RENEWAL AUTHORITY

## 37. Financial instruments disclosure/ Financial risk management

## 37.1 Categorisation of financial instruments

The net fair value of cash, receivables and payables approximates their carrying amount.

The net fair value of mortgage debtor receivables and borrowings has been calculated by discounting cash flows using a zero coupon curve derived from observable rates in the financial markets. The resultant net fair values represent the best estimate of replacement cost. Management consider the cost of realising fair values as immaterial. Furthermore, management considers that all financial instruments cannot be readily traded on organised markets in standardised form.

The carrying amounts and net fair values of financial assets and liabilities at balance date are:

	2012 Carrying amount \$'000	Net fair value \$'000
Financial assets -		
Cash and cash equivalents	20,475	20,475
Loans and receivables		
Receivables	6,846	6,610
Mortgage debtors receivables	36,948	33,767
Allowance for doubtful debts	(579)	(579)
Total financial assets	63,690	60,273
Financial liabilities -		
Financial liabilities at cost		
Payables	19,752	19,752
Borrowings	391,108	219,603
Total financial liabilities	410,860	239,355
Net financial assets/ (liabilities)	(347,170)	(179,083)

## 37.2 Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The Authority has minimal concentration of credit risk. The Authority has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Authority does not engage in high risk hedging for its financial assets.

## 37.3 Ageing analysis of receivables

	Overdue for < 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
2012				
Not impaired - receivables	126	1	1	128
Impaired - receivables	-	-	579	579

## 37.4 Maturity analysis of financial assets and liabilities

	Carrying amount \$'000	Contractual maturities		
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
2012				
Financial assets -				
Cash and cash equivalents	20,475	20,475	-	-
Loans and receivables				
Receivables	6,846	3,290	3,556	-
Mortgage debtors receivables	36,948	7,585	27,576	1,787
Allowance for doubtful debts	(579)	(579)	-	-
Total financial assets	63,690	30,771	31,132	1,787
Financial liabilities -				
Financial liabilities at cost:				
Payables	19,752	19,752	-	-
Borrowings	391,108	283,405	98,562	9,141
Total financial liabilities	410,860	303,157	98,562	9,141
Net financial assets/ (liabilities)	(347,170)	(272,386)	(67,430)	(7,354)

## URBAN RENEWAL AUTHORITY

## 37.5 Liquidity risk

Liquidity risk arises where the Authority is unable to meet its financial obligations as they fall due. The Authority settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Authority's exposure to liquidity risk is insignificant based on past experience and current assessment of risk. The largest Authority risk is loan default by third parties secured over property assets, thus affecting the Authority's ability to service loans payable, and is assessed to be low. If default should occur, cash facilities have been secured to manage this risk in the short term. The carrying amount of financial liabilities recorded in table 37.1 represents the Authority's maximum exposure to financial liabilities.

## 37.6 Market risk

Market risk for the Authority is primarily through price risk. Prices for residential, industrial and commercial property have been depressed as a consequence of the continuing effect of the global financial crisis. The Authority also has exposure to interest rate risk arising through its borrowings. The Authority's borrowings are managed through SAFA and any movement in interest rates are monitored regularly. There is no exposure to foreign currency risks.

## 37.7 Sensitivity analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial. The impact of price movements on the financial results is impractical to estimate as the analysis would be overly assumptive.

## 38 Net gain from restructure

*Transfer in from Land Management Corporation*

Under the *Public Corporations (Land Management Corporation) (Dissolution and Revocation) Regulations 2012*, the assets, rights and liabilities of the Land Management Corporation (LMC) were vested in and attached to the Authority on 1 March 2012.

The *Public Sector (Reorganisation of Public Sector Operations) Notice* dated 1 March 2012, transferred all employees of the former LMC to the Authority effective 1 March 2012.

*Transfer in from Defence SA*

The *Administrative Arrangements (Transfer of Land to Urban Renewal Authority) Proclamation 2012*, transferred certain land parcels held by the Minister for State Development for the functions and activities of Defence SA to the Authority effective 1 March 2012.

The *Public Sector (Reorganisation of Public Sector Operations) Notice* dated 1 March 2012, transferred 15 employees from Defence SA to the Authority effective 1 March 2012.

*Transfer in from Department for Communities and Social Inclusion (South Australian Housing Trust)*

The transfer of certain South Australian Housing Trust assets to the Authority was gazetted effective 26 April 2012.

Under the *Public Sector (Reorganisation of Public Sector Operations) Notice* dated 19 April 2012, 83 employees from the Department for Communities and Social Inclusion (South Australian Housing Trust) were transferred to the Authority effective 23 April 2012.

Total income and expenses attributable to LMC, Defence SA and South Australian Housing Trust functions were:

	1/7/11 to 29/2/12	1/7/11 to 29/2/12	1/7/11 to 25/4/12	Total
	LMC	Defence SA	SAHT	
	\$'000	\$'000	\$'000	\$'000
Income	31,948	3,827	3,106	38,881
Expenses	48,744	9,345	17,229	75,318
Net result	(16,796)	(5,518)	(14,123)	(36,437)

	1/3/12 to 30/6/12	1/3/12 to 30/6/12	26/4/12 to 30/6/12	Total
	LMC	Defence SA	SAHT	
	\$'000	\$'000	\$'000	\$'000
Income	23,032	1,939	-	24,971
Expenses	45,245	1,318	24,661	71,224
Net result	(22,213)	621	(24,661)	(46,253)

38 **Net gain from restructure (continued)** **URBAN RENEWAL AUTHORITY**

The Authority recognised the following assets and liabilities of the transferred functions during the period ended 30 June 2012:

	LMC \$'000	Defence SA \$'000	SAHT \$'000	Total \$'000
Cash	7,707	-	-	7,707
Receivables	46,820	-	-	46,820
Inventory	267,788	119,115	67,520	454,423
Investment Property	73,249	58,850	-	132,099
Property, Plant & Equipment	3,429	-	-	3,429
Other	8,771	-	-	8,771
<b>Total Assets</b>	<b>407,764</b>	<b>177,965</b>	<b>67,520</b>	<b>653,249</b>
Borrowings	232,484	-	-	232,484
Payables	13,880	17	220	14,117
Provisions	5,967	-	-	5,967
Employee Benefits	2,499	112	2,089	4,700
Other	22,805	-	-	22,805
<b>Total Liabilities</b>	<b>277,635</b>	<b>129</b>	<b>2,309</b>	<b>280,073</b>
<b>Net assets transferred</b>	<b>130,129</b>	<b>177,836</b>	<b>65,211</b>	<b>373,176</b>

Net assets assumed by the Authority as a result of the restructure are the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to transfer. The net assets transferred have been treated as a net gain from restructure in the Statement of Comprehensive Income.

URBAN RENEWAL  
AUTHORITY



Government of  
South Australia

URBAN RENEWAL AUTHORITY

**CERTIFICATION OF THE FINANCIAL STATEMENTS**

We certify that the attached general purpose financial statements for the Urban Renewal Authority:

1. Comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
2. Are in accordance with the accounts and records of the Authority and
3. Present a true and fair view of the financial position of the Authority as at 30 June 2012 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period and there are reasonable grounds to believe the Authority will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board

F. HANSEN  
CHIEF EXECUTIVE  
18 October 2012

B. PIKE  
PRESIDING MEMBER  
18 October 2012

L. SOUTH  
CORPORATE SERVICES GENERAL MANAGER  
18 October 2012



**INDEPENDENT AUDITOR'S REPORT**

**Government of South Australia**  
Auditor-General's Department

9th Floor  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
DX 56208  
Victoria Square  
Tel +618 8226 9640  
Fax +618 8226 9688  
ABN 53 327 061 410  
audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

**To the Presiding Member  
Urban Renewal Authority**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27(4) of the *Housing and Urban Development (Administrative Arrangements) Act 1995*, I have audited the accompanying financial report of the Urban Renewal Authority for the period 1 March 2012 to 30 June 2012. The financial report comprises:

- a Statement of Comprehensive Income for the period 1 March 2012 to 30 June 2012
- a Statement of Financial Position as at 30 June 2012
- a Statement of Changes in Equity for the period 1 March 2012 to 30 June 2012
- a Statement of Cash Flows for the period 1 March 2012 to 30 June 2012
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member of the Urban Renewal Authority, Chief Executive of the Urban Renewal Authority and Corporate Services General Manager of the Urban Renewal Authority.

**The responsibility of Board Members of the Urban Renewal Authority for the Financial Report**

The Board Members of the Urban Renewal Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Board Members of the Urban Renewal Authority determines is necessary to enable the preparation of the financial report that 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 requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members of the Urban Renewal Authority, as well as the overall presentation of the financial report.

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

**Opinion**

In my opinion, the financial report gives a true and fair view of the financial position of the Urban Renewal Authority as at 30 June 2012, its financial performance and its cash flows for the four months then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



**W J Tate**  
**DEPUTY AUDITOR-GENERAL**  
19 October 2012



## ACCOUNTS PAYABLE PERFORMANCE

Table 22. Urban Renewal Authority - Accounts Payable Performance

**1 March 2012 - 30 June 2012**

Particulars	No of accounts paid	% of Accounts Paid (by number)	Value in \$A of Account paid	% of Accounts Paid (by Value)
Paid by due date	2 235	94.52	\$ 286 954 939	99.04
Paid late but paid within 30 days of the due date	152	5.33	\$ 429 307	0.89
Paid more than 30 days from the due date	5	0.16	\$ 799 274	0.08
<b>Total</b>	<b>2 392</b>	<b>100.00</b>	<b>\$ 288 183 520</b>	<b>100.00</b>

## 9. APPENDICES

### FREEDOM OF INFORMATION

The URA is committed to openness, transparency and accountability while at the same time recognising the right of our stakeholders to privacy. The *Freedom of Information Act 1991* is applicable to the URA, as are the Government's Information Privacy Principles.

During 2012, URA received 2 Freedom of Information (FOI) applications. One application related to the sale of Lot 707 Science Park to the Indigenous Land Corporation and the other application related to records of visits within the electoral district of Port Adelaide.

Both applications were granted full or partial release.

The URA's structures and functions are provided in other sections of this Annual Report.

#### ***Documents Held***

Documents held by Renewal SA include:

- Staff records
- Records relating to projects conducted by Renewal SA
- Joint venture and other legal agreements
- Property management, tenancy and other similar records
- Property asset records
- Financial records pertaining to LMC and its affairs
- Policies and procedures.

Some of the above documents may already be publicly available for inspection, purchase or free of charge and it may not be necessary to make an FOI application for access.

#### ***Making an FOI Application***

Prior to making an FOI application with the URA you may wish to discuss your request with the Accredited Freedom of Information Officer, on telephone number (08) 8207 1300.

In accordance with the FOI Act applications must;

- be made in writing and state that the application is made under the FOI Act.
- include your name and address in Australia.
- specify the documents you would like to access and provide as much detail as possible to assist the agency with identifying the documents.
- specify if the documents contain your personal information.
- request the form of access you are seeking, for example, specify if you require a copy of the documents or you wish to inspect the documents.
- be accompanied by the correct application fee (exemptions apply for Members of Parliament and concession card holders)

### ***Application Forms***

Application forms can be downloaded from the State Records website using the links provided below.

[Application for request to access documents](#)

[Application to make a request to amend an agency's records concerning your personal affairs \[PDF\]](#)

Application Forms should be addressed to:

Delegated FOI Officer  
Urban Renewal Authority  
GPO Box 698  
ADELAIDE SA 5001

## **FRAUD**

The URA has a fraud policy and an associated fraud and anti-corruption management plan. No instances of alleged fraud were identified in 2011–12.

## **WHISTLEBLOWERS PROTECTION ACT 1993**

The URA has two responsible officers designated for the purposes of the *Whistleblowers Protection Act 1993*. Under the Act, there were no occasions on which public interest information was disclosed to a responsible officer of the URA during 2011-12.

## **OVERSEAS TRAVEL**

There was no overseas travel by URA staff during 1 March 2012 to 30 June 2012.

## **DISABILITY ACTION PLANS**

*Promoting Independence - Disability Action Plans for South Australia* provides a framework of action for agencies to meet the requirements of the *Disability Discrimination Act 1992* (Cwlth) and the *Equal Opportunity Act 1984* (SA). Agencies are required to report on progress against the following six outcome areas outlined in *Promoting Independence*:

**1. Portfolios and their agencies ensure accessibility of their facilities and services to people with disabilities, both as customers and employees. (Circular 13 also describes the requirement for reporting the number of employees with ongoing disabilities in the Management of Human Resources section)**

The number of employees with disabilities in the URA is recorded and reported in the Annual Report and public sector workforce statistics.

URA is conscious of the needs of those with disabilities and is supportive of employees and visitors with a variety of disabilities including physical, intellectual, psychiatric, sensory, neurological or learning disabilities.

URA provides accessibility to and around sites, for employees and visitors with disabilities and takes reasonable measures to cater for disabilities where required.

**Physical Access**

Including but not limited to;

- walkways are wide to allow for wheelchair access
- sales and information centres are based on ground level
- a ramp is provided on Level 9, Riverside Centre to allow for wheelchair access to the balcony area
- lifts are provided to all floors within the Riverside Centre building
- some cupboards within the kitchen area and all kitchen facilities including recycling points are accessible
- some doorways are fitted with a sliding mechanism to allow for ease of use
- first aid & fire safety equipment are located at low heights as are light switches.

**2. Portfolios and their agencies ensure information about their services and programs is accessible and inclusive of people with disabilities.**

**Non-physical Access**

Access to organisational information such as policies & procedures is via the intranet, which all employees have access to. Remote access is also accommodated where required. Visitors/customers have access to the external internet site for information about the URA. Hard copies of information on projects (fact sheets, newsletters are also available on request). URA have additional links with external 3<sup>rd</sup> party websites to provide information on housing, which provides a wider scope for accessibility to information to the general public.

**3. Portfolios and their agencies deliver advice or services to people with disabilities with awareness and understanding of issues affecting people with disabilities. In doing so, agencies should report on the extent of the delivery of disability awareness training with staff using the *South Australia Disability Awareness and Discrimination Training Framework*.**

URA provides general health and well-being sessions to promote mental and physical health for all employees. Sessions are voluntary and scheduled over lunchtimes when the majority of employees are available.

URA also proactively promotes Access, the Employee Assistance Program which provides independent 24/7 support for all employees as an aid to encourage positive mental health.

Ergonomic assessments are available on request, to all employees and specialist targeted workstation equipment sourced where applicable.

The South Australia Public Sector Code of Ethics is provided at the induction for new starters to generate awareness of acceptable and inclusive behaviours from the first day of employment onwards.

**4. Portfolios and their agencies provide opportunities for consultation with people with disabilities in decision making processes regarding service delivery and in the implementation of complaints and grievance mechanisms.**

All URA employees have the opportunity to provide feedback on policies and procedures including the process for lodging a grievance. Matters and issues can be raised to Human Resources in confidence.

URA has a grievance resolution policy and procedure where employees are able to lodge a grievance where they feel aggrieved by an administrative decision or behaviour that they consider to be unfair or unreasonable. Management take all grievances seriously and deal with them promptly, impartially and confidentially.

Policies and procedures are accessible to all and are reviewed annually.

**5. Portfolio Chief Executives ensure that their portfolio has met the requirements of the *Disability Discrimination Act 1992 (Cwlth)* and the *Equal Opportunity Act 1984 (SA)*.**

URA is compliant with the Disability Discrimination Act 1992 and the Equal Opportunity Act 1984 legislation. These Acts are reflected in the Public Sector Act 2009, the South Australia Public Sector Code of Ethics and URA policies and procedures which are accessible to all. Employees contractually agree to observe and comply with the terms and conditions of URA policies and procedures.

**6. Portfolios report on how they are increasing the rate of employment of people with a disability in order to meet SASP Target 50: People with disability – Increase by 10% the number of people with a disability employed in South Australia by 2020 (baseline 2009).**

Recruitments are advertised widely to encourage all suitable applicants, including via the internet and print media. Diversity is also encouraged in the compilation of the panel for interview boards to minimise indirect discrimination.

The URA commenced on 01 March 2012 and is keen to be an employer of choice to people with disabilities. Recruitment policy and processes will be reviewed, with an aim to encouraging diversity within the workforce.

## **CORPORATE RESPONSIBILITY/EMISSIONS**

Table 23. Corporate responsibility/emissions

Resource area	Renewal SA March 2012- June 2012
Vehicle travel	Kg / CO <sub>2</sub> -e CO <sub>2</sub> = 8,269.18 CH <sub>4</sub> = 2,361.29 N <sub>2</sub> O = 2,325.77  Total 12.60 tonnes of CO <sub>2</sub>
Air travel	Not Available
Paper use	1058.53 reams total 5.58 reams per person 189.6 FTE staff  34.24 reams 0.18 reams per person
Water (Riverside Centre)	Not Available
Energy (Scope 2) (Riverside Centre)	9.37 tonnes CO <sub>2</sub> -e  14413.46 KW (Level 9 Only)

Notes: Energy reduction for Riverside Centre as a result of the Five-Star Green Star fit out for Level 9 - occupied by Renewal SA.

July 2012 National Greenhouse Accounts (NGA) Factors Scope 2 Emission factor of 0.65 was used for calculating the 2011-12 emission profile for Renewal SA.

## CONSULTANCIES

The following table display the Urban Renewal Authority's use of consultancies and the nature of the work undertaken during 2011-12.

Table 24. Consultancies

Consultant	Purpose of consultancy	Number	Total (\$)
<b>Value below \$10 000</b>			
Various	Various		
<b>Subtotal</b>		<b>96</b>	<b>\$267 750.59</b>
<b>Value \$10 000 - \$50 000</b>			
AECOM Australia Ltd	Northern Detention Basin - Consultancy Services Design		13 571.00
AURECON Australia Ltd	Seaford Industry Park - Stage 6 - Design, Document and Superintendence		11 197.00
Kaurna Nation Cultural and Heritage Association	Consulting services Mawson Lakes		50 000.00
Jensen Planning & Design	Background Review for the Port Adelaide Master Plan		23 600.00
Paul Ogden Services Pty Ltd	Project Management Services - City		20 025.60
GHD Pty Ltd	McLaren Wharf and Cruickshank's Corner Master Plan		35 450.00
AEC Environmental	Acid Sulfate Soils Investigation - Future Service		34 122.00
Monash University	CRC for Water Sensitive Cities Participation		25 000.00
<b>Subtotal</b>		<b>8</b>	<b>\$212 965.60</b>
<b>Total</b>		<b>104</b>	<b>\$480 716.19</b>