



RenewalSA
people partnerships progress

Delivering an inspiring urban future

**Annual Report
2012-13**



**Government of
South Australia**

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OUR FINANCIAL PERFORMANCE (STATEMENTS)

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1. LETTER OF TRANSMITTAL

The Hon Tom Koutsantonis MP
Minister for Housing and Urban Development
GPO BOX 2969
ADELAIDE SA 5001

Dear Minister

On behalf of the Urban Renewal Authority (trading as Renewal SA), I have the pleasure of submitting for your information and tabling in Parliament, the Urban Renewal Authority Annual Report 2012-13.

The Annual Report was developed in accordance with the *Department of the Premier and Cabinet Circular: PC013 – Annual Reporting Requirements*.

The annual report incorporates audited financial statements for the year ending 30 June 2013 as required by section 30 of the *Housing and Urban Development (Administrative Arrangements) Act 1995*.



Hon Bronwyn Pike
Presiding Member, Board of Management
Urban Renewal Authority

30 September 2013

2. URBAN RENEWAL AUTHORITY TRADING AS RENEWAL SA

The Urban Renewal Authority was formed on 1 March 2012 and began trading as Renewal SA on 30 August 2012.

Renewal SA is charged with leading urban renewal activities on behalf of the Government of South Australia, including key priorities around affordable housing, renewal of social housing stock, and significantly contributing to achieving outcomes sought for urban development through *The 30-Year Plan for Greater Adelaide*.

Renewal SA responsibilities

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

A key objective for Renewal SA is to accelerate urban renewal, particularly in areas with high concentrations of ageing public housing assets, through partnerships with the private sector and the not-for-profit housing sector. By accelerating urban revitalisation, Renewal SA also seeks to maintain and expand jobs in the vital housing and construction sectors supporting ongoing sustainability for local businesses.

Renewal SA is also unlocking and facilitating access to development opportunities for the private sector that may be available through the better use of government land holdings whether currently surplus or potentially surplus.

Contribution to The 30-Year Plan for Greater Adelaide

Renewal SA is the primary agency delivering a range of key outcomes sought through *The 30-Year Plan for Greater Adelaide*.

Renewal SA conducts detailed precinct planning through consultation with government agencies, local communities, councils and other stakeholders. Consultation is centred on how best to deliver appropriate infrastructure, human services, streetscapes and open space prior to development occurring either directly or through the private sector.

Renewal SA has an ongoing strategic role in identifying and assembling development sites.

Renewal SA engages early and often with local communities, local government, other government agencies and the private sector to facilitate quality, well designed, affordable and sustainable developments – in line with the consultative approach of the Government of South Australia.

South Australia's Strategic Plan

Through the delivery of a range projects and activities Renewal SA 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 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 percent by 2020. Milestone of 10 percent by 2014.
- Target 63 - Use of public transport: increase the use of public transport to 10 percent 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

Renewal SA is created under the Housing and Urban Development (Administrative Arrangements) (Urban Renewal Authority) Regulations 2012.

Key benefits

Renewal SA delivers the following key benefits to the South Australian community:

- support for the government's urban renewal priorities based on the highest design and delivery standards;
- certainty for the community, development industry, and the finance industry to foster investment confidence;
- public and private sector delivery of urban renewal targets, rather than continued urban development on the fringe of Adelaide;
- infill development opportunities that 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;
- 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;
- a single state government 'voice' on urban renewal; and
- provision of affordable housing.

In support of other government priorities, Renewal SA plays a leading role in providing opportunities for industrial and commercial development on designated employment lands to support jobs growth and influence productivity and economic development.

3. OUR BOARD AND MANAGEMENT

Board of Management

Board of Management members at 30 June 2013

Appointed by the Governor, the Board of Management is subject to the control and direction of the Minister for Housing and Urban Development. The Board is responsible to the Minister for securing continuing improvements in performance and protecting both the long term viability of Renewal SA and the Crown's financial and other interests in Renewal SA.

Members of the Board of Management responsible for Renewal SA are selected for their individual and combined expertise to provide strategic governance and direction to its operations.

Several Board members also hold various representative honours with the Australian Institute of the Board of Company Directors. As at the 30 June 2013, the Board's membership comprised:

Hon Bronwyn Pike (Presiding Member) is a former Victorian Government Minister with portfolio responsibilities and experience across health, housing, and education and community services. Ms Pike brings a wealth of experience in developing and delivering public policy and programs for low income and disadvantaged communities.

Mr Michael Terlet AO (Alternate Presiding Member) has extensive private sector experience in international trading, investment and corporate governance and was made an Officer of the General Order of Australia for contributions to industry and export.

Ms Jennifer Westacott (Member) has a background at senior levels in public and private sector administration and is currently the Chief Executive of the Business Council of Australia.

Mr Theo Maras AM (Member) is the founder and Chairman of the Maras Group and has extensive property investment and development experience.

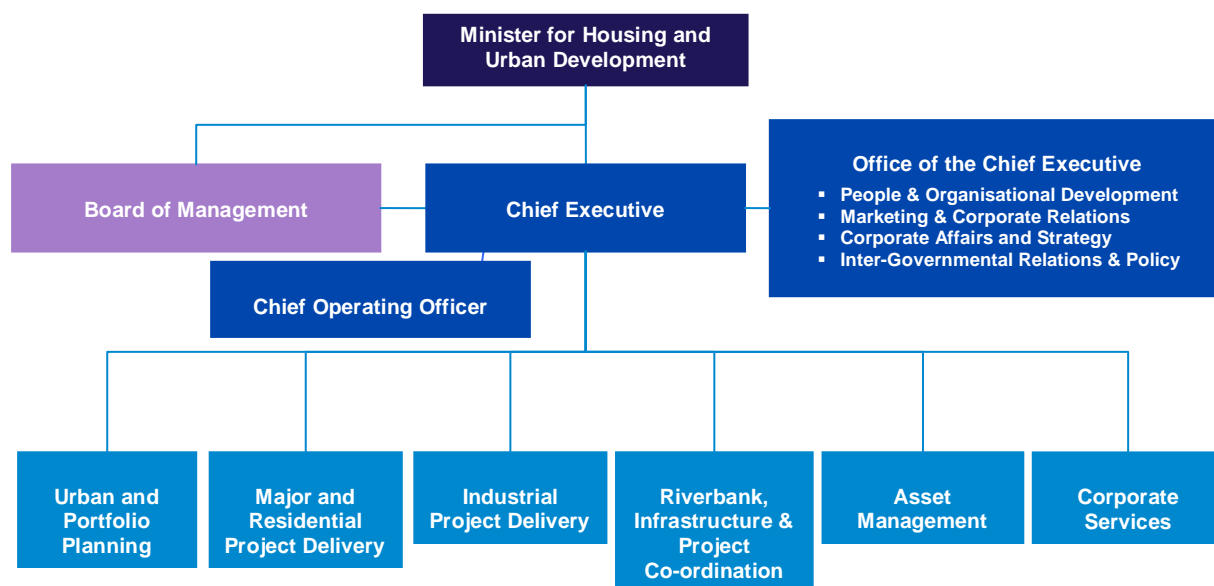
Ms Helen Fulcher (Member) is the former Chief Executive of the Environmental Protection Authority (EPA) and has extensive experience in the development and delivery of social housing and affordable housing in South Australia, New Zealand and Western Australia.

Dr Amanda Rischbieth (Member) is the Chief Executive of the Heart Foundation (SA) and has over 30 years' experience in health, clinical, education, research, executive management and corporate governance roles.

Mr Craig Holden (Member) has extensive property development expertise and experience and is Director of Forme Projex and currently a board member of Common Ground Ltd.

Organisational chart

As at 30 June 2013



4. MESSAGE FROM THE BOARD

Renewal SA engages with individuals, communities, industry, not-for-profits and government partners to plan and deliver positive outcomes that progress South Australia's exciting urban, social and economic development.

As the Board of Management, we make decisions that strongly support the vision of *The 30-Year Plan for Greater Adelaide* and maximise Renewal SA's ability and capacity to fulfil its integral role in transforming that plan into tangible benefits for our communities. It is our responsibility to govern the agency in a way that demonstrates a shared and strong commitment to social, environmental and economic growth in South Australia.

Renewal SA has established a robust framework for ongoing project identification, assessment and selection to ensure that projects and initiatives are clearly aligned with the state government's strategic priorities and directions. Renewal SA also has a significant role in the government's broader social and economic strategic priorities, including facilitating the delivery of infrastructure agreements for growth areas and delivering projects that provide commercial and industrial land opportunities to support jobs and industry growth.

Renewal SA recognises that the private sector is critical in delivering well planned urban renewal projects which include the housing, streets, infrastructure, recreational areas and public amenities. Renewal SA is committed to an ongoing partnership with the private sector that facilitates the expertise and innovation of industry to deliver investment, growth and jobs. Later parts of this report highlight a number of projects where collaboration with the private housing sector in particular, is helping to drive and deliver vital and innovative outcomes across the state.

To successfully deliver on our vision and mission, Renewal SA is reliant on our community, industry, not-for-profit and government partners. Over the past twelve months, we've witnessed a more strategic and operational partnership with Housing SA that has ensured the achievement of optimal outcomes in planning and urban design, as well as the minimum 15 percent affordable housing target, across many of the renewal projects. Renewal SA will continue to deliver social and affordable housing outcomes through the redevelopment of assets currently owned by the South Australian Housing Trust and other surplus government land and / or asset holdings.

The Board of Management thanks Chief Executive Fred Hansen and all the staff of Renewal SA for their dedicated and competent contribution, and acknowledges the support received from the Minister for Housing and Urban Development, the Hon Tom Koutsantonis MP, throughout the first full year of Renewal SA's operation.



Hon Bronwyn Pike
Presiding Member, Board of Management
Urban Renewal Authority

5. MESSAGE FROM THE CHIEF EXECUTIVE

The Annual Report 2012-13 outlines Renewal SA's first full year of operation and details our key accomplishments since our inception – an impressive presentation.

We are guided by the *The 30-Year Plan for Greater Adelaide* that lays out the aspirations for our region – predicting a population increase of 560 000 people with an accompanying 258 000 new homes. The challenge for Renewal SA is to ensure that this growth happens in a manner that enhances our highly valued quality of life.

We do this by demonstrating in our projects how quality of design, open space and the connections between our structures are fundamental to creating great places where people want to live. It is about creating walkable and bike-able neighbourhoods; places where people can meet friends and family for a coffee, a bite to eat or a glass of wine without having to drive. In short it is about creating places where one does not need to use a litre of petrol to get a litre of milk.

It is not about changing 80 percent of our existing neighbourhoods – because these will remain as they are. For our CBD and inner ring suburbs and for those areas on major public transport corridors it is about creating new, more compact communities that are at a human scale, that are inviting and inclusive and that are places where people want to live and recreate. For our industrial and commercial lands it is about creating family wage jobs where people can work and provide a quality of life for themselves and their families.

Renewal SA is a catalyst, a demonstrator of this urban revitalisation and renewal, whether that is at Bowden and Tonsley, or at Lightsview or Woodville West or at the Box Factory, a renewal project currently under consideration. It is about inspiring design, removing roadblocks for our partners, be they builders and developers, community housing groups and our other government partners at the Commonwealth, state or council levels.

We are focused on educating and encouraging this new urban form, but we will not be attempting to deliver it all through our own work.

Our focus must also be on creating great public realm and nothing says this more than the work we are doing in the Greater Riverbank Precinct. The riverbank area has been Adelaide's heart for much of the city's first 100 years. Our goal is to draw on these roots to create a great park for the 21st century and one that again focuses the people on this great heart of our city. Significant activation that will occur with the launch of Adelaide Oval and new footbridge, the new biomedical precinct, the opportunities for repurposing the old hospital site, the expansion and refurbishment of the Adelaide Festival Centre - all anchored by Bowden in the West and Gilberton in the East. The Riverbank Precinct will become a place where there is always something exciting happening – a place that will draw people to it because of its vibrancy and access to other exciting venues in the CBD.

All of our work must be principally focused on where and how people live. We must show the way that our vibrancy and enjoyment are enhanced by the diversity and inclusiveness of the communities we create. At the heart of this and one of our greatest and most important challenges is to create affordable places to live. This means being innovative in design, building techniques and materials, and construction practise. This is where Renewal SA must be bold and innovative, and lead by example to demonstrate what is possible.

When we review our projects we can witness our impact. At Bowden and Woodville West – where people told us Adelaideans didn't want to live in apartments – buyers showed that this view was wrong. And as we see these developments unfold we see that people from all stages of their lives are looking for a different style of living. Particularly in Bowden, where sales have been remarkably strong, even in this weak market. People are buying a home for themselves when they can walk through a model but must use their imagination to envision what the space will be like when built.

The Pope Court (Box Factory) site is another place where we are innovating. And though we have not made any final decision, we are looking at taking 50 social housing units to a mixed tenancy of 170 units in the inner city site where we expect at least 70 units to be affordable purchases.

All these projects and many more will demonstrate our role as catalyst, teacher, experimenter and innovator in urban renewal.

Our work at Port Adelaide and Playford Alive, to name just two, also shows our commitment to bring renewal to places that have rich history and character and to create anew the excitement and opportunity that is part of our heritage.

The list of our accomplishment goes on and on – the first zero carbon home in South Australia at Lochiel Park, the sale of the 200th affordable home at Lightsview and the release of rare land for development at River Street, Marden are just a few.

It has been a year of significance at Renewal SA – a year in which we have genuinely put the words “people, partnerships, progress” into action. What we are achieving is more than just housing; we are creating and nurturing great places.

Our task, in moving forward, is to maintain the momentum we have gained and continue to connect meaningfully with our communities and other partners in creating places where people want to live.

I would like to acknowledge the tremendous support that we have received from the Minister for Housing and Urban Development, the Hon Tom Koutsantonis MP, and the members of the Board of Management, throughout the first full year of Renewal SA's operation. And my biggest thanks to the leadership team and to all staff for their professionalism and enthusiasm without which we could not have achieved any of this.



Fred Hansen
Chief Executive
Urban Renewal Authority

6. OUR FIRST YEAR

A year on from being formed, Renewal SA is now a united entity that is delivering tangible outcomes around urban renewal, social housing and housing affordability.

The \$1 billion urban renewal project at Bowden has been met with strong community support and approval and with great private sector investment in residential and commercial projects. Building and infrastructure works are well underway. Of note is a not-for-profit and private housing developer collaboration on a multi-use, five-story building which will provide housing for key workers in the city as well as social housing and affordable rental properties. As of 30 June 2013, ten separate developers have purchased into four land releases totalling over 1.5 hectares. These releases will yield up to 350 dwellings.

Our joint venture with CIC Australia at Lightsview reached sales of 200 affordable homes, far exceeding affordable housing targets for the residential developments set by the state government. A further 38 homes were supplied for affordable rental through the federal government's National Rental Affordability Scheme (NRAS). Demand for land at Lightsview is high with an average of 16 allotments sold per month.

The Playford Alive urban renewal partnership between Renewal SA, Department for Communities and Social Inclusion, City of Playford and the local community, which will ultimately provide housing for over 40 000 people, reached significant milestones. Work commenced on early stages of the planned \$250 million town centre. Woolworths purchased land for its \$70 million retail development. A GP super clinic and training facility are open and improved parklands are being delivered. Civil works continued, bringing the total investment on new roads and stormwater infrastructure for the project to \$60 million to date.

The Works Program at Playford Alive delivered training and employment programs and placed 147 local people in work experience positions and 77 in paid employment this year. In excess of 520 people have now been placed in work experience and 440 in paid employment since the Playford Alive project commenced in 2008.

The \$126 million, six-stage urban renewal project at Woodville West experienced strong sales, with only 22 dwellings remaining from the 58 homes released as stage one.

Great strides were made at the former Mitsubishi plant at Tonsley, where detailed design work and planning has been undertaken for stages one and two of a mixed-use development which will include education facilities, retail and commercial services and a proposed higher density housing precinct. Construction commenced on the \$113 million Tier 5 Data Centre, and Flinders University commenced construction on its \$120 million, 16 000 square metre Computer Science, Engineering and Mathematics School in preparation for student intake in 2015. The 61 hectare development continues to attract strong leasing and sales interest with a projected \$1 billion investment from the private sector over the 20 year life of the project.

The Better Neighbourhoods Program continues to make headway in creating sustainable, mixed tenure communities by replacing aged social housing with modern and more appropriate housing providing relocated tenants with improved accommodation. The \$15 million self-funding program delivered 64 completed dwellings in 2012-2013, with a further 140 dwellings underway, and sold 68 land allotments to the private market.

7. DELIVERING AN INSPIRING URBAN FUTURE

Contributing to the vibrancy and sustainability of our city, suburbs and regions and supporting economic growth and jobs.

BOWDEN

The first streets in the Bowden development were officially opened by the Honourable Jay Weatherill MP, Premier of South Australia, on 11 May 2013. The development is located on 16 hectares of former industrial land adjacent the city's western parklands and is the state government's first higher density urban infill project.

The project sets new standards in urban revitalisation and design of mixed-use developments and integrated public transport. The precinct is designed to be a safe, walkable urban neighbourhood. On completion it will boast over 2400 dwellings accommodating more than 3500 people, 20 000 square metres of commercial space and over 12 000 square metres of retail space. The precinct will provide energy efficient housing, affordable housing, and will foster a strong, diverse community.

Total approved Renewal SA investment in the project is \$264.7 million

Project commenced: 2008

Forecast project completion: 2025

PROGRESS 2012-13

- Developers ACDEV, Rossdale and Systembuilt started construction on three-storey apartments and terraces.
- A key worker housing project which involves a partnership between not-for-profit organisation Unity Housing and Buildtec was approved for construction.
- The first commercial site fronting Park Terrace was offered for sale.
- The first stage 'shared streets' and parks were completed and opened.
- Sales targets were met with off-the plan sales of 32 apartments and seven terraced homes.
- Planning and community engagement was undertaken for the Adelaide parklands upgrade with positive feedback received.

TARGETS 2013-14

Sales and stock

- Release and contract an additional six development sites to enable development of a minimum 140 apartments.
- Commence construction on a demonstration apartment.
- Contract the first commercial development site at Bowden for a large floor plate office development (on Park Terrace).
- Additional developers Commercial and General, Mossop, Rivergum, Scott Salisbury Homes and Systembuilt (the first developer to undertake a second project at Bowden) will commence selling and construction in the 2014 financial year.

Works and infrastructure

- Commence construction on the stage two public realm including the proposed Bowden Town Square.
- Appoint the Town Centre Stage one (Plant 4) lessee and commence building refurbishments and centre fit-out works.
- Complete the first stage of western parklands upgrade adjacent the Bowden project site.

Affordable housing

- Complete 25 apartments in the key worker housing project with a not-for-profit provider.

Sustainability and environment

- Achieve certification of the first designed five-star rated Green Star residential building in South Australia.
- Achieve certification for Bowden as a pilot Green Star Community via Green Building Council of Australia.

LIGHTSVIEW

The Lightsview project, located at Northgate, is a land development joint venture between Renewal SA and publicly-listed company CIC Australia.

The project covers 91 hectares which, when completed, will provide about 1700 allotments and approximately 2200 dwellings accommodating about 5000 residents.

Lightsview is characterised by high-quality, custom-designed homes. A key innovation is the introduction of zoning to allow small-lot, higher density development, supporting affordable housing outcomes.

Total approved Renewal SA investment in the project is \$85 million (excluding land)

Project commenced: 2006

Forecast project completion: 2020

PROGRESS 2012-13

- The 200th affordable property was sold - exceeding the state government's 15 percent affordable homes target for residential developments.
- A further 38 homes at Lightsview were delivered for affordable rental through the federal government's National Rental Affordability Scheme (NRAS).

TARGETS 2013-14

- Release, sell and settle 200 allotments that will yield approximately 225 dwellings.
- Facilitate the delivery of 33 affordable housing dwellings under the Affordable Homes Program.
- Complete the East Parkway road extension from Lightsview through to Hampstead Road.
- Finalise a development strategy for retirement living at Lightsview.

PLAYFORD ALIVE

The Playford Alive project involves the regeneration of the Peachey Belt suburbs of Davoren Park and Smithfield Plains and more than 500 hectares of greenfield development in Munno Para, Andrews Farm and Penfield.

Playford Alive is a partnership involving Renewal SA, the Department for Communities and Social Inclusion (DCSI), the City of Playford and the local community.

By the time the project is completed, there will be in excess of 40 000 people living in the project area. Throughout this new community will be a host of new facilities such as schools, a GP Super Clinic, railway station, parklands and a \$250 million Town Centre, including a \$70 million retail component to be developed by Woolworths, which is set to begin construction in 2014.

Total approved Renewal SA investment in the project is \$315 million

Project commenced: 2008

Forecast project completion: 2023

PROGRESS 2012-13

- Woolworths settled on a 4.2 hectare site for its \$70 million retail development within the \$250 million Town Square.
- The Works program at Playford Alive delivered training that resulted in 10 participants gaining employment in the McDonald's store under construction, bringing the number of people employed through the program to 147 this financial year.
- Two rounds of community consultation took place on the draft concept plan for a new community park. Feedback and ideas from the community consultation have been incorporated into the design of the new 1.3 hectare Town Park on Peachey Road, Munno Para.
- The sale of 136 residential land allotments, 17 newly built homes and 13 refurbished homes totalling 166 residential sales.
- The release of the "Vincent Release" comprised of 45 allotments located at Munno Para within walking distance of the new Town Centre.

TARGETS 2013-14

- Complete the design of 240 allotments in the greenfields and renewal areas.
- Complete the construction of 137 new allotments in the greenfields and renewal areas to allow approximately 149 new dwellings with more than 25 percent allocated to the Affordable Homes Program.
- Commence construction of a 1.3 hectare Town Park on Peachey Road, Munno Para.
- Complete landscaping for three more stages of the overall development.
- Complete civil and landscape works for new Playford Alive display village.
- Complete civil works to facilitate an innovative housing project within the Town Centre precinct comprising approximately 64 new houses ranging in sizes from 60 square metres to 110 square metres, priced from \$155 000 to \$210 000.

TONSLEY

The Tonsley development, located on 61 hectares on South Road at Clovelly Park, will create a vibrant and sustainable mixed-used employment, education, services, retail and residential precinct over the next 20 years.

Objectives for the development include over 6000 high value jobs, 8500 students per year learning on site and approximately 1500 residents living in high quality accommodation.

Renewal SA is partnering with the Department for Manufacturing, Innovation, Trade, Resources and Energy (DMITRE) in planning, marketing and delivering the project. Renewal SA is responsible for the physical delivery of the project on the ground, including site remediation, establishment of roads and infrastructure, public spaces and landscaping as well as sales.

Total approved Renewal SA investment in the project is \$253 million

Project commenced: 2012

Forecast project completion: 2027

PROGRESS 2012-13

- Redevelopment plans for the main assembly building (formerly used as the assembly plant for Mitsubishi Motors) as well as street typologies and movement were reviewed by 350 people at a third community engagement event.
- Community comment was invited on plans to rezone the site from its former use as a car assembly plant to a mixed-use precinct. Feedback was sought on specific detailed design elements, building on the initial concepts developed with the community through the master planning process.
- Stage one infrastructure works commenced in March 2013.
- Preparatory works enabled commencement of construction of TAFE's Sustainable Industries Education Centre (SIEC) which will attract 6500 students from 2014.

- Preparatory works enabled Flinders University to commence construction on its \$120 million, 16 000 square metre Computer Science, Engineering and Mathematics School in preparation for student intake in 2015.
- Preparatory works enabled construction to get underway on the \$113 million, Tier 5 Data Centre.

TARGETS 2013-14

Works and infrastructure

- Complete stage one infrastructure works.
- Complete the part upgrade of the Main Assembly Building for E21 Café in preparation for the opening of TAFE's Sustainable Industries Education Centre (SIEC) in January 2014.
- Complete stage two civil works for the construction of Flinders University's \$120 million Computer Science, Engineering and Mathematics School in preparation for student intake in 2015.
- Continue the main assembly building upgrade to create additional space for advanced manufacturing, retail and commercial activity.

Sales and stock

- Implement the Tonsley sales and marketing strategy to build brand awareness, confidence and momentum.
- Release high-value manufacturing and commercial allotments for sale and settlement.
- Implement an expression of interest process to select a residential developer for a proposed 11 hectare residential precinct.

Sustainability and environment

- Achieve certification as a pilot Green Star Community by Green Building Council of Australia.
- Establish Tonsley as a Cooperative Research Centre (CRC) for Low Carbon Living.

THE SQUARE AT WOODVILLE WEST

The Woodville West project (transferred from Housing SA in 2012) involves the redevelopment of 13 hectares near West Lakes Boulevard that had a high concentration of aged social housing dwellings.

Redevelopment of the site involves the demolition of obsolete Housing SA homes to make way for the construction of 425 new dwellings, the reconfiguration of roads and the creation of new public spaces. The master planned project will deliver 35 percent affordable housing and an additional 15 percent social housing.

To date, stage one of the six-stage project has been completed with the construction of 69 dwellings. Concept planning and detailed design for stage two is underway.

Total approved Renewal SA investment remaining for the project is \$86.24 million

Project commenced: 2010

Forecast project completion: 2024

PROGRESS 2012-13

- Completion of the \$1.5 million realignment of Todville Street and rail crossing works and re-opening of the street.
- Completion of 69 dwellings in stage one.
- The transfer of 11 stage one dwellings to Housing SA for retention as social housing.
- A marketing campaign for stage one “Parkview Townhouses” was launched.
- Strong sales - as at June 2013 there are only 22 dwellings remaining for sale (14 townhouses and 8 apartments).

TARGETS 2013-14

- Complete the sale and settlement of all dwellings in stage one.
- Finalise concept planning and detailed design for stage two.
- Launch stage two marketing campaign.
- Work with the community to finalise the concept design for the proposed “Village Square” community hub.
- Finalise the development plan for stages three to six.

PORT ADELAIDE RENEWAL PROJECT

Port Adelaide has long been recognised as an area with outstanding urban renewal potential. Its many heritage assets create a unique identity, ripe for new infill and waterfront development creating exciting possibilities for the community.

Delivery of the Port Adelaide Renewal Project encompasses a high level of community engagement and the delivery of early activations, precinct plan and business case development.

PROGRESS 2012-13

- Appointment of the Port Adelaide Renewal team.
- Precinct and Implementation Plans were drafted.
- A Business case was developed for future investment in Port Adelaide.
- Early activation works commenced, including:
 - commencement of façade restoration work on two buildings in the heritage area of the Port - the Visitor Information Centre and Country Arts Building;
 - completion of a sand boat launching facility and boat ramp repairs at Cruikshank’s Corner;

- detailed design work of landscaping at Harts Mill;
- work started on the waterfront Loop Path;
- angle parking was planned and designed for St Vincent Street; and
- the development of an activation strategy for Port Adelaide.
- Three vacant shops are now occupied under the Renew Adelaide program.

TARGETS 2013-14

- Precinct Plan completed.
- Early activation works:
 - completion of façade restoration works to the Visitor Information Centre and Customs House;
 - landscaping at Harts Mill completed;
 - relocation of North Arm markets to Port Adelaide;
 - loop Path completed; and
 - angle parking in St Vincent Street completed.
- An activation strategy to deliver or support four key events and a range of smaller monthly activities.
- A further six shops occupied under the Renew Adelaide program.
- Business case approved and future funding for the Port Adelaide Renewal Project secured.
- Initial design and costing of future project works complete, subject to funding.

INNER-CITY REDEVELOPMENT

Renewal SA released the inner-city expression of interest in early 2013. The expression of interest sought innovative ideas from private developers and not-for-profit housing providers, working together, to deliver mixed-use development on government-owned inner-city sites.

Renewing housing and updating physical infrastructure within the Adelaide central business district is an integral part of building sustainable and diverse communities which can enjoy the benefits of inner city living. In partnership with Housing SA, this renewal project aims to deliver a range of housing to support such communities and to reduce concentrations of social disadvantage.

The expression of interest encouraged mixed-use proposals incorporating a mix of housing types and tenures including market, affordable and social housing for sale and rent and with opportunities for retail and commercial uses.

Renewal SA also released the inner-city market sounding in early 2013 seeking interest and innovative development models from developers and not-for-profit housing providers having the capacity to deliver multi-storey mixed-use development on inner-city state government-owned land.

PROGRESS 2012-13

Five consortia were shortlisted and invited to prepare detailed proposals for the Pope Court (Box Factory) site in a stage two expression of interest.

TARGETS 2013-14

- Complete stage two of the expression of interest process.
- Select the preferred proponent to deliver the Box Factory (Pope Court) redevelopment.
- Undertake ongoing communications and engagement with stakeholders, tenants and the wider community.

Market sounding

- Conclude all site investigations with relevant state government agencies as owners of the inner-city sites.
- Facilitate discussions with proponents and the relevant state government agencies to broker potential development opportunities where applicable.

GREATER RIVERBANK PRECINCT

Renewal SA has responsibility for creating an implementation plan to transform the Greater Riverbank area into an iconic destination for South Australia and the centrepiece of a vibrant city.

The Greater Riverbank Precinct stretches from Hackney Road to Bonython Park, encompassing the Botanic Gardens, Adelaide Zoo, Adelaide Oval, Convention Centre and Festival Centre – and all that lies along the River Torrens, with sporting fields, universities, cafes and restaurants, walking, running and cycling trails.

Building on the current investment already underway in the Precinct, Renewal SA is working in partnership with the Department of Planning, Transport and Infrastructure, the Adelaide City Council and other state government agencies to prepare a roadmap for the renewal of the Greater Riverbank Precinct over the next 20 years.

The implementation plan will link up and enhance existing key sites within the Greater Riverbank Precinct and create new attractions and facilities. The 20-year implementation plan will include short and long term proposals aimed at creating Adelaide's great park, a rival to other great parks of the world.

PROGRESS 2012-13

- Establishment of a project steering group comprising state and local government representatives.
- The procurement of a multi-disciplinary consultant team to prepare the Greater Riverbank Precinct implementation plan.
- An initial round of community consultation with positive public support.
- A second round of community consultation, including a major community event at the Convention Centre to launch the consultation process and overwhelmingly positive public support for the draft vision.
- Completion of a draft implementation plan.

TARGETS 2013-14

- Finalisation of the Greater Riverbank Precinct implementation plan.
- State government approval for the delivery of early stages of the implementation plan.
- The establishment of governance arrangements for implementation.

AFFORDABLE HOUSING

Renewal SA has progressed with a range of affordable housing policy and program initiatives.

Fifteen percent affordable housing target

The 2005 Housing Plan for South Australia adopted a target of 15 percent affordable housing for all new significant developments be affordable, including five percent for high needs. Criteria for affordable housing are published in the *South Australian Government Gazette* annually by the Minister responsible for the *South Australian Housing Trust Act 1995*.

Outcomes through the 15 percent requirement include new social housing, affordable private rental (NRAS) and home ownership opportunities. As at 30 June 2013, 1193 affordable homes have been delivered and a further 2817 are committed through the 15 percent requirement.

The Housing Strategy for South Australia and *An Affordable Place to Live* strategic priority

Feedback received from the public and interest groups through the *An Affordable Place to Live* consultation and earlier consultation on the *Housing Strategy for South Australia: Green Paper* was incorporated into two key government documents: a revised draft *Housing Strategy for South Australia* and a chapter on Affordable Housing measure in the *An Affordable Place to Live* strategic priority statement.

National Rental Affordability Scheme (NRAS)

New dwellings for affordable rental outcomes at 80 percent of market rent for eligible households are secured under the National Rental Affordability Scheme (NRAS) for a maximum of ten years.

Renewal SA works with not-for-profit and for-profit NRAS participants to include NRAS outcomes in new medium density developments to optimise the mix of housing tenures, occupants and financial return. In 2012-2013 NRAS outcomes were achieved or proposed for projects at Woodville West, Playford Alive, Bowden, Marden and Pope Court and are being negotiated for delivery in 2013-2014 and 2015-2016 in other Renewal SA projects at Woodville Gardens, Port Adelaide and Tonsley Park.

The Affordable Homes Program

The Affordable Homes Program aims to make low cost home ownership opportunities available exclusively to eligible buyers for a limited time. Newly constructed properties and house and land packages and former social housing properties are sold through the program to low and moderate income earners.

PROGRESS 2012-13

- Revitalised marketing material was produced to promote an easier, smarter way to buy a home.
- Completion of 477 National Rental Affordability Scheme properties representing \$143 million of private sector investment.
- The transferral of listings for Affordable Homes Program properties to realestate.com.au and improved purchasing process implemented.
- The affordable homes target was exceed with 15.7 percent achieved across new significant developments.
- A total of 328 homes were delivered through the 15 percent affordable housing requirement.
- A total of 472 affordable homes were sold through the Affordable Homes Program including 15 percent outcomes and former social housing properties.

TARGETS 2013-14

Affordable Housing

- Negotiation to secure at least 15 percent affordable housing in significant new developments.
- Negotiation and administration of affordable housing plans with each developer.
- The development of promotional and informative materials about affordable housing for industry and local government.

Housing Strategy for South Australia

- Develop the housing chapter of the *An Affordable Place to Live* strategy in conjunction with Housing SA.
- Draft the revised *Housing Strategy for South Australia*.

National Rental Affordability Scheme

- Provide strategic advice to the federal Department of Families, Housing, Community Services and Indigenous Affairs on round five structure, assessment methodologies and documentation for the National Rental Affordability Scheme.

Affordable Homes Program

- Achieve a sales target of over 200 homes sold to eligible buyers during the exclusive period.
- Further enhance the customer experience of the program website and online presence.

BETTER NEIGHBOURHOODS PROGRAM

In 2002 Housing SA commenced the Better Neighbourhoods Program (BNP) to renew communities through the replacement of ageing social housing stock in suburbs with high concentrations of public housing by newer and more appropriate forms of housing. Renewal SA is project managing delivery of the program on behalf of Housing SA. Since 2002, Better Neighbourhoods Program has been successful in improving the social mix within suburbs as well as upgrading streets and providing sustainable, manageable housing for Housing SA tenants. The program has delivered more than 1400 new social houses across metropolitan Adelaide as well as making available a further 600 allotments for private purchase.

Better Neighbourhoods Program is a \$15 million-a-year self-funded program with expenditure recouped through sales of newly-created allotments and dwellings. The program is able to be self-funded and remain cash neutral through a process of prioritising the most suitable aged housing stock to deliver the best outcomes.

Working with Housing SA, which is responsible for determining the location of Better Neighbourhoods Program activity and then managing tenant relocations, Renewal SA's contribution to the program in 2012-2013 was to demolish aged housing stock; subdivide the vacant land into smaller allotments; build new homes and sell vacant allotments on the open market. Of the homes built during the year, about half were three-bedroom dwellings with the remainder of two- and four-bedroom configurations to meet Housing SA tenancy requirements.

In March 2013, the Premier announced an accelerated \$23.6 million program of Better Neighbourhoods Program activity to deliver more affordable housing in 2013-14 and 2014-15; planning for this expanded effort was completed by 30 June 2013.

PROGRESS in 2012-13

- Demolition of 76 aged Housing SA dwellings.
- Sale of 68 allotments.
- Completion of 56 dwellings with a further 84 under construction as at 30 June.

TARGETS 2013-14

Targets for next financial year comprise:

- Demolition of 120 vacant dwellings.
- Subdivision of vacant land to create 85 allotments for dwelling construction and 85 allotments for sale.
- Sell and settle a total of 138 allotments throughout metropolitan Adelaide.
- Build 154 dwellings for Housing SA retention as social housing.

ASSET MANAGEMENT AND INDUSTRIAL PROJECTS

Facilitating land based projects that add to economic prosperity, industry innovation and jobs growth.

Renewal SA's Asset Management Division is responsible for managing 1400 individual land parcels totalling over 4100 hectares, and managing over 200 leases including more than 275 000 square metres of building area. The Asset Management Division is also responsible for Renewal SA's land acquisitions and sales programs.

EDINBURGH PARKS INDUSTRIAL ESTATE

The Edinburgh Parks Industrial Estate includes over 600 hectares of land owned by Renewal SA, primarily in the suburb of Edinburgh in the northern metropolitan area. The precinct is identified in *The 30-Year Plan for Greater Adelaide* as a key employment area, which will be developed over time to support attainment of employment targets particularly for Northern Adelaide.

The estate is located at the northern end of the Northern Economic Corridor and has strong transport links to the Interstate Main rail Line (IML, through the SCT Direk Intermodal terminal) and Adelaide's upgraded expressway system through the Northern Expressway. The program includes the development, in stages, of an industrial subdivision. However, the industrial subdivision is to be progressed in the context of investigating potential higher-value land uses which may be desirable in the vicinity of the Elizabeth Regional Centre.

PROGRESS 2012-13

- Works progressed on the construction of a stormwater detention basin within the Northern Precinct. This basin will provide improved flood protection against a 1 in 100 year storm event in the upstream catchment.
- A real estate agent was retained for the year to actively market developed allotments.
- One land allotment was sold.

TARGETS 2013-14

- Deliver serviced industrial allotments to meet market demand.
- Complete stormwater/flood mitigation works for the estate to define developable land.
- Implement an asset management program for the estate.
- Achieve budgeted sales/leasing revenue.

SEAFORD INDUSTRY PARK

The Seaford Industry Park includes approximately 30 hectares of land at Seaford which has been developed by Renewal SA in stages.

Development of the industry park is in its final stage (stage 6) of development. The industry park is identified in *The 30-Year Plan for Greater Adelaide* as a key employment area, which is to be developed over time to support attainment of employment targets particularly for southern Adelaide.

PROGRESS 2012-13

- Developed allotments/properties marketed through a commercial real estate agent.
- Three developed allotments were sold.

TARGETS 2013-14

- Deliver serviced industrial allotments to meet market demand.
- Achieve budgeted sales revenue.

GILLMAN EMPLOYMENT LANDS AND EAST GRAND TRUNKWAY

The Gillman Employment Lands Precinct includes over 500 hectares of land owned by Renewal SA, primarily in the suburbs of Gillman and Dry Creek. The precinct is identified in *The 30-Year Plan for Greater Adelaide* as a key employment area, which will be developed over time to support employment targets, particularly for Western Adelaide.

The precinct is located at the western edge of the Northern Economic Corridor and has strong transport links to Outer Harbor, the Interstate Main rail Line (IML) and Adelaide's upgraded expressway system through the Port River Expressway.

The program includes the creation of a master plan, in collaboration with key stakeholders and special interest groups. The master plan will guide future development, the development in stages of an industrial subdivision; the creation of infrastructure and transport linkages to Port Adelaide and the retention of open space areas, which will also act to manage stormwater from the adjacent urban area.

PROGRESS 2012-13

- Significant progress on soil importing activities from Adelaide Oval Stage one and Waterproofing the West (Old Port Road).

TARGETS 2013-14

- Continue work with stakeholders and special interest groups on the master planning process.
- Deliver serviced industrial allotments to meet market demand (East Grand Trunkway Project).
- Deliver serviced industrial allotments to meet market demand (Hanson Road Extension Project).

- Complete master planning for the remainder of the Gillman Employment Lands Precinct.
- Finalise residual land acquisition matters (former Dean Rifle Range).
- Achieve budgeted sales revenue.

NORTHERN LEFEVRE PENINSULA OPEN SPACE PROJECT

The Northern Lefevre Peninsula Open Space project was initiated by Defence SA in 2010 and is now under the care and control of Renewal SA.

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.

Swanbury Penglase Landscape Architects undertook the detailed design for five priority precincts. The five priority precincts are:

- Lady Ruthven Reserve (formerly referred to as “North Haven”) – located on Lady Ruthven Drive adjacent to the overseas passenger terminal and South Australia One Drive;
- Biodiversity Park – located on the western corner of Victoria Road and Pelican Point Road Osborne;
- Kardi Yarta (formerly referred to as “Lefevre Cultural Park”) – located on the eastern corner of Victoria Road and Pelican Point Road Osborne;
- Falie Reserve (formerly referred to as “The Link”) – located on Mersey Road North in Osborne, north of the Techport Australia supplier precinct; and
- Mutton Cove Buffers – located north, west and south of Mutton Cove Conservation Reserve.

PROGRESS 2012-13

Practical completion of:

- Falie Reserve landscaping and biodiversity improvements;
- Mutton cove Buffers landscaping and biodiversity improvements;
- Lady Ruthven Reserve landscaping and biodiversity improvements; and
- Biodiversity Park landscaping and biodiversity works.

TARGETS 2013-14

- Completion of Kardi Yarta recreational areas.
- Continue ongoing asset maintenance for Renewal SA properties on the Northern Lefevre Peninsula and at Port Adelaide ensuring consideration of Defence SA activities at Techport Australia and in support of the South Australian Maritime Industry.

RESIDENTIAL LAND RELEASES

EVANSTON

The rezoning in 2011 of approximately 200 hectares of land at Evanston for residential development required a commitment to provide infrastructure. This includes significant road upgrades, a coordinated stormwater system comprising channels, detention basins and wetlands, an aquifer storage recovery (ASR) system (for irrigation of green spaces) and contribution towards community facilities. Renewal SA administers the delivery of this infrastructure by parties with development interests in the rezoned land (including Renewal SA).

Renewal SA owns two parcels of land at Evanston totalling 108 hectares form the overall 200 hectare rezoned area – Evanston Gardens (49 hectares) and Evanston South (59 hectares).

In 2012, Renewal SA released these parcels for sale on the basis that the purchaser/developer of each parcel will take responsibility for the respective infrastructure obligations.

PROGRESS 2012-13

The Evanston sites were released for sale. Expressions of interest opened in December 2012 and closed on 17 April 2013. A development framework document described the infrastructure obligations and a range of outcomes to be achieved during the development of the sites.

TARGETS 2013-14

Sale of both sites.

RIVER STREET MARDEN

The River Street Marden site is situated approximately five kilometres north-east of the Adelaide CBD and borders the River Torrens Linear Park. The site is strategically positioned for a residential development, providing walking and cycling paths to the Adelaide CBD together with the O-Bahn transit corridor.

The Klemzig Bus Interchange is situated approximately one kilometre to the north-east. It provides an interchange point for the O-Bahn bus service and surrounding bus networks. Near-city living that is affordable and accessible via the existing bikeway and walkway has potential to allow for the much healthier and sustainable lifestyle that is highly prized by many South Australians and is part of Renewal SA's mandate.

PROGRESS 2012-13

First round expression of interest submissions were received from developers, builders or consortiums demonstrating their capability to:

- Prepare a master plan and develop design principles for the site.
- Create a minimum of four super lot development sites including necessary infrastructure.
- Establish a program to deliver the required affordable housing outcomes.
- Acquire and develop at least 25 percent of the super lot development area.

TARGETS 2013-14

- Conclude second round expression of interest process.
- Select a proponent and seek necessary approvals.
- Establish legal arrangements between parties.
- Proponent to prepare a master plan in association with relevant stakeholders.
- Development on site commenced.

LAND SALES AND DISPOSAL OF SURPLUS SCHOOL SITES

Renewal SA is responsible for managing the disposal of surplus government land on behalf of state government departments.

In accordance with government policy, following the land being declared surplus to a department's requirements, it is first offered:

- to other state government departments to meet service delivery or the provision of infrastructure; and
- to the relevant local council, for public or community uses.

If no interest is expressed by state or local government areas, a real estate agent is engaged to sell the land.

PROGRESS 2012-13

The following sales were completed on behalf of government departments:

Table 1

Site	Description	Sale price	Purchaser
Coorara Pre-School	Pre-school building	\$262 500	RRJ Versteegh
St Pauls Kindergarten, Cowell	Kindergarten	\$125 000	DC of Franklin Harbour
Parafield Gardens Kindergarten	Kindergarten	\$300 000	The Gardens Community
Gepps Cross Girls High School	Former high school	\$8 000 000	Cavill Power Products P/L
Terowie Rural School	Former school	\$109 091	RP Lilywhite
22 Nepean Avenue Kingscote	Residence	\$340 000	South Australian Housing Trust
Whyalla Courts land	Vacant land	\$30 000	City of Whyalla
Elura Clinic, Hill St North Adelaide	Medical clinic	\$3 100 000	Tienan Corporation P/L
68 Barramundi Drive Hallett Cove	Residence	\$310 000	AS Worner & JM Read
7 Surf St Brighton	Residence	\$440 000	KJ Dix & E Carnevale
21 Delaine Ave Edwardstown	Residence	\$426 000	C Hewett & DB Hewett
8 Harvey St Henley Beach	Residence	\$546 000	CM Partington

The following purchases were completed on behalf of government departments:

Table 2

Site	Description	Sale price	Purchaser
Adelaide (Gilles St)	Property for expansion of adjacent school	\$2 090 000	Department for Education and Child Development
Salisbury Heights	Land for fire station	\$1 850 000	South Australian Metropolitan Fire Service
Mawson Lakes	Land for fire station	\$1 350 000	South Australian Metropolitan Fire Service
Whyalla	Land for health clinic	\$180 000	Department of Health

See Appendices *Table 23, 24 and 25 Renewal SA Land and Property Sales for 2012-2013.*

TARGETS 2013-14

To continue to manage disposal of sites and the provision of property related services in line with the programs agreed with the relinquishing agencies. A key site is the former Magill Youth Training Centre.

Former Magill Youth Training Centre

The former Magill Youth Training Centre site is 19 hectares of land at Woodforde, adjacent to Rostrevor College, some 10 kilometres east of Adelaide's central business district.

Renewal SA is managing the disposal of the site on behalf of the Department of Communities and Social Inclusion. The sale of land is required to fund construction of a new Youth Training Centre at Cavan, in the City of Salisbury.

PROGRESS 2012-13

- Renewal SA completed due diligence investigations, including an environmental site assessment, geotechnical investigations, a significant tree survey and biodiversity study.
- Renewal SA appointed the agent Realty Corp Property Solutions to develop a disposal strategy and manage the marketing of the site, with a release planned for the second half of 2013.
- The former Training Centre was decommissioned including the demolition of three houses on the Glen Stuart Road frontage, removal of all fixtures and fittings from the training centre, securing the site and termination of all but essential services.
- Approval has been obtained for further demolition and environmental investigations to support a contaminated land audit.

TARGETS 2013-14

- Rezoning of the site via Ministerial Development Plan Amendment (managed by the Department for Planning, Transport and Infrastructure (DPTI)).
- Completion of building demolition (managed by DPTI) and site audit (managed by Renewal SA) underneath the buildings.

- Release the site to the market during 2013 following the completion of the Development Plan Amendment process.

COMMUNITY TRAINING AND EMPLOYMENT

Renewal SA 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 Renewal SA's role in maximising community and social inclusion benefits from its urban development activities, in 2008 a community training and employment strategy was established initially within the Playford Alive project. The concept proved very successful and was later extended to the Bowden project in 2012.

Engagement, training and employment programs under the "Renewal SA 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 Renewal SA-managed contracts.
2. Engagement, training and employment programs.
3. Live training sites using Renewal SA-owned land and capital works contracts to provide local on-site training models for registered training organisations.

Through the joint efforts of Renewal SA, the City of Playford and the City of Charles Sturt, the Renewal SA Works Program has secured funding in excess of \$8.1 million in partnership with 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 Renewal SA Works Program at Playford Alive is now in its fifth year of delivery and the Renewal SA Works Program at Bowden is now in its second year.

PROGRESS 2012-13

The Renewal SA Works Program at Playford Alive has delivered the following to the local community during 2012-2013:

- \$2.2 million of funding;
- 10 engagement, training and employment programs to 188 local people;
- 147 work experience placements with 48 of these coming from Playford Alive contractors;
- 77 paid employment placements with 20 of these coming from Playford Alive contractors; and
- three live training sites.

During 2012-2013, Renewal SA Works Program at Bowden delivered the following:

- \$186,000 of funding;
- 38 accredited training places;
- 54 work experience placements with 17 of these coming from Bowden contractors;
- 15 paid employment placements with 6 of these coming from Bowden contractors; and
- three live training sites.

TARGETS 2013-14

In 2013-2014, Renewal SA Works Program at Playford Alive will deliver a minimum of:

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

In 2013-2014, Renewal SA Works Program at Bowden will deliver a minimum of:

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

8. APPENDICES

Board and management

Membership and meeting attendance 2012-2013

Table 3

Members	No Meetings Held 1/7/12 – 30/6/13 (which the member was eligible to attend)	Number Member Attended
Hon Bronwyn Jane PIKE Presiding Member: 1/8/12 – 30/6/13 Member: 1/8/12 – 30/6/13	12	11
Michael John TERLET AO Presiding Member: 1/7/12 – 31/7/12 Alternate Presiding Member 6/8/12 – 30/6/13 Member: 1/7/12 – 30/6/13	12	10
Helen Margaret FULCHER Member: 1/8/12 – 30/6/13	12	11
Craig Andrew HOLDEN Member: 1/8/12 – 30/6/13	12	11
Theo Steven MARAS AM Member: 1/7/12 – 30/6/13	12	10
Amanda Mary RISCHBIETH Member: 1/8/12 – 30/6/13	12	11
Jennifer Anne WESTACOTT Member: 1/7/12 – 30/6/13	12	11
Judith Mary CARR Member: 1/7/12 – 31/7/12	0	0
Alice CLARK Member: 1/7/12 – 31/7/12	0	0
Rodney George HOOK Member: 1/7/12 – 31/7/12	0	0

Risk and Audit Committee meeting attendance 2012-2013

Table 4

Members	27 Aug 2012 Meeting 2	29 Oct 2012 Meeting 3	26 Nov 2012 Meeting 4	10 Dec 2012 Extraordinary Meeting	25 Feb 2013 Meeting 5	27 May 2013 Meeting 6
Jennifer Westacott (Chair)	✓	✓	✓	✓ (via telephone)	✓	✓
Hon Bronwyn Pike	✓	✓	✓	✓	x apology	✓
Mike Terlet AO	✓	✓	✓	✓	✓ part-meeting	✓

Remuneration Committee meeting for the 2012-2013 period

There was one meeting of the Remuneration Committee for 2012-13, attended by Bronwyn Pike and Helen Fulcher (Board representatives) and Fred Hansen and Morna Young (Management representatives).

Project Management Framework

Renewal SA is committed to ensuring programs and projects are conceptualised, planned, implemented and closed effectively to meet its strategic agenda. Renewal SA's Project Management Framework (PMF) has been developed to provide a foundation for consistent project management across the entire organisation.

The framework is based on industry best practice, and is supplemented by Renewal SA's business systems. The framework's foundation is the knowledge areas, lifecycle and processes that are promoted as industry best practice in project management and reflects the Australian Institute of Project Management's national competency standards for project management.

The primary objectives of the Project Management Framework are to ensure Renewal SA programs and projects:

- are managed effectively in order to meet Renewal SA's strategic objectives and the strategic agenda and policy directives of Government of South Australia delivered in accordance with contemporary project management principles and practices; and
- comply with relevant legislation, regulations, standards and industry codes of practice.

Our people

EMPLOYEE NUMBERS, GENDER AND STATUS

Table 5

Total Number of Employees (as at 30 June 2013)		
Persons	208.0	
FTEs	199.7	FTEs shown to one decimal place

Table 6

Gender	% Persons	% FTEs
Male	51.9 (108 people)	53.8 (107.4 FTE)
Female	48.1 (100 people)	46.2 (92.3 FTE)

Table 7

Number of Persons During the 2012-13 Financial Year	
Separated from Renewal SA	23
Recruited to Renewal SA	33

Table 8

Number of Persons at 30 June 2013	
On Leave Without Pay	3

NUMBER OF EMPLOYEES BY SALARY BRACKET

Table 9

Salary Bracket	Male	Female	Total
\$0 - \$53 199	20	15	35
\$53 200 - \$67 699	4	24	28
\$67 700 - \$86 599	16	23	39
\$86 600 - \$109 299	25	22	47
\$109 300 +	43	16	59
TOTAL	108	100	208

Note: Salary details relate to pre-tax income excluding superannuation and Fringe Benefits Tax. 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 superannuation. 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 Public Service Act Administrative Services Stream with consideration of the Operational, Professional, Technical and Executive Streams.

STATUS OF EMPLOYEES IN CURRENT POSITION

Table 10

FTEs	Ongoing	Short-term Contract	Long-term Contract	Other (casual)	Total
Male	34.6	2.8	70	0	107.4
Female	28.7	3	60.6	0	92.3
TOTAL	63.3	5.8	130.6	0	199.7

Table 11

PERSONS	Ongoing	Short-term Contract	Long-term Contract	Other (casual)	Total
Male	35	3	70	0	108
Female	34	3	63	0	100
TOTAL	69	6	133	0	208

EXECUTIVES BY GENDER, CLASSIFICATION AND STATUS

Table 12

	Ongoing		Contract Tenured		Contract Untenured		Other (Casual)		Total			
Classification	Male	Female	Male	Female	Male	Female	Male	Female	Male	%	Female	%
Executive	0	0	0	0	6	5	0	0	6	54.5	5	45.5
Total	0	0	0	0	6	5	0	0	6	54.5	5	45.5

Leave management

AVERAGE DAYS LEAVE PER FULL TIME EQUIVALENT EMPLOYEE

Table 13

Leave Type	2011-12	2012-13
Sick Leave	3.2	5.6
Family Carer's Leave	0.3	0.7
Miscellaneous Special Leave	0.1	0.8

Workforce diversity

ABORIGINAL AND / OR TORRES STRAIT ISLANDER EMPLOYEES

Table 14

Salary Bracket	Aboriginal Employees	Total Employees	% Aboriginal Employees	Target* (%)
\$0 - \$53 199	0	35	0	2
\$53 200 - \$67 699	0	28	0	2
\$67 700 - \$86 599	0	39	0	2
\$86 600 - \$109 299	0	47	0	2
\$109 300 +	0	59	0	2
TOTAL	0	#208	0	2

* Target from South Australia's Strategic Plan.

Note: 16 employees declined to provide information.

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER

Table 15

Age Bracket	Male	Female	Total	% of Total	2013 Workforce Benchmark (%)*
15-19	0	0	0	0	6.2
20-24	1	0	1	0.5	9.7
25-29	10	12	22	10.6	10.9
30-34	13	18	31	14.9	9.8
35-39	14	19	33	15.8	10.1
40-44	18	20	38	18.2	11.8
45-49	13	7	20	9.6	11.2
50-54	11	11	22	10.6	11.3
55-59	14	8	22	10.6	9.0
60-64	8	4	12	5.8	6.1
65+	6	1	7	3.4	3.7
TOTAL	108	100	208	100	100

*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 Super table, South Australia at Feb 2013.

CULTURAL AND LINGUISTIC DIVERSITY

Table 16

	Male	Female	Total	% Agency	% SA Community*
Number of employees born overseas	19	22	41	19.7	22.1
Number of employees who speak language(s) other than English at home	2	7	9	4.3	14.4

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

NUMBER OF EMPLOYEES WITH DISABILITIES (ACCORDING TO COMMONWEALTH DDA DEFINITION)

Table 17

Male	Female	Total	% of Agency
4	1	5	2.4

TYPES OF EMPLOYEE DISABILITIES

Table 18

Disability	Male	Female	Total	% of Agency
Disability requiring workplace adaptation	0	1	1	0.5
Physical	3	0	3	1.4
Intellectual	0	0	0	0
Sensory	1	1	2	1.0
Psychological / Psychiatric	0	0	0	0

Voluntary flexible working arrangements

VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER

Table 19

	Male	Female	Total
Purchased Leave	8	8	16
Flexitime / Programmed Days Off	108	100	208
Compressed Weeks	0	0	0
Part-Time	2	21	23
Job Share	0	2	2
Working From Home	0	2	2

Performance Development

DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Table 20

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

Leadership and Management Development

LEADERSHIP AND MANAGEMENT TRAINING EXPENDITURE

Table 21

Training and Development	Total expenditure \$	% of Total Salary Expenditure
Total training and development expenditure	140 149	0.79
Total leadership and management development expenditure	12 436	0.07

Accredited training packages

ACCREDITED TRAINING PACKAGES BY CLASSIFICATION

Table 22

Classification	Number of Accredited Training Packages
All accredited training packages	0

Employment opportunity programs

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

Employment opportunity programs within Renewal SA include a graduate scheme supported by the South Australian Housing Trust. This scheme finished in January 2013 with employees within this scheme successfully securing work both internal and external to government.

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

WORK HEALTH AND SAFETY AND INJURY MANAGEMENT

Renewal SA is committed to the principle of zero harm and to continuously improving its systems for managing safety to achieve this goal.

During the year a number of opportunities to improve our safety management system were identified and progressively addressed to align with the new Work Health and Safety (WHS) legislation and SA Public Sector Code of Practice for Crown Self-Insured Employers.

We have progressively focussed on incorporating safety into our business systems including:

- WHS being a standard agenda item at Board, Leadership Team and management team and section meetings;
- incorporating WHS accountabilities into Job Profiles;
- promoting early reporting, investigation and consultation on WHS issues;
- developing a business planning cycle that builds in safety targets;
- establishing a WHS Committee for consultation that is representative of the organisation and comprised of employee and Leadership Team representatives;

- promoting employee consultation as a cornerstone of our approach to safety;
- providing WHS resources to develop, support and facilitate the ongoing improvement process;
- training our Board and Leadership Team in key officer responsibilities in the new WHS legislation;
- undertaking hazard identification and risk assessments for our key activities; and
- inducting new and transferred employees in key safety requirements and expectations.

Our Board, Leadership Team, employees, first aiders, wardens and WHS committee members all contribute to our organisation's safety performance. Some of the key indicators are detailed in the following tables.

Work Health and Safety prosecutions, notices and corrective action taken

Number of notifiable incidents pursuant to WHS Act Part 3	1*
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices)	Nil

* Note: Notifiable incident (under the previous OHSW legislation) occurred in November 2012 and related to several employees being trapped in a lift in the Riverside Centre following a trial evacuation. The Building manager subsequently addressed re-entry procedures to prevent lift overloading.

Agency gross workers compensation expenditure⁴ for 2012-13 compared with 2011-12⁵

Table 23

EXPENDITURE	2012-13 (\$)	2011-12 (\$)	Variation (\$) + (-)	% Change + (-)
Income Maintenance	5664	Nil	+ 5664	-
Lump Sum Settlements Redemptions - Sect.42	Nil	Nil	Nil	Nil
Lump Sum Settlements Permanent Disability – Sect. 43	Nil	Nil	Nil	Nil
Medical/Hospital Costs combined	1046	88	+ 958	+ 1088
Other	15 722	Nil	+ 15 722	-
Total Claims Expenditure	22 432	88	+ 22 344	+ 25 391

Meeting safety performance targets⁶

Table 24

	Base: 2009-10	Performance: 12 months to end of June 2013 [*]			Final Target
	Numbers or %	Actual	Notional Quarterly Target	Variation	Numbers or %
1. Workplace Fatalities	0	0	0	0	0
2. New Workplace Injury Claims	3	1	3	-2	2
3. New Workplace Injury Claims Frequency Rate	9.37	3.17	7.97	-4.79	7.03
4. Lost Time Injury Frequency Rate ***	6.25	3.17	5.31	-2.14	4.69
5. New Psychological Injury Claims Frequency Rate	0	3.17	0	3.17	0
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	33.33%	0%	80%	- 80%	80%
6b. Early Intervention within 5 days		100%	90%	+10%	90%
6c. LTI have 10 business days or less lost time	100%	0%	60%	- 60%	60%
7. Claim Determination:					
7a. New claims not yet determined , assessed for provisional liability in 7 days		0%	100%		100%
7b. Claims determined in 10 business days	100%	0%	75%	- 75%	75%
7c. Claims still to be determined after 3 months	0%	0%	3%	- 3%	3%
8. Income Maintenance Payments for Recent Injuries:					
2010-11 Injuries (at 24 months development)		\$5664	\$1338	+ \$4326	Below previous 2 years average
2011-12 Injuries (at 12 months development)		\$0	\$0	\$0	Below previous 2 years average
* Except for Target 8, which is YTD. For Targets 5, 6c, 7b and 7c, performance is measured up to the previous quarter to allow reporting lag.					
** Based on cumulative reduction from base at a constant quarterly figure.					
*** Lost Time Injury Frequency Rate Injury Frequency Rate is the 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. Formula for Lost Time Injury Frequency Rate (new claims): Number of new cases of lost-time injury/disease for year x 1,000,000 number of hours worked in the year.					

4 Before 3rd party recovery

5 Information available from the Self Insurance Management System (SIMS)

6 Information available from the Self Insurance Management System (SIMS) (SIPS target report)

Employee health and wellbeing

In addition to our focus on safety, our Employee Health and Wellbeing program continued to provide activities and events focused on improving employee health and fitness as well as fostering team building.

These included flu vaccinations, vision screening, participation in events such as the Mother's Day Classic, Corporate Cup, Global Corporate Challenge, as well as participation in a variety of 'Life. Be in it' events.

Employees are encouraged to provide feedback on Employee Health and Wellbeing initiatives as well as suggestions to improve the program via a biennial survey.

Renewal SA land and property sales 2012-13

Table 25

Renewal SA land and property sales ¹			
Description	Area sold (hectares)	Sale price ²	Purchaser
Lot 105 Edinburgh Road, Ed Parks - Stage 4	1.524	1 066 800.00	33 Tappa
Lot 44 Tiver Road, Evanston South	4.681	435 000.00	Trinity College
Lot 231 Ocean Steamers Road, Gillman	0.2066	230 000.00	Joe White Maltings
Lot 26 Farrow Circuit, IDS - Seaford	0.18	176 000.00	Harding & Nom
Lot 42 Farrow Circuit, IDS - Seaford	0.185	411 300.00	Clarendon Hills
Lot 43 Farrow Circuit, IDS - Seaford	0.3792		Clarendon Hills
Lot 13 Shipwright Road, Largs North Marina	0.4007	620 000.00	BP Australia
Lot 403 Third Avenue, Mawson Lakes - ICPS	0.565	1 050 000.00	NewSat
Lot 3212 Grand Boulevard, Seaford	15.39	12 206 964.00	Land SA
Lot 3212 Jared Road, Seaford	8.108		Land SA
Lot 1001 Robinson Road, Seaford	20.64	11 558 980.00	Fairmont Homes
Lot 9993 Curtis Road, Munno Para	0.2705	900 000.00	McDonalds Australia
Lot 1620 Curtis Road, Munno Para	0.3305	624 000.00	Skremscin

¹ The Renewal SA land and property sales table does not include Mawson Lakes Joint Venture Sales. Property sold on behalf of state government agencies are shown separately.

² The sale price reflects gross settlement proceeds prior to any settlement adjustments.

Renewal SA land and property sales¹

Lot 8020 Curtis Road, Munno Para	0.3477	1 039 500.00	Shahin
Lot 1517 Peachey Road, Munno Para	2.032	3 607 803.00	Fabcot
Lot 1531 Peachey Road, Munno Para	2.264	3 992 197.00	Fabcot
Lot 1503 Bentley Road, Blakeview - Stg 3b	0.1864	8 399 776.00	LendLease
Piece 1846 Scoular Road, Blakeview - Stg 4	5.17		Fairmont
Piece 1847 Scoular Road, Blakeview - Stg 4	1.664		Fairmont
Piece 1848 Scoular Road, Blakeview - Stg 4	8.894		Fairmont
Lot 2005 Lowther Street, Blakeview - Stg 4	7.025		Fairmont
Lot 7 Acacia Court, Naracoorte	0.0519	42 000.00	R & A Slotegraaf
Lot 6 Acacia Court, Naracoorte	0.054	40 000.00	Le & Do

Table 26

Government sales – Renewal SA land sold to other state government agencies			
Description	Area sold (hectares)	Sale price	Purchaser
Lot 2 C27699 Nottage Road, Northgate JV	0.0134	33 337.50	SA Housing Trust
Lot 1425 Jeffcott Ave, Northgate JV	0.0171	32 025.00	SA Housing Trust
Lot 77 Douglas Drv, Playford	0.0295	88 112.47	SA Housing
Lot 266 Roberts St, Playford	0.0295	88 165.65	SA Housing
Lot 401 Newton Blvd, Playford	0.0346	103 407.79	SA Housing
Lot 931 Galda Way, Playford	0.045	134 489.89	SA Housing
Lot 1534 Wallaby Street, Playford	0.0375	112 050.18	SA Housing
Lot 1540 Ormond Ave, Playford	0.0296	88 444.98	SA Housing
Lot 251 Douglas Drv, Playford	0.03	89 599.65	SA Housing
Lot 252 Shirbank St, Playford	0.0295	88 106.29	SA Housing
Lot 1003 Galda Way, Playford	0.03	89 650.29	SA Housing
Lot 1004 Galda Way, Playford	0.03	89 650.29	SA Housing
Lot 507 Light Ave, Playford	0.045	134 340.25	SA Housing
Lot 1064 Scarlet Ave, Playford	0.0375	112 064.18	SA Housing
Lot 1084 The Greenway, Playford	0.0295	88 157.11	SA Housing

Government sales – Renewal SA land sold to other state government agencies

Lot 1085 The Greenway, Playford	0.03	89 651.38	SA Housing
Lot 1133 Coventry Rd, Playford	0.027	80 686.21	SA Housing
Lot 1134 Coventry Rd, Playford	0.027	80 686.21	SA Housing
Lot 1135 Coventry Rd, Playford	0.027	80 686.21	SA Housing

Table 27
Renewal SA development projects

Bowden	14 Bowden residential allotments
Lightsview - Northgate 3	231 Northgate residential allotments
Lendlease – Mawson Lakes	5 Mawson Lakes residential allotments
Lochiel Park Green Village	4 Lochiel Park residential allotments
Playford Alive Urban Renewal Project	74 Playford Alive residential allotments
Woodville West	31 Woodville West residential allotments
Penfield	15 Penfield residential allotments
Snowdens Beach	44 Snowdens Beach residential allotments (Defense Housing Australia)

Urban Design Charter

The Charter, developed at the direction of Cabinet in 2004, requires government departments to integrate urban design objectives into their business processes. Renewal SA essentially does this in both operational practice and project outcomes.

The charter suggests a process for departments to sign off against key urban design principles.

This gives agencies an opportunity to highlight particular development projects that acknowledge urban design charter criteria. This has been interpreted to include major building projects that have:

- engaged with or influenced adjacent public realm
- projects with public roads and reserves
- projects with publicly accessible spaces.

Many of Renewal SA projects take into consideration the best use of public realm and several projects directly facilitate or create public space. These projects can be reported as follows:

Playford Alive	Creation of innovative residential development and associated streetscape and public space.
Woodville West	Creation of innovative residential development and associated streetscape and public space. Stage one has been completed with new public roads, community art and landscaped open space.
UNO Apartments	Completion of a major city residential project, includes active street front and public art.
Bowden	Creation of innovative residential development and associated streetscape and public space.
Port Adelaide	Pedestrian and cycle trail, Cruickshanks Corner boat launch facility.

For major projects Renewal SA engages appropriate professional providers, including architects, planners and landscape designers, to ensure that the best design outcomes are achieved.

Renewal SA has also created a position of Director, Urban Design in Urban and Portfolio Planning to ensure appropriate urban design principles are applied to new projects.

Delivering sustainability

The Sustainability Policy was adopted by Renewal SA in February 2013. The policy provides a framework for a consistent understanding and approach to delivering sustainable places and communities and outcomes which reflect Renewal SA's charter and business plan and the policy and legislative context of the Government of South Australia.

The policy will ensure that our projects and processes have embedded sustainability processes and outcomes in the design and delivery of Renewal SA's projects and business. It covers the delivery of sustainable places and communities; future-proofing our places; community access, lifestyle and liveability; and respect for local, cultural and environmental elements.

As part of the implementation of the policy Renewal SA is beginning to track its own performance. At this stage the focus has been on tracking paper use and car travel emissions. It is anticipated that future reports will look at energy usage for assets and air travel emissions.

Paper use comparison January to June 2013

Table 28

Resource area	March 2012-June 2012	January -June 2013
Vehicle travel	Kg / CO2-e CO2 = 8 269.18 CH4 = 2361.29 N2 O = 2325.77 Total 12.60 tonnes of CO2	Distance travelled 170 240.00 kilometres Litres of fuel 19 603.66 litres Emissions CO2 24 415.15 CH4 641.40 N2O 639.27
Air travel	Not available	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 use	Not available	Not available
Energy use	9.37 tonnes CO2-e 14413.46 KW (Level 9 only)	Not available

Freedom of Information

During the financial year, Renewal SA received twenty nine Freedom of Information (FOI) applications. Fifteen of the applications related to Renewal SA projects and other activities including Playford Alive, Edinburgh Parks, Port Adelaide, Tonsley Park, and Hackham West. Two applications related to future use of the Royal Adelaide Hospital site, and the remaining ten applications related to miscellaneous requests including an organisation chart, capital works program, possible conflict of interest and Renewal SA Board meetings and agendas.

Twenty applications were granted full or partial release. No documents were found for five of the applications which related to the Royal Adelaide Hospital site, Tonsley Park, targeted separation packages and conflict of interest. Two applications did not proceed because an advanced deposit was not paid and a further two applications regarding the Tonsley Park project were withdrawn.

Renewal SA structure and functions

A comprehensive description of Renewal SA's structure and functions can be found in other sections of this annual report.

Renewal SA's functions and members of the public

Renewal SA encourages participation and feedback at key stages of its development process. Stakeholders and community members are encouraged to assist in developing the vision, review design options and provide feedback on proposals. Comprehensive consultation results are available from Renewal SA's website.

Literature available by subscription or on free mailing list

Contact databases and social media are used regularly to keep the public informed about Renewal SA projects and activities.

Documents held by Renewal SA

Some of the documents listed can be provided on request and you may not need to be requested under the Freedom of Information Act for access:

- Policies and Procedures
- Property Management records such as agreements, contracts, tenancy, leases and licences
- Staff records
- Records relating to projects conducted by Renewal SA
- Joint Venture and other legal agreements
- Financial records pertaining to Renewal SA and its affairs.

Renewal SA holds many policy documents and arrangements can be made to inspect them by contacting the Freedom of Information Officer on (08) 8207 1300.

Freedom of Information applications

The *Freedom of Information Act 1991* gives members of the public a legally enforceable right of access (subject to certain restrictions) to documents held by the Government of South Australia, local government authorities and South Australian universities. The purpose of the Freedom of Information Act is to make the business of government open and accountable to the public.

Renewal SA 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 Renewal SA, as are the government's Information Privacy principles.

A comprehensive introduction to freedom of information can be found on the State Records website.

Whistleblowers

Renewal SA has three 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 during 2012–2013.

Fraud and anti-corruption

Renewal SA has a fraud and anti-corruption policy in accordance with AS 8001-2008 *Fraud and Corruption Control*. No instances of alleged fraud were identified in 2012–2013.

Employee overseas travel

Table 29

Name of employee(s)	Destination	Reason for travel	Total cost to agency
Michael Buchan	Europe	Property Council of Australia Study Tour	13 150
Total			\$13 150 ³

Contractual arrangements

Table 30

Supplier/contractor	Description	Commencement date	Completion date	Project	Contract Value (GST inclusive)
L R & M Constructions	Munno Para Centre Perimeter Roads and Stage 15B Laneway East Civil Works	9/11/2012	10/11/2013	Playford Alive	\$4 701 255.33

Use of consultants

Table 31

Consultant	Purpose of consultancy
Value below \$10 000	
Various	Various
\$ Subtotal (number of consultants)	\$ 184 368 (41)

³ This includes a contribution to the costs of participation by the Chief of Staff of the then Minister for Housing and Urban Development

Consultant	Purpose of consultancy
Value \$10 000 - \$50 000	
ARUP Pty Ltd	Port Stanvac Marine facilities assessment
D Squared Consulting Pty Ltd	Bowden Greenstar professional services
Esanti Pty Ltd	Consultancy services on the infrastructure projects
JMB Project Management	Technology Park Adelaide Development Project planning advices and stakeholder consultation
Sinclair Knight Merz Pty Ltd	Woodville Aimsun model update and junction concept plans
Woods Bagot	Health Innovation Precinct master plan
\$ Subtotal (number of consultants)	\$221 573 (6)

Consultant	Purpose of consultancy
Value above \$50,000	
AEC Environmental Pty Ltd	Environmental consultancy services residential precinct Tonsley Park
ARUP Pty Ltd	Tonsley Smart Grid – consultancy stage feasibility study
Aspect Studios Pty Ltd	Adelaide Parklands – landscape architect consulting services
Aspect Studios Pty Ltd	Harts Mill surrounds – urban design/landscape architect consulting services
Ernst & Young	Internal audit and related services
Fyfe Pty Ltd	Port Adelaide Renewal Project precinct plan
Golder Associates Pty Ltd	Environmental review/advice – former Dean Rifle Range
Hudson Howells	Research and economic development studies
Jensen Planning and Design	Gillman Master Plan consultancy
Martins Integrated	Design and Development – Port Adelaide Renewal Project open day
Moto Projects Pty Ltd	Project management and consultancy services Port Adelaide Renewal early activation projects
Swanbury Penglase Architects	Urban design guidelines – Tonsley Park
Martins Integrated	Design and development – Riverbank Community Consultation
AEC Environmental Pty Ltd	Environmental consultancy services residential precinct Tonsley Park
\$ Subtotal (number of consultants)	\$2 587 767 (13)
\$ Total (number of consultants)	\$2 993 708 (60)

Disability access and inclusion

Disability Action Plans

Promoting Independence - Disability Action Plans for South Australia provides a framework of action for agencies to meet the requirements of the Commonwealth *Disability Discrimination Act 1992* and the South Australian *Equal Opportunity Act 1984*. 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 at Renewal SA is recorded and reported in the Annual Report and public sector workforce statistics.

Renewal SA 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, and neurological or learning disabilities.

Renewal SA 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 & 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; and
- first aid and 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. All employees have access to the intranet. Remote access is also accommodated where required. Visitors and customers have access to the external internet site for information about the Renewal SA. Hard copies of information on projects (fact sheets, newsletters are also available on request). Renewal SA have additional links with external third party websites to provide information on housing, which provides a wider scope for accessibility to information by 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*.

Renewal SA 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. We have also made available hearing, eyesight and skin assessments to all our employees.

Renewal SA also proactively promotes Access, the Employee Assistance Program which provides independent all-hours support for 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 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 Renewal SA 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.

Renewal SA 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 Commonwealth *Disability Discrimination Act 1992* and the South Australian *Equal Opportunity Act 1984*.

Renewal SA 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 Renewal SA policies and procedures which are accessible to all. Employees contractually agree to observe and comply with the terms and conditions of Renewal SA 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 percent the number of people with a disability employed in South Australia by 2020 (baseline 2009).

Vacancies 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 Urban Renewal Authority commenced on 1 March 2012 and is keen to be an employer of choice for people with disabilities. Recruitment policy and processes will be reviewed, with an aim to encouraging diversity within the workforce.

Web Content Accessibility Guidelines Version 2.0

Renewal SA has been tasked by the state government's Office of the Chief Information Officer (OCIO) to implement a website improvement process involving:

- a. evaluating all our websites in relation to how they currently meet the Web Content Accessibility Guidelines Version 2.0 (WCAG2) criteria; consolidating and removing outdated/unnecessary sites and content;
- b. determining a target level of compliance most suitable for our business needs and budget;
- c. reporting to OCIO annually on targets/compliance and including web accessibility in normal disability reporting; and
- d. participating in a Website Improvement Working Group facilitated by OCIO.

In the year ending 30 June 2013 a review was undertaken of all Renewal SA websites and recommendations were made for making improvements to meet the minimum of level A compliance with WCAG2.

Our financial performance

Financial Statements

Statement of Comprehensive Income for the year ended 30 June 2013

	Note	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
INCOME			
Revenue from sales	4	87,345	12,904
Less: cost of sales	4	31,530	5,442
Gross Profit		55,815	7,462
Share of net profits of joint ventures	5.1	7,566	964
Revenues from Commonwealth and SA Government	6	4,188	6,673
Interest revenues	7	3,023	1,171
Property income	8	20,723	6,475
Other revenues	9	4,635	1,218
Total other income		40,135	16,501
Net gain from restructure	38	81,800	373,176
TOTAL INCOME		177,750	397,139
EXPENSES			
Employee benefits expenses	11	17,980	4,921
Operating expenditure	14	44,816	12,770
Borrowing costs	15	8,885	1,763
Depreciation and amortisation	23	491	151
Loss resulting from changes in value of properties	21, 22	98,385	44,839
Payments to SA Government entities		-	238,489
Net loss from the disposal of non-current assets	10	1	-
TOTAL EXPENSES		170,558	302,933
PROFIT BEFORE INCOME TAX EQUIVALENT		7,192	94,206
Income tax equivalents expense	17	-	-
PROFIT AFTER INCOME TAX EQUIVALENT		7,192	94,206
TOTAL COMPREHENSIVE RESULT		7,192	94,206

The profit after income tax equivalent and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes

Statement of Financial Position as at 30 June 2013

	Note	2013 \$'000	2012 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	36	19,717	20,475
Mortgage debtor receivables	19	7,555	7,585
Receivables	20	7,149	4,864
Inventories	21	78,731	91,771
Investment in joint ventures	5.1	7,009	1,655
Total current assets		120,161	126,350
NON CURRENT ASSETS			
Mortgage debtor receivables	19	21,811	29,363
Receivables	20	3,556	3,556
Inventories	21	320,796	360,081
Investment property	22	189,424	128,347
Property, plant and equipment	23	3,975	3,476
Work in progress	24	-	1,114
Investment in joint ventures	5.1	679	6,645
Total non current assets		540,241	532,582
TOTAL ASSETS		660,402	658,932
LIABILITIES			
CURRENT LIABILITIES			
Payables	25	13,859	28,827
Unearned income	28	4,960	10,079
Tax liabilities	27	-	-
Borrowings	26	313,824	283,405
Provision	29	967	5,967
Employee benefits	30	1,554	1,607
Total current liabilities		335,164	329,885
NON CURRENT LIABILITIES			
Payables	25	313	342
Unearned income	28	10,184	10,558
Borrowings	26	101,041	107,703
Employee benefits	30	3,396	3,652
Other non current liabilities	31	967	4,647
Total non current liabilities		115,901	126,902
TOTAL LIABILITIES		451,065	456,787
NET ASSETS		209,337	202,145
EQUITY			
Contributed capital		107,939	107,939
Retained earnings		101,398	94,206
TOTAL EQUITY		209,337	202,145
Total equity is attributable to the SA Government as owner			
Remuneration commitments	11		
Unrecognised contractual commitments - operating leases	32		
Unrecognised contractual commitments - capital expenditure	33		
Contingent assets and liabilities	34		

The above statement should be read in conjunction with the accompanying notes

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

	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		-	94,206	94,206
Total comprehensive result for 2011-12		-	94,206	94,206
Balance at 30 June 2012		107,939	94,206	202,145
Profit after income tax equivalent for 2012-13		-	7,192	7,192
Total comprehensive result for 2012-13		-	7,192	7,192
Balance at 30 June 2013		107,939	101,398	209,337

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

The above statement should be read in conjunction with the accompanying notes

Statement of Cash Flows for the year ended 30 June 2013

		2013 (01.07.12 to 30.06.13) \$'000 Inflows (Outflows)	2012 (01.03.12 to 30.06.12) \$'000 Inflows (Outflows)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipts from sales		78,945	12,904
Receipts from sales in advance		-	4,758
Receipts from SA Government		10,352	6,673
Receipts from Commonwealth for housing affordability fund		2,520	-
Interest received		533	318
Receipts from mortgage debtors (principal and interest)		10,157	5,001
Receipts from tenants (rent and recoveries)		16,992	1,747
Recoveries and sundry receipts		7,864	1,050
Funds held in trust		269	2,797
GST recovered from the ATO		11,238	2,430
Transfer in from administrative restructure		-	7,707
Receipts from Paid Parental Scheme		32	4
Cash generated from operations		138,902	45,389
Cash outflows			
GST paid to the ATO		(9,911)	(2,370)
Payments to Paid Parental Scheme		(27)	(6)
Payments for land purchase and development		(38,425)	(25,182)
Payments for work in progress		-	(250)
Payments for salaries and related costs		(21,929)	(5,475)
Payments to suppliers		(50,299)	(9,496)
Land tax paid		(24,337)	(4,288)
Interest paid		(22,318)	(6,045)
Payments of Funds held in trust		(3,949)	-
Payment to SA Government entities		-	(238,489)
Cash used in operations		(171,195)	(291,601)
Net cash used in operating activities	35	(32,293)	(246,212)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Capital repayments by joint ventures		8,577	388
Distributions of profit by joint ventures		-	112
Cash generated from investing activities		8,577	500
Cash outflows			
Capital contributions to joint ventures		(400)	-
Purchase of property, plant and equipment and investment property		(381)	(197)
Payments for work in progress (property, plant and equipment and investment property)		(19)	(179)
Cash used in investing activities		(800)	(376)
Net cash provided by investing activities		7,777	124
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Inflows			
Capital contributions received from the SA Government		-	107,939
Proceeds from borrowings		51,000	161,452
Cash generated from financing activities		51,000	269,391
Cash outflows			
Repayment of borrowings		(27,242)	(2,828)
Cash used in financing activities		(27,242)	(2,828)
Net cash provided by financing activities		23,758	266,563
Net (decrease)/increase in cash and cash equivalents		(758)	20,475
Cash and cash equivalents at the beginning of the period		20,475	-
Cash and cash equivalents at the end of the period	36	19,717	20,475

The above statement should be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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1. Objectives of the Urban Renewal Authority

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

In undertaking its functions Renewal SA 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. Renewal SA 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

Renewal SA 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*.

Renewal SA has applied Australian Accounting Standards that are applicable to for-profit entities, as Renewal SA 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 Renewal SA for the reporting period ended 30 June 2013. Renewal SA 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 Renewal SA.

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 Renewal SA'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;
- the selection and application of accounting policies 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) employee targeted voluntary separation package information; and
 - d) 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 Renewal SA to those employees.

Renewal SA'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 July 2012 to 30 June 2013 and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented.

2.3 Comparative information and rounding

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financials statements if material. The restated comparative amounts do not replace the original financial statements for the preceding period.

Comparative information is presented for a period of four months given Renewal SA was established on 1 March 2012.

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

2.4 Taxation

In accordance with Treasurer's Instruction 22 Tax Equivalent Payments, Renewal SA 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).

Renewal SA is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax 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.

2.5 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 2013 and before the financial statements are authorised for issue, where those events provided information about conditions that existed at 30 June 2013.

Note disclosure is made about events between 30 June 2013 and the date the financial statements are authorised for issue where the events relate to a condition which occurred after 30 June 2013 and which may have a material impact on the results of subsequent years.

2.6 Income and expenses

Income

Income is recognised to the extent that it is probable that the flow of economic benefits to Renewal SA 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 settlement is completed and legal title transfers to the purchaser.

(ii) Investment properties

Sales revenue from the disposal of 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 Renewal SA 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 development of inventories are deducted against inventory and recognised in the Statement of Comprehensive Income as a reduction to cost of sales when inventory is sold during the reporting period.

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

Other contributions

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

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value.

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 revenue 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).

Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from Renewal SA 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 Renewal SA to superannuation plans in respect of current services of current Renewal SA 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 Renewal SA. 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 material acquisition, development and holding costs, offset by deferred Government grants relating to these costs 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 in respect of land which has been sold is also recognised in cost of sales when settlement occurs, where applicable.

Project expenditure
Costs associated with projects are capitalised where it is expected that future economic benefits will be derived by Renewal SA 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 2.13).

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 II General Purpose Financial Statements Framework and AASB 123, material borrowing costs directly attributable to the construction of a qualifying asset are capitalised. All other borrowing costs are expensed when incurred.

2.7 Current and non-current classification
Assets and liabilities are characterised as either current or non-current in nature. Renewal SA 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, Renewal SA has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

2.8 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.

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.

2.9 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.

2.10 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 Renewal SA will not be able to collect the debt. Bad debts are written off when identified.

2.11 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 Renewal SA will not be able to collect the debt. Bad debts are written off when identified.

2.12 Inventories

Inventories include land and other property held for sale in the ordinary course of business. It excludes depreciating assets and investment properties.

Inventories are measured at the lower of cost or their net realisable value. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The valuation methodology for net realisable value generally applied is the 'direct comparison' approach where subject land and properties are compared directly with sales of other land and properties in similar locations with adjustments made for small points of difference.

Where appropriate, in cases where there is a lack of recent sales evidence for larger development holdings, valuation modelling has been undertaken in order to derive an estimated market value. This approach includes making allowances for costs which would be incurred in order to make the property ready for sale. Allowances are also made for marketing and selling costs, legal costs and holding costs during the sale period. This approach assumes an orderly sale program and reflects sales on an individual allotment basis across the relevant development site.

Where buildings exist on development sites and those buildings are leased and producing income, those buildings are valued by applying the 'capitalisation of net income' method. This approach involves applying a capitalisation rate to the rental income stream. Dividing the annual rental income by an assumed capitalisation rate produces an asset value which in the context of the given rental income derives a market comparable yield on investment. This is the generally accepted method for valuing properties which are being held and leased for a period of time during the development of a larger land holding.

The amount of any inventory write down to net realisable value or inventory impairment losses are recognised as an expense in the period the write down or loss occurred. Any write down reversals are recognised as a reduction to expense.

An independent valuation of all Renewal SA's inventories was conducted as at 30 June 2013.

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 comprise all direct material acquisition, development and holding costs offset by deferred Government grants relating to these costs. Net realisable value is the estimated selling price in the ordinary course of business less both the estimated costs of completion and the estimated cost necessary to make the sale. Renewal SA 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 consideration as part of a restructuring of administrative arrangements, the inventory was recorded at the value recorded by the transferor, immediately prior to transfer.

2.13 Investment property

Renewal SA'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 Renewal SA. Subsequent to initial recognition, Renewal SA'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. In determining the fair value, the capitalisation of net income method has generally been applied. This approach involves applying a capitalisation rate to the rental income stream. Dividing the annual rental income by an assumed capitalisation rate produces an asset value which in the context of the given rental income derives a market comparable yield on investment.

Any surplus land associated with investment property holdings has been valued by applying the 'direct comparison' approach where subject land holdings are compared directly with sales of other properties in similar locations with adjustments made for small points of difference.

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2013.

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.

Where investment property was acquired at no or nominal consideration as part of a restructuring of administrative arrangements, the investment property was recorded at the value recorded by the transferor, immediately prior to transfer.

2.14 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.

Where non-current assets were acquired at no or nominal value as part of a restructuring of administrative arrangements, the non-current assets were recorded at the value recorded by the transferor, immediately prior to transfer.

2.15 Interests in joint ventures

Renewal SA's interest in joint ventures is measured by applying the equity method. Renewal SA's share of the assets and liabilities of joint ventures in which it has a participating interest is included in the Statement of Financial Position as Investment in Joint Ventures. Renewal SA's share of net profit from joint ventures is included as revenue in the Statement of Comprehensive Income as Share of Net Profits of Joint Ventures. Details of Renewal SA's interests in joint ventures are shown in Note 5.

2.16 Work in progress

(i) Deposits received

Renewal SA 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.

2.17 Impairment

All non-current assets are tested for indications 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 (note 21), financial assets (note 37) and investment property (note 22) for further information in relation to these specific assets.

2.18 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.

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.

2.19 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 Renewal SA.

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 Renewal SA has received from the Commonwealth Government to forward onto eligible employees via Renewal SA's standard payroll processes. That is, Renewal SA 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, annual leave and skills and experience retention leave.

Renewal SA 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.

2.20 Borrowings/Financial liabilities

Renewal SA measures financial liabilities including borrowings/debt at historical cost.

2.21 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases. Renewal SA has only entered into operating leases.

Renewal SA 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.

Renewal SA as lessee

Operating lease payments 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 Renewal SA in respect of operating leases have been recorded as a reduction of rental expense over the lease term on a straight line basis.

2.22 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, skills and experience retention 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 and skills and experience retention leave liability are expected to be payable within twelve months and are measured at the undiscounted amount expected to be paid. In the unusual event where annual leave and skills and experience retention leave are payable later than twelve 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

The liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with duration that match, as closely as possible, the estimated future cash outflows.

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 Renewal SA's normal operating cycle.

Employee benefit on-costs

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

2.23 Provisions

Provisions are recognised when Renewal SA 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.

2.24 Guarantees and indemnities

Renewal SA 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. Renewal SA is now the beneficiary of these guarantees and indemnities.

2.25 Unrecognised contractual commitments and contingent assets and liabilities

Commitments include 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.

2.26 Insurance

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

2.27 Financial risk management

Renewal SA 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 overseen by the Corporate Services Division and risk management policies and practices are in accordance with *AS/NZS ISO 31000:2009 Risk Management - Principles and Guidelines*.

Renewal SA 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).

Renewal SA's exposure to foreign exchange risk and cash flow interest risk is minimal. Renewal SA 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.

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

3 Material transactions

3.1 Adelaide Station and Environs Re-development Site (ASER)

The *Administrative Arrangements (Transfer of Land to Urban Renewal Authority) Proclamation* 2013 gazetted on 27 June 2013, transferred land and buildings relating to the Adelaide Railway Station and environs totalling \$81.800m from the Minister for Transport and Infrastructure to Renewal SA effective 30 June 2013. The transfer of the land, buildings and associated property management functions has been reflected as an administrative restructure (refer Note 38).

3.2 Land Sale - Blakes Crossing

Renewal SA received \$8.400 million following settlement of the stage 3B contract and \$13.350 million following settlement of the stage 4 contract between Renewal SA and Lend Lease. The settlement for stage 4 was the final settlement. In 2008 Lend Lease was awarded the contract for the purchase of 88 hectares of residential land at Blakeview to be settled in 4 stages which were included in separate contracts that come under the umbrella of a development deed to ensure that all of Renewal SA's mandatory requirements are met.

3.3 Land Sale - Seaford Meadows

Renewal SA received \$12.206 million following settlement of the Stage 5 contract between Renewal SA and SAHT and Land SA. In 2005, Land SA was awarded the tender for the purchase of 132 hectares of residential land at Seaford Meadows, to be settled in 6 stages which were included in separate contracts that come under the umbrella of a development deed to ensure that all of Renewal SA's mandatory requirements are met. The last settlement for stage 6 is due November 2013.

3.4 Land Sale - Seaford Heights

Renewal SA received \$6.128 million following settlement for the Stage 1 contract between Renewal SA and SAHT and Land SA. In 2008 Land SA was awarded the contract for the purchase of approximately 80 hectares of residential land at Seaford Heights to be settled in 4 stages which were included in separate contracts that come under the umbrella of a development deed to ensure that all of Renewal SA's mandatory requirements are met. Stage 1 settlement was conditional on a Development Plan Approval which occurred in May 2011. The settlement for stage 4 is due in April 2018.

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.

Sales revenue for the reporting period is summarised as follows:

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Land sales to:		
Joint ventures	10,651	3,105
Entities within the SA Government	1,703	-
Other - sales to general public and developers	74,991	9,799
Total sales revenue	<u>87,345</u>	<u>12,904</u>

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

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Cost of sales for the reporting period is summarised as follows:		
Cost of sales associated with:		
Joint ventures	391	274
Entities within the SA Government	1,209	-
Other - cost of sales associated with sales to general public and developers	29,930	5,168
Total cost of sales	<u>31,530</u>	<u>5,442</u>

5. Joint venture entities

5.1 Joint venture summary

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

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Revenues	19,317	11,205
Expenses	(11,751)	(10,241)
Profit from ordinary activities	<u>7,566</u>	<u>964</u>

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

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Share of accumulated profits:		
Carrying amount at the beginning of the period	8,300	-
Transfer in from administrative restructure	-	7,835
Profit for the reporting period	7,566	964
Distribution of profit to Renewal SA during the reporting period	(8,178)	(499)
Total carrying amount of investment in joint venture entities	<u>7,688</u>	<u>8,300</u>

Renewal SA's investment in joint venture entities is represented by its share of assets and liabilities as follows:

	2013 \$'000	2012 \$'000
Current assets		
Cash	4,028	2,669
Receivables	870	758
Inventories	7,276	9,112
Financial assets	197	197
Deferred tax asset	157	157
Prepayments	28	-
	<u>12,556</u>	<u>12,893</u>
Non current assets		
Inventories	118	18
Property, plant and equipment	561	67
	<u>679</u>	<u>85</u>
Total assets	<u>13,235</u>	<u>12,978</u>
Current liabilities		
Creditors and other payables	5,258	4,389
Financial liabilities	225	225
Tax liabilities	64	64
	<u>5,547</u>	<u>4,678</u>
Total liabilities	<u>5,547</u>	<u>4,678</u>
Net assets	<u>7,688</u>	<u>8,300</u>
The net assets is split as follows:		
Current	7,009	1,655
Non current	679	6,645
	<u>7,688</u>	<u>8,300</u>

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 Renewal SA'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.

Renewal SA has a 50% interest in the joint venture. Under the terms of the agreements for the joint venture, Renewal SA 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.

Renewal SA had a 50% interest in the joint venture. Under the terms of the agreements for the joint venture, Renewal SA 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. Obligations for Renewal SA project works have been completed. The residential market for vacant allotments has been depressed during the 2012-13 financial year but progress has been made with two residential allotments and one medium density development site on unconditional contracts with settlements due in July 2013. This will leave one small residential allotment for sale.

5.4 PAWR Marina Joint Venture

Renewal SA 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 Renewal SA retaining ownership of the inner harbour (subjacent land). Renewal SA 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. Renewal SA will receive revenue by way of land payments for the subjacent land and individual marina berth sales.

The PAWR Marina Joint Venture (the Joint Venture) has total assets of \$1.7m and total liabilities of \$1.4m resulting in net assets of \$0.339m. This has been accounted for within Renewal SA's accounts in accordance with the equity method of accounting.

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

6. Revenues from Commonwealth and SA Government

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Recurrent transfer received from Department of Treasury and Finance, administered items	10,352	885
Capital transfer received from Department of Treasury and Finance, adminstered items	-	5,788
Housing Affordability Fund received from Commonwealth	2,520	-
Gross revenues from Government	<u>12,872</u>	<u>6,673</u>
Less: Deferred revenues from Commonwealth and SA Government	<u>(8,684)</u>	<u>-</u>
Total revenues from Commonwealth and SA Government	<u>4,188</u>	<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:

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Interest received/receivable from entities within the SA Government		
- Interest from operations	366	182
Interest received/receivable from entities external to the SA Government		
- Mortgage debtor interest	2,485	896
- Interest from operations	172	93
Total interest revenue	<u><u>3,023</u></u>	<u><u>1,171</u></u>

8. Property income

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

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Property income received/receivable from entities within the SA Government	1,123	522
Property income received/receivable from entities external to the SA Government	19,600	5,953
Total property income	<u><u>20,723</u></u>	<u><u>6,475</u></u>

9. Other revenues

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

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Other revenues received/receivable from entities within the SA Government	4,147	1,106
Other revenues received/receivable from entities external to the SA Government	488	112
Total other revenues	<u><u>4,635</u></u>	<u><u>1,218</u></u>

10. Net loss from the disposal of non-current assets

Net loss from the disposal of non-current assets is summarised as follows:

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Plant and Equipment		
Proceeds from disposal	-	-
Net book value of assets disposed	1	-
Net loss from the disposal of plant and equipment	<u>(1)</u>	<u>-</u>
Net loss from the disposal of non-current assets	<u><u>(1)</u></u>	<u><u>-</u></u>

11. Employees benefits expenses

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Salaries and wages	18,419	5,020
Long service leave	(349)	312
Annual leave	83	166
Skills and experience retention leave	41	-
Employment on-costs - superannuation	1,771	286
Employment on-costs - other	1,182	191
Board fees	298	51
Other employee related expenses	101	139
Gross employee benefits	<u>21,546</u>	<u>6,165</u>
Less: Employee benefits capitalised to inventories	<u>(3,566)</u>	<u>(1,244)</u>
Total employee benefits expenses	<u>17,980</u>	<u>4,921</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:

	2013 No.	2012 No.
following bands were:-		
\$134,000 - \$137,999*	n/a	1
\$138,000 - \$147,999	7	11
\$148,000 - \$157,999	7	5
\$158,000 - \$167,999	6	2
\$168,000 - \$177,999	1	1
\$178,000 - \$187,999	1	3
\$188,000 - \$197,999	5	1
\$198,000 - \$207,999	4	2
\$208,000 - \$217,999	1	1
\$228,000 - \$237,999	2	2
\$238,000 - \$247,999	1	-
\$258,000 - \$267,999	-	1
\$288,000 - \$297,999	1	-
\$348,000 - \$357,999	-	1
\$398,000 - \$407,999	1	-
	<u>37</u>	<u>31</u>

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2011-12.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level between 1 July 2012 and 30 June 2013. Remuneration of employees reflects all costs of employment, including salaries and wages, superannuation contributions, fringe benefits tax and any salary sacrifice benefits.

Total income received or due and receivable by the above employees for the period they held office was \$6.789m (2012: \$5.400m)

The number of employees at the reporting date was 199.7 (2012: 188.6).

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:

	2013 \$'000	2012 \$'000
Within one year	14,825	10,642
Later than one year but not longer than five years	19,624	7,785
	<u>34,449</u>	<u>18,427</u>

Amounts disclosed include commitments arising from executive and other service contracts.

For term contracted employees, Renewal SA does not offer fixed term remuneration contracts greater than five years.

12. Key management personnel

12.1 Board members

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

From 1 July 2012 to 31 July 2012:	From 1 August 2012 to 30 June 2013:
M J Terlet AO, Presiding Member	Hon B J Pike, Presiding Member
J M Carr*	H M Fulcher
A Clark	C A Holden
R G Hook*	T S Maras AM
T S Maras AM	Dr A M Rischbieth
J A Westacott	M J Terlet AO
	J A Westacott

12.2 Other key management personnel

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

F J Hansen	Chief Executive
W P Smith	Executive Director, Corporate Affairs & Strategy
M M P Young	Executive Director, People & Organisational Development
J C Durand	Executive Director, Marketing & Corporate Relations
J A Meakins	Executive Director, Inter-Government Relations & Policy
M J Buchan	General Manager, Major & Residential Project Delivery
D J DeConno	General Manager, Asset Management
I H Hodgen	General Manager, Industrial Project Delivery
L A South	General Manager, Corporate Services (commenced: 30 July 2012)
D K Just	General Manager, Urban & Portfolio Planning (commenced: 1 October 2012)
I R H McLachlan	General Manager, Riverbank, Infrastructure & Project Co-ordination (commenced: 10 September 2012)
J A Meakins	Transitional General Manager, Urban & Portfolio Planning (ceased: 30 September 2012)
M J Buchan	Transitional General Manager, Corporate Services (ceased: 29 July 2012)

12.3 Key management personnel compensation

Key management personnel compensation for the period ended 30 June 2013 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 Renewal SA.

	2013 \$'000	2012 \$'000
Short-term employee benefits	2,482	1,640
Total employee benefits	<u>2,482</u>	<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:

	2013 No.	2012 No.
Nil	2	2
\$1 - \$9,999	1	-
\$10,000 - \$19,999	-	4
\$30,000 - \$39,999	5	-
\$40,000 - \$49,999	1	-
\$70,000 - \$79,999	1	-
Total number of governing board members	<u>10</u>	<u>6</u>

Total remuneration received and receivable by all governing board members for the period they held office was \$0.298m (2012: \$0.056m) which includes superannuation contributions.

The number of board members who held office at 30 June 2013 was 7 (2012: 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 and Renewal SA 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.

12.5 Remuneration of committee members

Committee members during 2013 financial year were:

Port Adelaide Steering Committee

- C Duncan
- J Ford
- C Siegfriedt
- T Kearney
- M O'Brien
- P Bicknell
- M Hemmerling
- B McFarlane
- S Melville

The number of committee members whose remuneration received or receivable falls within the following bands:	2013 No.	2012 No.
Nil	2	-
\$1 - \$9,999	6	-
\$20,000 - \$29,999	1	-
Total number of committee members	9	-

Remuneration of committee members reflects all costs of performing committee member duties including sitting fees, superannuation contributions and salary sacrifice benefits. Total remuneration received and receivable by all committee members for the period they held office was \$0.029m (2012: nil) which includes superannuation contributions.

Unless otherwise disclosed, transactions between members and Renewal SA 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 Renewal SA 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 Renewal SA the Directors disclosed the following:

Hon B J Pike was the Presiding Member of the Board of Management of the Urban Renewal Authority (trading as Renewal SA) from 1 August 2012 and is employed on a part-time basis by Telstra Health.

Mr M J Terlet AO was Chairman of Tidswell Financial Services Ltd and Chairman of Operation Flinders. He was State Chairman of the Australian British Chamber of Commerce. He was a Director of Equity and Advisory Limited, the ACHA Health Group, Statewide Superannuation, the Australian Government Centre for Plant Functional Genomics and the International Centre of Excellence in Water Research Management. He was a board member of Business SA. He was Co-Chairman of the SA Business and Parliamentary Trust. He ceased being the Presiding Member of the Board of Mangement of the Urban Renewal Authority (trading as Renewal SA) on 31 July 2012.

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.

Ms H M Fulcher was a member of the Board of Uniting Care Wesley Port Adelaide and a Deputy Member of the Aquaculture Advisory Committee.

Mr C A Holden was a Director of Forme Projex and a member of the Board of Common Ground Ltd.

Mr R G Hook was Chief Excutive 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.

Mr T S Maras AM was owner/director of the Maras Group and Director of Mancorp Group. He was Chairman of the Rundle Mall Management Authority, Member of the Rundle Mall Project Reference Group, Chairman of the University of Adelaide Heritage Foundation, Chairman of Unley Business and Economic Development Board, Member of the Planning Improvement Panel Expert Panel, Member of the City of Unley Development Strategy and Policy Committee, Alternate Chair of the Bowden Design Review Panel, Member of the Australian Centre for Child Protection Fundraising Board, Foundation Fellow of the Australian Institute of Company Directors, Member of the Australian Property Institute, Member of the Royal Australian Institute of Construction, and Member of the Flinders University Foundation of Modern Greek.

Dr A M Rischbieth was Chief Executive of the Heart Foundation (South Australia) and a member of the South Australian Motor Sport Board.

Ms J A Westacott was Chief Executive of the Business Council of Australia and a Non-Executive Director of Wesfarmers.

From time to time Renewal SA 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 Renewal SA had entered into a transaction during the 2013 financial year.

14. Operating expenditure

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Expenditure on supplies and services provided by entities external to the SA Government:		
- Property expenditure	13,124	3,661
- Contractors and consultants	3,845	991
- Accommodation costs	1,004	73
- Administration and other expenditure	10,076	2,556
Total supplies and service expenditure - non SA Government entities	<u>28,049</u>	<u>7,281</u>
Expenditure on supplies and services provided by entities within the SA Government:		
- Property expenditure	2,598	1,184
- Land tax	15,558	5,939
- Contractors and consultants	1,560	1
- Accommodation costs	756	261
- Administration and other expenditure	2,495	690
Gross supplies and service expenditure - SA Government entities	<u>22,967</u>	<u>8,075</u>
Less: Land tax capitalised to inventories	<u>(6,200)</u>	<u>(2,586)</u>
Total supplies and service expenditure - SA Government entities	<u>16,767</u>	<u>5,489</u>
Total operating expenditure	<u>44,816</u>	<u>12,770</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:

	2013 No.	2013 \$'000	2012 No.	2012 \$'000
Below \$10,000	41	184	34	144
Between \$10,000 and \$50,000	19	510	8	209
Above \$50,000	9	857	1	69
Total paid/payable to consultants engaged	<u>69</u>	<u>1,551</u>	<u>43</u>	<u>422</u>

15. Borrowing costs

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Services provided by entities within the SA Government		
- Borrowing costs ICPS loans	3,818	1,508
- Borrowing costs other loans	11,202	2,033
- Borrowing costs overdraft	1,662	755
- Guarantee fees ICPS loans	328	111
- Guarantee fees other loans	4,364	577
- Guarantee fees overdraft	684	267
Gross borrowing costs	<u>22,058</u>	<u>5,251</u>
Less: Borrowing costs capitalised to inventories	<u>(13,173)</u>	<u>(3,488)</u>
Total borrowing costs	<u>8,885</u>	<u>1,763</u>

The average rate of interest capitalised in the reporting period was 5.3% (2012: 5.3%).

16. Auditor's remuneration

	2013 \$'000	2012 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the financial statements audit	180	118
Total auditors' remuneration	<u>180</u>	<u>118</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*, Renewal SA 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 Treasurer approved that the net gain from restructure is exempt from Renewal SA's income tax calculation for both current and preceding reporting periods. Excluding net gain from restructure, Renewal SA made a financial loss in both years, therefore no income tax equivalent is payable.

18. Dividends paid to SA Government

Pursuant to the *Housing and Urban Development (Administrative Arrangements) Act 1995*, Renewal SA 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.

19. Mortgage debtor receivables

	2013 \$'000	2012 \$'000
Current:		
Mortgage debtor receivables	7,555	7,585
	<u>7,555</u>	<u>7,585</u>
Non Current:		
Mortgage debtor receivables	21,811	29,363
	<u>21,811</u>	<u>29,363</u>
Total mortgage debtor receivables	<u>29,366</u>	<u>36,948</u>

Maturity analysis of receivables

Refer to table in Note 37.4.

Categorisation of financial instruments and risk exposure information

Refer to table in Note 37.1.

20. Receivables

	2013 \$'000	2012 \$'000
Current:		
Trade and other debtors (a)	7,720	5,428
Allowance for doubtful debts	(579)	(579)
Prepayments	8	15
Total current receivables	<u>7,149</u>	<u>4,864</u>
(a) Included in this balance are receivables from SA Government entities totalling \$4.692m (2012: \$1.002m).		
Non Current:		
Marina Adelaide	3,556	3,556
Total non current receivables	<u>3,556</u>	<u>3,556</u>
Total Receivables	<u>10,705</u>	<u>8,420</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.

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Movements in carrying amounts:		
Carrying amount at the beginning of the period	579	-
Transfer in from administrative restructure	-	551
Increase in allowance recognised in profit or loss	-	28
Carrying amount at the end of the period	<u>579</u>	<u>579</u>
	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Bad debts written off:		
- Trade debtors	-	1
Transfer to provision for doubtful debts:		
- Trade debtors	-	28
Total bad and doubtful debts expense	<u>-</u>	<u>29</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 37.4

Categorisation of financial instruments and risk exposure information

Refer to table in Note 37.1

21. Inventories

	2013	2012
	\$'000	\$'000
Current:		
Cost of acquisition	42,879	65,020
Development cost capitalised	35,852	26,751
	78,731	91,771
Non current:		
Cost of acquisition	175,928	247,995
Development cost capitalised	144,868	112,086
	320,796	360,081
Total inventories	399,527	451,852
Movements in carrying amounts:		
Carrying amount at the beginning of the period	451,852	-
Transfer in from administrative restructure	-	454,423
Land purchases	-	15,744
Transfer from investment properties	-	2,063
Development costs capitalised	56,344	28,215
Cost of sales	(31,530)	(5,442)
Inventories write down	(80,879)	(43,151)
Reversal of inventories write down	3,740	-
Carrying amount at the end of the period	399,527	451,852

An independent valuation of all Renewal SA's land inventories was conducted as at 30 June 2013. These valuations were undertaken by the following firms: m3property, McGees Property and Maloney Field Services. All valuations were prepared by qualified Certified Practising Valuers and were carried out in accordance with the relevant provisions of the *Australian Property Institute of Australia and New Zealand's Valuation and Property Standards* and AASB102.

Renewal SA has recognised land inventory within the Statement of Financial Position at the lower of cost or net realisable value. However, the fair value of inventory as at 30 June 2013 is \$1.122 billion (2012: \$1.168 billion).

22. Investment property

	2013	2012
	\$'000	\$'000
Investment property at fair value		
Freehold land at fair value:		
Independent valuation - 2013	100,928	-
Independent valuation - 2012	-	68,527
	100,928	68,527
Buildings at fair value:		
Independent valuation - 2013	88,496	-
Independent valuation - 2012	-	59,820
	88,496	59,820
Total investment property	189,424	128,347
Movements in carrying amounts	2013	2012
Freehold land at fair value:	(01.07.12 to 30.06.13)	(01.03.12 to 30.06.12)
	\$'000	\$'000
Carrying amount at the beginning of the period	68,527	-
Transfer to inventories	-	(2,063)
Transfer in from administrative restructure	17,100	72,985
Net gain/(loss) on fair value adjustments	15,301	(2,395)
Carrying amount at the end of the period	100,928	68,527
Buildings at fair value:		
Carrying amount at the beginning of the period	59,820	-
Transfer in from administrative restructure	64,700	59,113
Additions	30	-
Transfer from work in progress	493	-
Net (loss)/gain on fair value adjustments	(36,547)	707
Carrying amount at the end of the period	88,496	59,820
Total carrying amount at the end of the period	189,424	128,347
Amounts recognised in profit and loss:		
Income (included in Note 8)	11,446	3,601
Direct operating expenses from property that generated income (included in Note 14)	(7,408)	(2,280)
Total amount recognised in the profit and loss	4,038	1,321

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2013. Valuations of all investment properties were undertaken by the firm of McGees Property and Maloney Field Services and prepared by qualified Certified Practising Valuers. Valuations were carried out in accordance with the relevant provisions of the *Australian Property Institute of Australia and New Zealand's Valuation and Property Standards* and as per AASB140.

23. Property, plant and equipment

	2013	2012
	\$'000	\$'000
Leasehold Improvements		
At cost	3,152	2,928
Accumulated amortisation	(423)	(105)
Total leasehold improvements	<u>2,729</u>	<u>2,823</u>

Impairment

There were no indications of impairment of leasehold improvements at 30 June 2013.

Movements in carrying amounts:

	2013	2012
	(01.07.12 to	(01.03.12 to
	30.06.13)	30.06.12)
	\$'000	\$'000
Leasehold improvements:		
Carrying amount at the beginning of the period	2,823	-
Transfer in from administrative restructure	-	2,928
Additions	224	-
Amortisation	(318)	(105)
Carrying amount at the end of the period	<u>2,729</u>	<u>2,823</u>

	2013	2012
	\$'000	\$'000
Plant and equipment		
At cost	1,464	699
Accumulated depreciation	(218)	(46)
Total plant and equipment	<u>1,246</u>	<u>653</u>

Carrying amount of plant and equipment

Plant and equipment includes \$0.958m (2012: \$0.954m) of fully depreciated property still in use.

Impairment

There were no indications of impairment of plant and equipment at 30 June 2013.

Movements in carrying amounts:

	2013	2012
	(01.07.12 to	(01.03.12 to
	30.06.13)	30.06.12)
	\$'000	\$'000
Plant and equipment		
Carrying amount at the beginning of the period	653	-
Transfer in from administrative restructure	-	502
Transfer in from work in progress	640	-
Additions	127	197
Disposals	(1)	-
Depreciation	(173)	(46)
Carrying amount at the end of the period	<u>1,246</u>	<u>653</u>

Total property plant and equipment

<u>3,975</u>	<u>3,476</u>
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24. Work in progress

	2013	2012
	(01.07.12 to	(01.03.12 to
	30.06.13)	30.06.12)
	\$'000	\$'000
Movements in carrying amounts:		
Carrying amount at the beginning of the period	1,114	-
Transfer in from administrative restructure	-	936
Additions	19	178
Transfer to property, plant and equipment	(640)	-
Transfer to investment property	(493)	-
Carrying amount at the end of the period	<u>-</u>	<u>1,114</u>

25. Payables

	2013	2012
	\$'000	\$'000
Current:		
Trade creditors	4,357	10,055
Sundry creditors and accrued expenses	9,155	18,380
Parental Leave Scheme	4	-
Employment on costs	343	392
	13,859	28,827
Non current:		
Employment on costs	313	342
	313	342
Total payables	14,172	29,169

The total includes liabilities payable to SA Government entities, comprising:

Current:		
Trade creditors	482	4,452
Sundry creditors and accrued expenses	5,647	12,670
Employment on costs	317	378
	6,446	17,500
Non current:		
Employment on costs	300	327
	300	327
Total payables to SA Government entities	6,746	17,827

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

	2013	2012
	\$'000	\$'000
Current:		
Loans - South Australian Government Financing Authority (a)	38,473	38,154
Loans - South Australian Government Financing Authority (b)	275,351	245,251
	313,824	283,405
Non current:		
Loans - South Australian Government Financing Authority (a)	28,391	35,953
Loans - South Australian Government Financing Authority (b)	72,650	71,750
	101,041	107,703
Total borrowings	414,865	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 Renewal SA.

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

In accordance with Treasurer's Instructions issued under the *Public Finance and Audit Act 1987*, Renewal SA 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, therefore there is no income tax equivalent payable.

The Treasurer approved that the net gain from restructure is exempt from Renewal SA's income tax calculation for both current and preceding reporting periods. Excluding net gain from restructure, Renewal SA made a financial loss in both years.

28. Unearned income

	2013 \$'000	2012 \$'000
Current:		
Unearned income	4,960	10,079
	<u>4,960</u>	<u>10,079</u>
Non Current:		
Unearned income	10,184	10,558
	<u>10,184</u>	<u>10,558</u>
Total unearned income	<u>15,144</u>	<u>20,637</u>
Movements in carrying amounts -	(01.07.12 to 30.06.13) \$'000	(01.03.12 to 30.06.12) \$'000
Carrying amount at the beginning of the period	20,637	-
Transfer in from administrative restructure	-	20,704
Received during the year	4,423	4,778
Recognised in the statement of comprehensive income	(9,916)	(4,845)
Carrying amount at the end of the period	<u>15,144</u>	<u>20,637</u>

Consists of rental income received in advance.

29. Provision

	2013 \$'000	2012 \$'000
Current:		
Provision for general expenditure	967	5,967
Total provision for general expenditure	<u>967</u>	<u>5,967</u>
Movements in carrying amounts:	(01.07.12 to 30.06.13) \$'000	(01.03.12 to 30.06.12) \$'000
Provision for general expenditure		
Carrying amount at the beginning of the period	5,967	-
Transfer in from administrative restructure	-	5,967
Reductions in provisions	(5,000)	-
Total carrying amount at the end of the period	<u>967</u>	<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

	2013 \$'000	2012 \$'000
Current:		
Accrued wages and salaries	-	199
Annual leave	1,377	1,291
Long service leave	136	117
Skills and experience retention leave	41	-
Total current employee benefits	<u>1,554</u>	<u>1,607</u>
Non current:		
Long service leave	3,396	3,652
Total Non current employee benefits	<u>3,396</u>	<u>3,652</u>
Total employee benefits	<u>4,950</u>	<u>5,259</u>

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability. This year, an actuarial assessment performed by the Department of Treasury and Finance was used to calculate the liability rather than using a shorthand measurement technique for the calculation of the liability.

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 increased from 2012 (3.0%) to 2013 (3.75%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The net financial effect of the changes in methodology and actuarial assumptions in the current financial year is immaterial. The impact on future periods is impracticable to estimate as the long service liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4 percent. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

31. Other non current liabilities

	2013 \$'000	2012 \$'000
Funds held in trust:		
Cheltenham funds	967	4,647
Total funds held in trust	<u>967</u>	<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 Renewal SA 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.

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 for in the accounts:

	2013 \$'000	2012 \$'000
Due not later than one year	9,999	13,404
Due later than one year but not later than five years	25,781	37,502
Due later than five years	17,153	40,297
Total operating lease receivables	<u>52,933</u>	<u>91,203</u>

Operating lease payables

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

	2013 \$'000	2012 \$'000
Payable not later than one year	1,579	782
Payable later than one year but not later than five years	6,266	2,859
Payable later than five years	4,326	2,808
Total operating lease payables	<u>12,171</u>	<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 Renewal SA had capital expenditure commitments from general operations as follows:

	2013 \$'000	2012 \$'000
Payable not later than one year	15,604	29,981
Payable later than one year but not later than five years	2,192	3,027
Payable later than five years	159	21
	<u>17,955</u>	<u>33,029</u>

The Playford Alive, Bowden, Tonsley and Woodville West projects contains a significant portion of commitments for the reporting period. As at 30 June 2013 commitments relating to Playford Alive were estimated to be \$7.598m (2012: \$8.184m), commitments for Bowden were estimated to be \$2.647m (2012: \$6.981m), commitments for Tonsley were estimated to be \$4.444m (2012: \$8.332m) and commitments for Woodville West were estimated to be \$0.909m (2012: \$3.817m).

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 \$2.498m (2012: \$1.911m).

	2013 \$'000	2012 \$'000
Payable not later than one year	200	844
Payable later than one year but not later than five years	1,052	1,067
Payable later than five years	1,246	-
	<u>2,498</u>	<u>1,911</u>

Stages 1 & 3:

Assets included in stages 1 and 3 have been acquired by Renewal SA 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.

	2013 \$'000	2012 \$'000
Stages 1 & 3 land:		
Payable not later than one year	1,682	-
Payable later than one year but not later than five years	4,273	7,019
Payable later than five years	7,055	4,754
	13,010	11,773

Stage 2 was completed by the former Department of Trade and Economic Development.

Stages 4 to 11:

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:

	2013 \$'000	2012 \$'000
Stages 4 to 11 land:		
Payable not later than one year	96	966
Payable later than one year but not later than five years	933	868
Payable later than five years	5,297	4,829
	6,326	6,663

Total capital expenditure commitments

	2013 \$'000	2012 \$'000
Payable not later than one year	17,582	31,791
Payable later than one year but not later than five years	8,450	11,981
Payable later than five years	13,757	9,604
	39,789	53,376

34. Contingent assets and liabilities

Contingent assets

Renewal SA has indemnities from DMITRE relating to various Industry Assistance packages totalling \$4.837m as at 30 June 2013. These indemnities relate to purpose built facilities constructed under the Premises SA Scheme and are provided as follows:

- In respect of properties owned by Renewal SA and leased to tenants, the indemnity covers any shortfall between current valuation and historical cost.
- 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 2013, Renewal SA 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 (PDA) with the Newport Quays Consortium (NQC), which occurred on 31 October 2011, the former Land Management Corporation (the Corporation) was obliged to make certain payments to NQC (which were secured by the \$5m performance bond provided by the Corporation to NQC). At the time of termination of the PDA, the Corporation calculated the quantum of the monies that the Corporation considered was payable (Agreed Damages Amount), to be in the order of \$5.96m. NQC disputed this quantum and asserted that the quantum of the Agreed Damages Amount was in the order of \$27m to \$30m.

From 1 March 2012 Renewal SA assumed responsibility for the Corporation's obligations under the terminated PDA and Renewal SA has disputed the quantum of the Agreed Damages Amount as asserted by NQC on various occasions.

On 18 March 2013 Renewal SA, the State of South Australia and NQC entered into a deed setting out a dispute resolution process relating to the calculation of the Agreed Damages Amount and other matters.

Pursuant to the Deed, Renewal SA and NQC have been undertaking non-binding negotiations with a view to reaching an agreement on the quantum of the Agreed Damages Amount contractually due from Renewal SA to NQC. In late March 2013 Renewal SA paid NQC the amount of \$5m (being a component of Renewal SA's estimate of the Agreed Damages Amount) and NQC returned to Renewal SA the \$5m monetary performance bonds provided by the Corporation to NQC under the PDA.

As at the reporting date non-binding negotiations are continuing pursuant to the dispute resolution process set out in the Deed and no litigation claiming damages has yet been instituted by NQC against Renewal SA arising from the termination of the PDA by the Corporation.

Contingent liabilities - continued*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 Renewal SA). 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 2013 the Minister (acting through Renewal SA as the Minister's agent) 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 Renewal SA and the Minister in respect of Renewal SA becoming the 100% legal and equitable owner of the DRR, Renewal SA will be responsible for any compensation which may be determined to be payable, which exceeds the compensation amount paid by Renewal SA to the Court.

35. Cash flow reconciliation

	2013 (01.07.12 to 30.06.13) \$'000	2012 (01.03.12 to 30.06.12) \$'000
Reconciliation of cash and cash equivalents - cash at the end of the reporting period		
Statement of Cash Flows	19,717	20,475
Statement of Financial Position	19,717	20,475
Reconciliation of total comprehensive result to net cash provided by/(used in) operating activities:		
Total comprehensive result	7,192	94,206
Add/less non-cash items		
Share of net profits of joint ventures	(7,566)	(964)
Net loss on disposal of plant and equipment	1	-
Depreciation and amortisation	491	151
Inventories write down	80,879	43,151
Investment property fair value adjustments	21,246	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	-	(14,117)
Unearned income assumed on restructure	-	(20,704)
Reversal of inventory write down	(3,740)	-
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	(81,800)	(373,176)
Movements in assets and liabilities:		
Decrease/(Increase) in mortgage debtor receivables	7,582	(36,948)
(Increase) in other receivables	(2,292)	(8,405)
Decrease/(Increase) in prepayments	7	(15)
(Increase) in work in progress	-	(633)
(Increase) in inventories	(24,814)	(495,003)
(Decrease)/Increase in payables	(14,919)	29,169
(Decrease)/Increase in unearned income	(5,493)	20,637
(Decrease)/Increase in provisions	(5,000)	5,967
(Decrease)/Increase in employee benefits	(387)	5,259
(Decrease)/Increase in other non current liabilities	(3,680)	4,647
Net cash used in operating activities	(32,293)	(246,212)

36. Cash and cash equivalents

	2013	2012
	\$'000	\$'000
Deposits with the Treasurer	18,531	15,255
Short term deposits with SAFA	159	154
Cash held in Cheltenham trust account	967	4,647
Cash at bank and on hand	60	419
Total cash and cash equivalents	19,717	20,475

Deposits with the Treasurer

Includes funds held in Renewal SA's operating account.

Short term deposits

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.

Interest rate risk

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.

37. Financial instruments disclosure/ Financial risk management**37.1 Categorisation of financial instruments**

The fair value of cash and payables approximates their carrying amount. The fair value of receivables has been calculated by discounting cash flows using a zero coupon yield curve derived from observable rates in the financial markets.

The fair value of mortgage debtor receivables and borrowings has been calculated by discounting cash flows using a zero coupon yield curve derived from observable rates in the financial markets. The resultant 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 fair values of financial assets and liabilities at balance date are:

	2013	Fair	2012	Fair
	Carrying	value	Carrying	value
	amount	\$'000	amount	\$'000
	\$'000	\$'000	\$'000	\$'000
Financial assets:				
Cash and cash equivalents	19,717	19,717	20,475	20,475
Loans and receivables				
Receivables (a)(b)	11,276	11,249	6,846	6,610
Mortgage debtors receivables	29,366	27,366	36,948	33,767
Allowance for doubtful debts	(579)	(579)	(579)	(579)
Total financial assets	59,780	57,753	63,690	60,273
Financial liabilities:				
Financial liabilities at cost				
Payables (a)	12,203	12,203	19,752	19,752
Borrowings	414,865	395,001	391,108	219,603
Total financial liabilities	427,068	407,204	410,860	239,355
Net financial assets/ (liabilities)	(367,288)	(349,451)	(347,170)	(179,082)

(a) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax etc they would be excluded from the disclosure.

(b) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 20 as receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefits of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

37.2 Credit risk

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

The carrying amount of financial assets as detailed in Table 37.1 represents Renewal SA's maximum exposure to credit risk.

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

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 20 for information on the allowance for impairment in relation to receivables.

37.3 Ageing analysis of receivables

	Overdue for < 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for > 60 days \$'000	Total \$'000
2013				
Not impaired:				
Receivables	1,212	51	2	1,265
Impaired:				
Receivables	-	-	579	579
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
2013				
Financial assets:				
Cash and cash equivalents	19,717	19,717	-	-
Loans and receivables				
Receivables	11,276	7,720	3,556	-
Mortgage debtors receivables	29,366	7,555	21,811	-
Allowance for doubtful debts	(579)	(579)	-	-
Total financial assets	59,780	34,413	25,367	-
Financial liabilities:				
Financial liabilities at cost:				
Payables	12,203	12,203	-	-
Borrowings	414,865	313,824	94,022	7,019
Total financial liabilities	427,068	326,027	94,022	7,019
Net financial assets/ (liabilities)	(367,288)	(291,614)	(68,655)	(7,019)

37.5 Liquidity risk

Liquidity risk arises where Renewal SA is unable to meet its financial obligations as they fall due. Renewal SA 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.

Renewal SA'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 Renewal SA'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 the table of note 37.1 represents Renewal SA's maximum exposure to financial liabilities.

37.6 Market risk

Market risk for Renewal SA 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. Renewal SA also has exposure to interest rate risk arising through its borrowings. Renewal SA'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 Renewal SA 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 of land and buildings from the Department of Planning, Transport and Infrastructure

The *Administrative Arrangements (Transfer of Land to Urban Renewal Authority) Proclamation 2013* gazetted on 27 June 2013, transferred land defined by regulation under the *ASER (Restructure) Act 1997* as the Site, from the Minister for Transport and Infrastructure to Renewal SA effective 30 June 2013.

Renewal SA recognised the following income upon the transfer of the ASER Site on 30 June 2013:

	2013 \$'000
Net gain from restructure	81,800
Net result	81,800

Renewal SA recognised the following assets upon the transfer of the ASER Site on 30 June 2013:

	2013 \$'000
Investment Property	81,800
Total assets transferred	81,800

39 Restatement of Financial Statements as a result of change in Accounting Policy and Correction of an Error

During the year ended 30 June 2013, Renewal SA completed a review of its accounting policies for inventory. As a result of this review it was identified that certain material costs directly related to the production of inventories, being land taxes and salaries of staff can be capitalised in accordance with accounting standard AASB 102. Furthermore, Renewal SA determined the development of land inventories did in fact meet the requirements set out in accounting standard AASB 123 to be a 'qualifying asset' (being an asset which takes a substantial period of time to be prepared for its intended use or sale), for which capitalisation of borrowing costs during the period of construction is mandated.

The following adjustments have been made to the comparative period to correctly capitalise interest, which was not capitalised in error, and to reflect the change in accounting policy to capitalise land tax and salaries:

Statement of Comprehensive Income

	2012 \$'000	Change in accounting policy adjustment	Correction of error adjustment	Restated 2012 \$'000
INCOME				
Less: cost of sales	4,434	633	375	5,442
Gross Profit	8,470	(633)	(375)	7,462
EXPENSES				
Employee benefits expenses	6,165	(1,244)	-	4,921
Operating expenditure	15,356	(2,586)	-	12,770
Borrowing costs	5,251	-	(3,488)	1,763
Depreciation and amortisation	151	-	-	151
Loss resulting from changes in value of properties	44,301	122	416	44,839
Payments to SA Government entities	238,489	-	-	238,489
TOTAL EXPENSES	309,713	(3,708)	(3,072)	302,933
PROFIT BEFORE INCOME TAX EQUIVALENT	88,434	3,075	2,697	94,206
PROFIT AFTER INCOME TAX EQUIVALENT	88,434	3,075	2,697	94,206

Statement of Financial Position

NON CURRENT ASSETS				
Inventories	354,309	3,075	2,697	360,081
Total non current assets	526,810	3,075	2,697	532,582
TOTAL ASSETS	653,160	3,075	2,697	658,932
EQUITY				
Retained earnings	88,434	3,075	2,697	94,206
TOTAL EQUITY	196,373	3,075	2,697	202,145

Statement of Change in Equity

	2012 \$'000	Change in accounting policy adjustment	Correction of error adjustment	Restated 2012 \$'000
Profit after income tax equivalent for 2011-12	88,434	3,075	2,697	94,206
Total comprehensive result for 2011-12	88,434	3,075	2,697	94,206
Balance at 30 June 2012	88,434	3,075	2,697	94,206

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

> general purpose financial statements of the Urban Renewal Authority:

- o are in accordance with the accounts and records of Renewal SA; and
- o comply with relevant Treasurer's Instructions; and
- o comply with relevant Australian accounting standards; and
- o present a true and fair view of the financial position of the Urban Renewal Authority at the end of the financial year and the results of its operations and cash flows for the financial year.

> Internal controls employed by the Urban Renewal Authority over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the financial year and there are reasonable grounds to believe the Urban Renewal Authority will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board members.



F J HANSEN
CHIEF EXECUTIVE
20 September 2013



HON B J PIKE
PRESIDING MEMBER
20 September 2013



L A SOUTH
CORPORATE SERVICES GENERAL MANAGER
20 September 2013

INDEPENDENT AUDITOR'S REPORT**Government of South Australia**

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**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 financial year ended 30 June 2013. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2013
- a Statement of Financial Position as at 30 June 2013
- a Statement of Changes in Equity for the year ended 30 June 2013
- a Statement of Cash Flows for the year ended 30 June 2013
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the Corporate Services General Manager.

The Board's Responsibility for the Financial Report

The members of the Board 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 members of the Board determine 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 members of the Board, 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 2013, its financial performance and its cash flows for the year 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.



S O'Neill
AUDITOR-GENERAL
25 September 2013