



RenewalSA  
people partnerships progress

# Delivering an inspiring urban future

Annual Report  
2013-14



Government of  
South Australia

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# 1. LETTER OF TRANSMITTAL

The Hon John Rau 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 2013-14.

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 2014 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 2014

## 2. Who we are

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*.

### ***Our vision***

*Delivering an inspiring urban future.*

### ***Our mission***

*Create great places that are sustainable, connected, affordable, inclusive and healthy through innovation, design excellence, engagement and partnership.*

To successfully deliver on our vision and mission, Renewal SA works in partnership with our community, industry, not-for-profit and government partners.

### ***Renewal SA responsibilities***

Upon establishment, Renewal SA incorporated the residential and industrial landholdings of the former Land Management Corporation along with key industrial landholdings from Defence SA and specific urban renewal functions of the Department for Communities and Social Inclusion (Housing SA).

All of our activities are focused on engaging with individuals, communities, industry, not-for-profits and government partners to plan and deliver outcomes that progress South Australia's urban, social and economic development. Renewal SA is committed to creating great places in key locations through the planning and delivery of targeted and strategic urban renewal projects.

At Renewal SA we ultimately focus on:

- *people*
- *partnerships*
- *progress.*

A key objective for Renewal SA is to accelerate urban renewal, particularly in areas with high concentrations of ageing social 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 better use of government land holdings whether currently surplus or potentially surplus.

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

Renewal SA's broad portfolio of projects and activities contribute to the urban renewal and redevelopment outcomes sought through *The 30-Year Plan for Greater Adelaide*, *South Australia's Strategic Plan* and the government's wider social and economic strategic priorities. These include 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 is guided by *The 30-Year Plan for Greater Adelaide* to enable unique development opportunities for the private sector through access to government land holdings.

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 of 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*.

### 3. OUR BOARD AND MANAGEMENT

#### Board of Management

##### *Board of Management members at 30 June 2014*

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.

As at 30 June 2014, 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.

**Phil Baker (Member)** has had 45 years of experience in aviation, including being Managing Director of Adelaide Airport Ltd until his retirement at the end of 2011. Phil has recently held directorships with Queensland Airports Ltd (Gold Coast, Mt. Isa and Townsville Airports), Tourism Task Force, the Australian British Chamber of Commerce (SA) and the Blind Sports Association. He is currently Chairman of the Adelaide Convention Bureau and a non-Executive Director of Flinders Ports Holdings. In addition, Phil is sole director of his own Aviation Consultancy Company (Philbak Pty) and has acted as a judge for both the Property Council of Australia and the Australian Airports Association annual national awards.

**Amanda Blair (Member)** is a broadcaster, columnist, a board member of the Independent Gambling Authority, the Australian Dance Theatre and the South Australian Housing Trust. Previous board positions include the Social Inclusion Board, the Contemporary Collectors (Art Gallery of South Australia), and a member of the Trust for Catherine House. She also spent 6 years on the Adelaide Festival Board. In 2011 she was nominated for South Australian of the Year, and won the St Mary of the Cross Mackillop Award for outstanding contribution to the media.

**Bob Laurence Boorman (Member)** has spent over 50 years in the public and private sectors of the contracting and property development industry. He established Bob Boorman and Associates in 2008 and was appointed as a consultant to drive the Nation Building Programme for the next three years. He is a member of the Project Board responsible for TAFE's recently completed Sustainable Industries Education Centre and Flinders University's new Kinetica building at Tonsley. He is also a member of the Board of the South Australian Housing Trust and was a Board Member of the Smith Family for nine years.

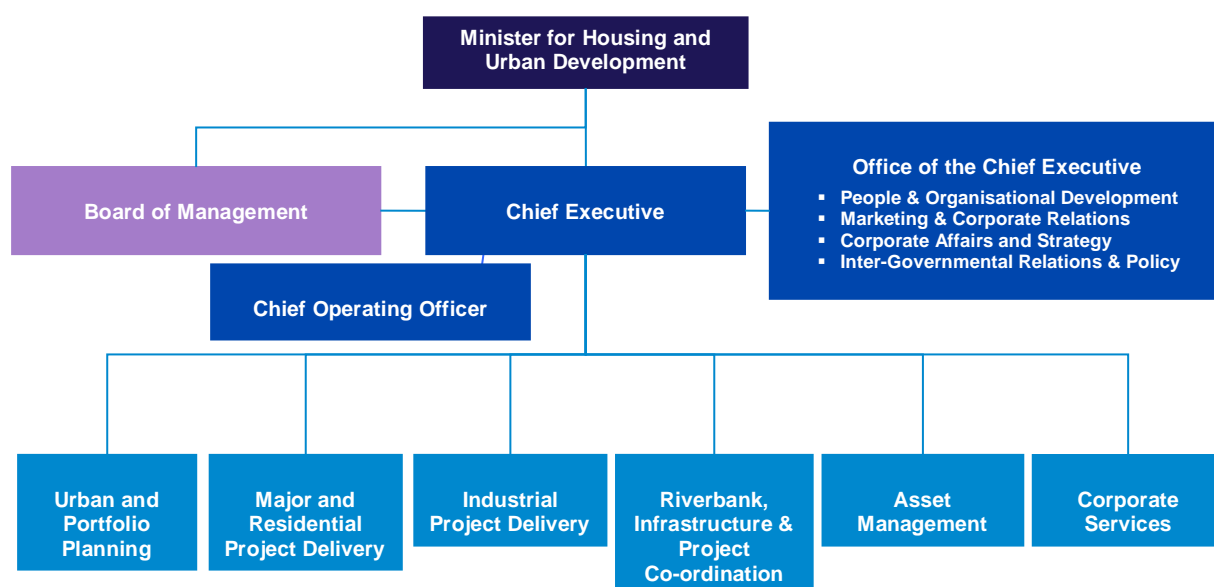
**Helen Fulcher (Member)** is the former Chief Executive of the Environmental Protection Authority (EPA) and has extensive experience in the development and delivery of social housing and affordable housing in South Australia, New Zealand and Western Australia.

Other members of the Board of Management during 2013-14 were:

- Ms Jennifer Westacott from 1 July 2013 - 31 July 2013
- Mr Michael Terlet AO from 1 July 2013 - 2 December 2013
- Mr Theo Maras AM from 1 July 2013 - 2 December 2013
- Dr Amanda Rischbieth from 1 July 2013 - 17 December 2013
- Mr Craig Holden from 1 July 2013 - 18 December 2013.

## ***Organisational chart***

As at 30 June 2014





## 4. MESSAGE FROM THE BOARD

Adelaide is a city that is shaping its own destiny with a vision that is encapsulated in the Government of South Australia's *30-Year Plan for Greater Adelaide*. A key component of this vision is urban renewal and Renewal SA is working in partnership with developers and the community to bring shared aspirations to life across the Greater Adelaide area.

Over the past 12 months, Renewal SA has continued to facilitate the development of great urban places across Adelaide. Renewal SA's projects at Bowden, Lightsview, The Square at Woodville West, Tonsley and Playford Alive are just some of these places where people want to live and be a part of. But it's not just the buildings and structures that define these places. Renewal SA is developing these new and dynamic communities with sustainability in mind, by connecting with existing services, amenities and infrastructure, be it buses, trams, cycle networks or trains.

At Tonsley, instead of creating just a residential community, we're building a community that is based around education and innovation in industry. It is set to become a centre of excellence and global significance for Adelaide. The 2013-14 year was an active period for the project where, in partnership with the Department of State Development, a number of new commercial tenancies were secured and CIC Australia was selected as the preferred proponent for the precinct's residential master plan development.

In March 2014, our Lightsview Joint Venture project with CIC Australia celebrated the coveted President's Award at the Urban Development Institute of Australia's (UDIA) National Awards in Brisbane. This is the highest honour bestowed by UDIA and followed the project's win for Best Master Planned Development in Australia. Lightsview is a leading example of the success and high quality outcomes that can be achieved through true collaboration and partnership. Lightsview, which has now won a number of awards and reached 250 affordable home sales by 30 June 2014, has proven that high quality, desirable and affordable housing will always find market appeal when delivered well.

It's exciting to see the launch of the Apartment Construction Cost Demonstration project at Woodville West that aims to help developers to explore alternative construction techniques and designs to reduce costs and increase affordability for home buyers. Leading SA building firm Mossop Construction + Interiors will team up with Studio Nine architects to lead the design and construction process for the Apartment Construction Cost Demonstration project – a result that could see the development of a four storey apartment building at Woodville West in 2015.

At Playford Alive, the most extensive, multi-faceted community development in the north of Adelaide, we have the developed innovative small lot housing in conjunction with Rivergum Homes in response to a gap in the market for affordable medium density housing. Following extensive planning and community consultation, Playford Alive has also seen construction commence on a \$5 million Town Park.

As a first of its kind in South Australia, the Bowden project team introduced the Rent-then-Buy scheme. Community Housing Limited and Investec will build and manage approximately 80 apartments across the development site at Bowden of which around 32 apartments will be offered under the scheme to key city workers like nurses, police officers and teachers.

Along with strong sales during 2013-14, the first retail opportunity at Bowden was launched and will see Plant 4 provide the prospect of a unique setting for retail, food and hospitality businesses for the precinct.

The master plan for the Port Adelaide precinct was unveiled in January and will guide the revival of Port Adelaide over the next 20 years with more people, new homes and more jobs. Early activation works are well and truly underway and a number of successful community events and festivals were hosted at Port Adelaide throughout the year.



The Renewal SA Works Program continues to provide people from the community — young and old — with opportunities to participate in professional development programs where they can learn new skills. The Works Program offers locals pathways to create a future for themselves that they may otherwise not have access to. The success of this training and employment model has seen the Works Program expand to cover five major projects and is now active in Playford Alive, Bowden, Port Adelaide, Woodville West and Tonsley.

Building for our future is a key priority for Renewal SA under its responsibility for identifying and consolidating sites for future urban renewal activity, and undertaking precinct planning. Our facilitation role includes preparing and enabling sites for private sector development that leads to stimulating economic activity in our state. During 2013-14, Renewal SA undertook preliminary investigation and planning activities across a range of key sites earmarked for potential urban renewal including Woodville Gardens, Morphettville and Glenside. The urban renewal of these sites will pave the way for supplying well designed dwellings, at affordable prices and in close proximity to transport and existing services that are required to support sustainable and connected communities.

Without partnerships with communities, developers, industry, not-for-profit and government agencies, we cannot accomplish our goals. In 2013-14 Renewal SA continued to work and share the journey with others to enable the communities we aspire to develop to become a liveable reality. Renewal SA has established and is committed to its strategic and operational partnership with Housing SA to ensure that optimal outcomes can be achieved through the redevelopment of publicly-owned housing and land assets, given Renewal SA's responsibilities to plan all significant redevelopment projects of assets currently owned by the South Australian Housing Trust (Housing SA). Renewal SA will continue to strive for and maintain close working relationships that foster innovation and economic prosperity for our state.

The Board of Management would also like to acknowledge the contribution made by the former Chief Executive Fred Hansen and wish him well in all of his endeavours. I now formally welcome the new Chief Executive John Hanlon and thank all the staff of Renewal SA for their efforts and professional contribution throughout the year. I would like to acknowledge the support received from the Minister for Housing and Urban Development, the Hon John Rau MP, since Renewal SA joined his portfolio of responsibility.

In 2014-15, we will continue our focus on progress and urban infill because we are committed to helping to create a city that is vibrant and exciting, that attracts and engages people.

Ultimately, we are working towards delivering an inspiring urban future.



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

## 5. LOOKING FORWARD

As the newly appointed Chief Executive of Renewal SA, I am really excited to have joined such a dynamic and innovative organisation that is committed to creating high quality places and spaces in which communities across our state can live and work.

My early focus has been on commencing the process of ensuring that we have the right balance, structure and people as part of our Renewal SA team to ensure we are best placed to achieve our vision.

The first part to our transition will see the establishment of a new structure based upon the following three key focus areas:

1. Project Delivery
2. People and Place Management
3. Commercial and Corporate Services.

Discussions with the Board, Minister and various Renewal SA staff have been very informative in gaining perspective on and investigating potential solutions to the issues facing us as an organisation. During a time of significant transition, I would like to commend the professionalism displayed by Renewal SA staff and their ability to maintain focus and continue to deliver on the expectations and commitments made to our range of stakeholders.

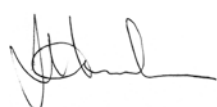
In moving forward, Renewal SA has a redefined purpose with the adoption of a new set of guiding principles, which are:

1. Encouraging more people to live in the city, by creating more housing opportunities within 10 kilometres of the CBD;
2. Encouraging more people to work in the city, by driving the economy and creating jobs;
3. Encouraging more investment in South Australia through the delivery of joint venture opportunities; and
4. Encouraging more people to visit and spend time in the CBD and regional South Australia.

This means that '80 per cent' of our focus will be on creating infill housing opportunities and less on the bigger land divisions. It also means we will channel our efforts into fostering a culture in our communities where business feels supported in order to establish, grow and succeed.

We have the full support for this approach from our Minister and the Renewal SA Board of Management and, in the year ahead, we will ensure that all facets of our project delivery are well connected to these four pillars.

I look forward to seeing the continued implementation of this new vision as we get on with delivering our pipeline of projects over the coming 12 months.



**John Hanlon**  
**Chief Executive**  
**Urban Renewal Authority**

## 6. AT A GLANCE (Highlights for 2013-14)

**PEOPLE PARTNERSHIPS PROGRESS**

**THE WORKS FOR LOCAL PEOPLE**  
The Works Program placed 451 people in work experience and 155 people in paid jobs. The Works ran 18 training programs for 287 people, ran 14 live training sites and succeeded in raising \$1.8 million in funds to continue the program.

**TONSLEY REROOFED**  
At Tonsley, 800 construction workers were on site working on replacing four hectares of roofing on the Main Assembly Building as well as construction of new buildings and civil works.

**BEST OF THE BEST**  
Our Lightsview Joint Venture project celebrated the coveted President's Award at the UDIA National Awards in Brisbane. This is the highest honour bestowed by UDIA and followed the project's win for Best Master Planned Development in Australia.

**WORKS EXPANSION**  
The Works Program was so successful it expanded to cover five major projects (Playford Alive, Bowden, Port Adelaide, Woodville West and Tonsley), giving community members opportunities to change their lives for the better.

**NEW DOORS OPENED FOR TAFE**  
TAFE's Sustainable Industries Education Centre (SIEC) opened its doors to students at its brand new campus at Tonsley. Over 800 students per day are now enjoying the new facilities.

**THE BEST GETS BETTER**  
An extension of the Lightsview Joint Venture project is underway encompassing the majority of the adjoining former Ross Smith Secondary School site that will see a further 160 new homes built.

**OUR EVENTFUL PORT**  
Over 26,000 people visited the Port for three events including the Tall Ship Festival, the annual St Jeromes Laneway indie music festival with over 6000 ticketed attendees, and the Port Adelaide Foodies's Weekend, held to celebrate the Hart's Mill works with almost 4000 people visiting the event.

**SOUTH AUSTRALIA DEMONSTRATES**  
An Apartment Construction Cost Demonstration project was launched at The Square at Woodville West aiming to help developers explore alternative construction techniques and designs to reduce costs and increase affordability for home buyers.

**A PLAN FOR CHANGE**  
The master plan for the Port Adelaide precinct was unveiled and will guide the revival of Port Adelaide over the next 20 years with more people, new homes and more jobs.



### TOWN PARK ALIVE

Construction commenced on a 1.3 hectare, \$5 million new town park at Playford Alive to feature two playgrounds, a water-play area, skate park with plaza area, amphitheatre with stage, picnic facilities and a contemplative garden

### BOWDEN MARKETS FOR PEOPLE

Bowden hosted successful vintage style market - That Dapper Market - held at Plant One. The event was attended by over 2500 people attracted by 55 stall holders offering vintage, designer and locally made products alongside food, beer and live music.

### MORE FUN AT PLAYFORD ALIVE

Playford Alive hosted its annual Fun Day and Local Heroes Awards with strong community participation and support. 7000 people showed up to see Justice Crew perform live. Two days later, the Local Hero Awards drew 300 people to see 16 people honoured for their achievements.

### SANDY ON SOLID GROUND

In March 2014, Sandy Rix, Director, Riverbank Precinct and Project Coordinator was named Australia's Planner of the Year 2014 at the Planning Institute of Australia Annual Awards for Planning Excellence.

### RENT THEN BUY

Another first for the state was achieved by the Bowden project team with the Rent-then-Buy scheme. Community Housing Limited and Investec will build and manage approximately 80 apartments across the development site at Bowden of which around 30 apartments will be offered under the scheme to key city workers.

### OPPORTUNITY AT MAGILL

The 19 hectare former Magill Youth Training Centre site was released the market through an expression of interest process, representing a significant redevelopment opportunity. The successful purchaser is expected to be announced late 2015.

### SURPLUS SUCCESS

The successful sale of the old Payneham Civic Centre on O.G Road, Felixstow to Commercial & General who secured one of the world's largest IT companies to become the new tenant until 2025.

### FINAL LAND SOLD

Developer Emmett Property purchased the final allotment in the latest land release at Bowden (Stage 4 release) - where it plans to build 37 apartments.

### UNEXPECTED PORT

Six innovative and early activation projects were awarded grants as part of the Unexpected Port program that invited artists to create and present art projects to enliven Port Adelaide.

### DEMAND GROWS AT PLAYFORD ALIVE

Playford Alive Saint and Clementine land releases sold out almost immediately and so more allotments were offered in order to meet demand.

### SALES THROUGH THE ROOF

Bowden experienced such strong sales that a further 35 apartments were released onto the market.

### PLANT 4 FLOURISHES

The first retail opportunity at Bowden was launched. Plant 4 will provide a unique setting for the retail, food and hospitality businesses for the precinct.



## 7. DELIVERING AN INSPIRING URBAN FUTURE

*Our projects and activities actively seek to deliver tangible outcomes. During 2013-14, our key outcome areas aim to:*

- 1. Contribute to the vibrancy and sustainability of our city, suburbs and regions;*
- 2. Deliver well planned urban renewal:*
  - *Accelerate the renewal of neighbourhoods;*
  - *Increase the supply of affordable housing and living opportunities;*
  - *Ensure future urban growth enables cost effective access to jobs, services, infrastructure and amenities.*
- 3. Facilitate land based projects that add to economic prosperity, industry innovation and jobs growth;*
- 4. Deliver value to our communities and stakeholders within a sustainable financial model.*

## BOWDEN

Bowden is the state government's first higher density urban infill project located on 16.4 hectares of former industrial land adjacent the city's western parklands.

The project sets new standards in urban revitalisation and design of mixed-use developments and integrated public transport including both tram and train. Bowden is leading an exciting integration of contemporary building and design innovation within an already established community that is rich in culture and heritage. The precinct is designed to be a safe, walkable urban neighbourhood with new streets designed for pedestrians and bikes and access to green open spaces and parks. On completion it will have over 2400 dwellings, accommodating more than 3500 people and create over 1200 ongoing jobs. The project will incorporate up to 20 000 square metres of commercial space and around 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: 2026**

### PROGRESS 2013-14

- Fourteen separate residential and commercial projects are now in various stages of design, sales and / or development;
- Two affordable housing projects are underway, aiming to provide accommodation for city workers in both rental and purchaser markets (rent then buy);
- The first stage shared streets and parks are complete and open to the public;
- Over 190 apartments and terraces have sold off-the-plan;
- *Bowden Seven* apartment development by Rossdale Homes was awarded South Australia's first 5 Star Green star building design certification;
- *Terraces on Sixth* by Rivergum Homes became Australia's first Green Star certified townhouse development with a 5 Star design rating;

- Retail fresh food markets Expressions of Interest process closed and a successful proponent is likely to be announced in late 2014 for a 2016 launch;
- The Princes Foundation for Sustainable Communities announced its first Australian project would be located at Bowden in the form of up to 10 new terrace homes;
- Stage two streets and town square are in design phase and will shortly go to construction tender for a late 2015 completion; and
- The Parklands upgrade design has now been endorsed by Adelaide City Council and is targeted for a mid-2015 completion.

### **TARGETS 2014-15**

- Contract Developer Release #5 (Lot 300) – the largest development site available to date, to enable an ongoing stock flow of apartments for sale;
- Finalisation of leasing strategy for adaptive retail re-use of Plant 4 and commencement of fit out;
- Target sales of around 15 off-the-plan apartments per month to enable project timeframes to be met;
- Commence stage two streetscape construction works – enabling further development parcels, town square and stage one of retail to launch in 2016;
- Achieve practical completion on stage one parklands upgrade;
- Complete construction of key worker housing development by Unity / Buildtec;
- See construction commencement of the Investec Rent the Buy project; and
- Achieve certification for Bowden as a pilot Green Star Community via Green Building Council of Australia.

## **LIGHTSVIEW**

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

This inner-city land development covers approximately 100 hectares which, when completed, will provide about 2200 allotments and approximately 2700 dwellings accommodating about 5000 residents. In addition Lightsview will cater for a 4.2 hectare retirement village and a 110-place aged care facility.

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 project cost is estimated at \$750 million with a \$170 million state government contribution and an estimated \$580 million from the private sector.**

**Project commenced: 2006**

**Forecast project completion: 2020**

### **PROGRESS 2013-14**

- Over 1160 allotments have been sold with sales remaining strong;
- Settled 228 allotments;
- In November 2013, the state government gave approval for a further extension of the Lightsview Joint Venture to encompass the majority of the adjacent former Ross Smith secondary school site on Hampstead Road;

- Facilitated the extension of Lightsview over the former Ross Smith School site to commence construction;
- In March 2014, Lightsview was judged as the 2014 winner of the UDIA's Best Master Planned Development in Australia and the highly coveted President's Award for excellence;
- Continued to exceed the state government's 15 per cent affordable housing requirement with a range of well-planned and appealing dwelling types (250 affordable homes sold as at 30 June 2014);
- Completion of 110-place aged care facility constructed by Helping Hand Aged Care Inc; and
- Launch of a new display village to showcase a range of terrace and affordable housing.

## TARGETS 2014-15

- Settlement of 234 allotments;
- Begin construction of a new display village within the former Ross Smith High School site;
- Construction of the first apartment building in the town centre precinct;
- Completion of major infrastructure including East Parkway (creating a new bus route through the project) and the upgrade of Folland Avenue adjacent the town centre;
- Commencement of Precinct two reserve; and
- Commencement of new Urban Garage three-storey homes.

## PLAYFORD ALIVE

The Playford Alive project involves the renewal 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. Since commencing in 2008 the project has delivered more than 1000 residential lots, a range of commercial and health services, new parks and reserves (including two wetlands) and three new schools have been built and opened. Playford Alive will also soon be home to a \$250 million Town Centre, including a \$70 million retail component to be developed by Woolworths.,

Playford Alive is one of Adelaide's most connected communities, situated between Main North Road and the Northern Expressway. The project area is supported by train and bus services including the new Munno Para railway station which opened in April 2012.

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

**Project commenced: 2008**

**Forecast project completion: 2023**

## PROGRESS 2013-14

- The sale of 172 allotments, comprising 97 in the greenfield and 75 in the renewal area;
- The Works program at Playford Alive sourced \$1.2 million of funding and delivered;
  - 18 engagement, training and employment programs to 286 local people;



- 229 work experience placements with 66 of these coming from Playford Alive contractors;
- 87 paid employment placements with 40 of these coming from Playford Alive contractors; and
- Nine live training sites.
- Selection of the preferred proponent to construct the Town Park to be located on the corner of Peachey Road and The Parkway at Munno Para;
- The refurbishment of 61 public houses with 19 sold to private purchasers and 42 retained by Housing SA;
- Completed the design of 240 allotments in the greenfields and renewal areas;
- Completed construction of 137 allotments in the greenfields and renewal areas catering for approximately 149 dwellings with 25 per cent at affordable price points;
- Completed landscaping for three more stages of the overall development; and
- Completed civil works for new Playford Alive display village and agreements reached with seven display home builders for the construction of 12 new display homes within the new Playford Alive display village.

## TARGETS 2014-15

- Settle 189 allotments - 166 residential allotments, 20 refurbished homes and three commercial allotments;
- Works Program at Playford Alive will deliver a minimum of:
  - 50 work experience placements;
  - 30 paid employment positions;
  - 100 accredited training places for local people; and
  - Four live training sites.
- Complete the construction of 186 new allotments in both the greenfields and renewal areas;
- Facilitate construction of five display homes for the small lot innovative housing project (Town Life Living) and release first two stages to the market (priced from \$156 000 to \$209 000);
- Officially launch of the new Playford Alive display village in April 2015;
- Complete construction of 1.3 hectare Town Park located on corner of The Parkway and Peachey Road; and
- Finalise negotiations with Woolworths to facilitate the construction commencement of stage one of the retail component of the town centre.

## TONSLEY

Tonsley is an economic development project led by the Department of State Development with Renewal SA acting as the master developer.

The mixed-use precinct will support the transformation of South Australia's manufacturing industry by providing a high quality, people-focused and knowledge-driven environment. Renewal SA is managing the physical delivery of the project, including infrastructure works such as roads, services, public realm and the creation of high-value manufacturing and commercial allotments for sale to the private market.

Located on 61 hectares on South Road at Clovelly Park, Tonsley will create a vibrant and sustainable mixed-used employment, education, services, retail and residential precinct.

Objectives for the development include over 6300 high-value jobs, 8500 students per year learning on site and approximately 1200 residents living in high quality accommodation.

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

**Project commenced: 2012**

**Forecast project completion: 2027**

### **PROGRESS 2013-14**

- Completed detailed design that will enable the delivery of the project in stages, commencing with delivery of stage one infrastructure;
- Stage one civil construction was completed in January 2014;
- Stage two civil construction started in February 2014;
- TAFE's Sustainable Industries Education Centre (SIEC) was opened in January 2014 with over 800 students per day on campus;
- Funk Coffee+Food, Tonsley's first food outlet, opened in February 2014;
- Construction is underway on Flinders University's \$120 million Computer Science, Engineering and Mathematics School for student intake in 2015;
- Construction is underway on Flinders University's research and engineering pod;
- Construction is underway on the urban Plaza Forest;
- Re-roofing of four hectares of the Main Assembly Building was underway and forecast for completion in July 2014;
- Basetec Services, Signostics Limited, ZEN Energy Systems and MAN Diesel and Turbo Australia have committed to establishing operations at Tonsley;
- Announcement of plans to establish the Onshore Petroleum Centre of Excellence (OPCE) training facility at Tonsley;
- Announcement of plans for the \$32.2 million State Drill Core Reference Library to be relocated to Tonsley; and
- Master planning and financial modelling has commenced on a proposed residential and mixed use site of 11 hectares with private sector partner CIC Australia.

### **TARGETS 2014-15**

- Create additional 230 FTE high value jobs on-site through completion of Flinders University building and pod, and commencement and completion of Siemens building;
- Commencement of Tier 5's \$113 million, one hectare data centre in the Main Assembly Building;
- Completion of Siemens energy maintenance and repair facility;
- Completion of the Main Assembly Building;
- Completion of the Town Square including the retail precinct and Central Forest;
- Commencement of the State Drill Core Reference Library construction; and
- Completion of Stage two civil construction including roads and services.
- Execute Development Deed for 11 hectare residential and residential mixed use precinct;
- Sale of approximately 35 000 square metres of high value manufacturing and commercial land;
- Release to market small and large tenancy opportunities within the Main Assembly Building;
- Achieve certification as a pilot Green Star Community by Green Building Council of Australia;
- Launch the Cooperative Research Centre (CRC) for Low Carbon Living – Adelaide Living Laboratory at Tonsley; and
- Delivery of the solar project for the Main Assembly Building.

## THE SQUARE AT WOODVILLE WEST

The Square at Woodville West urban renewal project was instigated in 2009 by Housing SA and was transferred to Renewal SA in April 2012.

The six stage project involves the renewal of an area of Woodville West that had a high concentration of aged South Australian Housing Trust (SAHT) owned properties.

Renewal of the area includes construction of approximately 425 new dwellings and up to three retail premises, reconfiguration of roads and creation of new public spaces.

The project master plan supports a broad mix of housing types to appeal to a broad range of households and budgets.

The master plan proposes the delivery of 35 per cent affordable housing (both for sale and rental) for low to moderate income households and a further 15 per cent earmarked for social housing.

The first stage of The Square is now complete, as is the planning for stage two that will see a range of one and two-story homes built in 2015 following completion of civil works which are scheduled to begin in late 2014.

**Total approved Renewal SA investment for the project is \$131.7 million**

**Project commenced: 2010**

**Forecast project completion: 2022**

### PROGRESS 2013-14

- Completion of stage one and delivery of new 69 dwellings with all products sold;
- Finalised concept planning and detailed design for stage two;
- Approval granted for the first of two Development Applications for the stage two land division, which creates 37 new allotments to accommodate 45 new dwellings;
- Expression of Interest released to select a builder and design team for the Apartment Cost Demonstration Project, which aims to help developers explore alternative construction techniques and designs to reduce costs and increase affordability for home buyers;
- Commencement of The Works training and employment program with a 12 week 'hands on' training program for 23 participants who gained a Certificate II in Horticulture; and
- Delivery of a 12-plot community garden and upgraded native walking path through The Works Program.

### TARGETS 2014-15

- Commence construction of stage two dwellings which will include lofts, villas, townhouses, cottages and courtyard homes;
- Approval for the second Development Application for the stage two land division, which will enable the creation of 18 new allotments to accommodate 36 new dwellings;
- Commence construction of an Apartment Cost Demonstration Project with the appointed builder and design team (pending the right design at the right price);
- Identify a retailer via an Expression of Interest process for a site within stage three of the project;
- Complete the revised master plan and financial modelling, and identify the preferred delivery option;

- Renewal SA's Works Program will expand. Construction-related training will be provided to local residents at Woodville West and surrounding suburbs through direct training and work experience programs provided by Renewal SA and its contractors; and
- Continue to deliver events and initiatives that engage with the new and existing residents, surrounding community and Council.

## 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, together with residential development land sales.

Port Adelaide's vision is to become a key destination in South Australia, viewed by all as a unique, vibrant and desirable place. Through the consistent implementation of the Precinct Plan, more people will live, work, invest in and visit Port Adelaide to enjoy the historic surrounds, expansive waterways and diverse cultural attractions.

The Precinct Plan anticipates 2000 - 4000 additional dwellings and 4000 - 8000 people in the study area generating permanent and construction jobs over the next two decades and envisages a doubling of public open space in the study area.

**Project commenced: 2012**

**Forecast project completion: Post 2025**

### PROGRESS 2013-14

- Precinct and Implementation Plans completed;
- Early activation package one works completed including:
  - façade restoration works to the Visitor Information Centre and Customs House;
  - landscaping, regional playground at Harts Mill;
  - establishment of a weekly market at Hart's Mill;
  - inner harbour loop Path; and
  - angle parking in St Vincent Street.
- A further six vacant shops were occupied under the Renew Adelaide program; and
- A number of successful community events and festivals including the Tall Ships Festival with 35 000 attendees, the annual St Jeromes Laneway indie music festival with over 6000 ticketed attendees, and the Port Adelaide Foodies' Weekend, held to celebrate the Hart's Mill works with almost 4000 people visiting the event.

### TARGETS 2014-15

- Business case approved and future funding for the Port Adelaide Renewal Project secured;
- Work with the Department of Transport, Planning and Infrastructure (DPTI) to complete the Development Plan Amendment (DPA) for Port Adelaide;
- St Vincent Street embellishment and finalise interpretive signage of the loop path;
- Deliver the Early Activation package two works with a focus on streetscapes and improvements;

- Contract the sale of residential sites at 6-10 McLaren Parade and Divett Street.
- Completion of due diligence and concept plan for the four hectare Dock 1 residential development site;
- Introduce brand awareness marketing campaign for Port Adelaide; and
- Continued focus on increasing visitation to the Port Adelaide Renewal Project with four significant activation events and a range of smaller monthly activities to be delivered during 2014-15.

## 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 (DPTI), 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. Following positive public support for the draft vision, gained from a second round of community consultation held in June through to the end of July 2013, the Greater Riverbank Precinct Implementation Plan was completed in September 2013.

The Implementation Plan recommends delivery of:

- New and upgraded east west paths along the river particularly between the southern bank and North Terrace;
- Four key investment sites as follows:
  - Adelaide Festival Plaza and Car Park area including the Casino surrounds and connections for the footbridge (Core Entertainment Area)
  - Royal Adelaide Hospital
  - SA Health and Biomedical Precinct near the river
  - Bonython Park
- A series of events and interventions to activate the core entertainment area; and
- Upgrade / renewal of north south connections to the Riverbank with an initial focus on Kintore Avenue.

## PROGRESS 2013-14

- Approval of the formation of a Riverbank Authority with an appointed presiding Member, Mr Andrew McEvoy with the following roles and responsibilities:
  - Promote, facilitate, carry out and control the development disposal and management of land and other property within the Corporation area;
  - Achieve an appropriate balance between the Corporation's commercial and non-commercial functions;
  - Ensure the Corporation area complements, rather than duplicates, other public uses in the inner city Adelaide area;

- Provide for a diverse range of recreational, cultural and educational pursuits for local, regional and international visitors;
- Accommodate public events and entertainment that benefit the general community; and
- Achieve excellence and innovation in the management of open space and park areas.

### **TARGETS 2014-15**

- Operationalisation of the Riverbank Authority;
- Design and commence construction of the Adelaide Festival Plaza Car Park redevelopment (DPTI/Office for Design and Architecture (ODASA) led);
- Agreed concept plan for Kintore Avenue Memorial Walk project:
  - Detailed design and specifications for Kintore Avenue Memorial Walk;
- Agreed plan for SA Health and Biomedical Precinct adjacent the River Torrens Lake, defining the connections with public realm, focussing on Gray Street connection with city (subject to Ministerial direction and funding from DPTI/ODASA); and
- An enhanced activation program in conjunction with DPTI.

## **NORTHWAY AT ELIZABETH PARK**

The Northway at Elizabeth Park neighbourhood renewal project is managed by Renewal SA on behalf of Housing SA.

Northway is a neighbourhood renewal project upgrading streets and housing in an area of over 500 homes in Elizabeth Park, almost half of which were owned by the South Australian Housing Trust and in need of improvement.

The redevelopment will achieve a sustainable mix of affordable homes within a revitalised neighbourhood that offers energy efficient homes with renewed street landscaping and parks.

Over four stages, land will be developed to deliver up to 250 new allotments of which 76 will be retained for the construction of new social housing and the remainder sold for to the general market for construction of new and affordable houses. A further 100 homes will be renovated with 27 of these offered for sale.

**Total approved state government investment for the project: \$20.9 million and a revenue budget of \$19.2 million.**

**Project commenced: 2008**

**Forecast project completion: 2016**

### **PROGRESS 2013-14**

- Project relaunch of sales campaign releasing third stage of land development allotments;
- Design and tender of the project's final 29 social housing outcomes;
- Design and tender of new public reserve;
- Refurbishment of two properties to be offered for sale and 17 new social housing properties were built; and
- Thirteen lots were sold for the construction of new and affordable homes.



## TARGETS 2014-15

- Construction of 29 new social housing properties;
- Present remaining stage three and first of stage four allotments for sale;
- Refurbish the last remaining three properties to be sold;
- Complete stage three reserve; and
- Work with the City of Playford to complete the planned public space upgrades.

## 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, 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 2014, 1489 affordable homes have been delivered and a further 3300 are committed through the 15 percent requirement.

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

The *Housing Strategy for South Australia 2013-18* was released by the Premier in November 2013. The strategy, jointly developed by Renewal SA and Housing SA, outlines the directions for the housing sector in South Australia over the next five years.

As part of the Government of South Australia's *An Affordable Place to Live* strategic priority, Renewal SA also contributed to the housing chapter of the government's *Charter of Affordability* which brings together the services, supports and initiatives either available currently or planned for the future to help households manage cost of living pressures.

### 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.

The final round (Round 5) of the scheme was cancelled as part of the 2014-15 Federal Budget. Prior to the cancellation of the scheme South Australia secured 3674 affordable housing outcomes scheme, a 9.6 per cent share.

### 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.



## Not for Profit (NFP) housing

A 90 day change project through Change@SA was undertaken during 2013-14 to further facilitate growth of the NFP housing sector and support partnership between government and NFP providers. The project included representatives from Housing SA, Renewal SA, Junction Housing, Unity Housing and Anglicare.

### PROGRESS 2013-14

- A small scale digital marketing campaign increased the Affordable Homes Program database, with more than 300 new subscribers in three months;
- Provided 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;
- Launch of a new Affordable Homes Program website to complement listings on realestate.com.au. The website is now averaging 78 000 page views per month;
- A total of 251 new affordable housing commitments were secured across new significant developments;
- A total of 263 homes were delivered through the 15 per cent affordable housing requirement;
- A total of 237 affordable homes were sold through the Affordable Homes Program including 15 per cent outcomes and former social housing properties;
- Release of the *Housing Strategy for South Australia 2013-18*; and
- Completion of a 90 day change project through Change@SA in partnership with the not-for-profit sector and Housing SA.

### TARGETS 2014-15

#### Affordable Housing

- Implementation of a new framework to improve the way affordable housing is delivered in South Australia;
- Negotiation to secure at least 15 percent affordable housing in significant new developments;
- Negotiation and administration of affordable housing plans with each developer; and
- The development of promotional and informative materials about affordable housing for industry and local government.

#### Affordable Homes Program

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

## NEIGHBOURHOOD RENEWAL PROGRAM - BETTER NEIGHBOURHOODS PROGRAM

Initiated in 2002, the Better Neighbourhood Program (BNP) involves an ongoing housing replacement program for the South Australian Housing Trust (Housing SA). The BNP involves the demolition of obsolete Housing SA houses; the subdivision of the larger allotments into more appropriate and diverse dwelling sites; and the creation of higher allotment yields and revenue from the sale of these smaller allotments. While the majority

of homes created under the BNP are retained by Housing SA for social housing, under special programs, completed houses are occasionally sold.

During 2013-14 the project management of BNP was transferred to Renewal SA. Renewal SA provides project management services for the delivery of the BNP under the terms of an administrative agreement with Housing SA.

On average, in each financial year, this rolling self-funded program achieves \$15 million of vacant land sales that fund the \$15 million of expenditure associated with tenant relocation costs, land development and the construction of new houses. Typically the BNP creates around 80 new social housing dwellings together with 75 vacant dwelling sites for sale to the general public.

At any one time, the rolling program comprises multiple projects, requiring relocations of tenants, demolition of obsolete dwellings, subdivision, and construction of new social housing dwellings and the sale of allotments to the open market.

Since commencement, the BNP has delivered 1435 new dwellings directly for social housing and 1034 single and development allotments for private purchase and redevelopment across metropolitan Adelaide.

On 5 March 2013, the Premier announced that the state government had brought forward a number of construction and housing projects to stimulate South Australia's housing and construction industry. This includes an 'acceleration' of the BNP by constructing an additional 114 dwellings currently under construction and on track to be completed by 31 December 2014. The dwellings are being closely monitored to ensure completions targets are achieved.

**Total approved State Government investment in the project: \$26.039 million in revenue and \$26.798 million in expenditure.**

**Project commenced: 2002**

**Forecast project completion: ongoing**

#### **PROGRESS in 2013-14**

- Demolished 30 vacant dwellings;
- Subdivisions to create 178 allotments for dwelling construction;
- Subdivisions to create 113 allotments for sale;
- Sale and settled 9 dwellings;
- Sale and settled 113 allotments; and
- Built 79 dwellings for Housing SA for retention as social housing.

#### **TARGETS 2014-15**

- Demolition of 200 dwellings;
- Creation of 253 new dwelling sites;
- Sale of 77 newly created dwelling sites;
- Construction of 200 houses;
- 172 newly constructed houses handed over to Housing SA;
- Sale of 28 built houses; and
- Deliver greater diversity and innovation in dwelling type, form and density; a higher level of master planning in suburban redevelopment and the delivery of more affordable housing in existing urban areas.

## ASSET MANAGEMENT AND INDUSTRIAL PROJECTS

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 is a 600 hectare master planned industrial estate with strong links to existing manufacturing facilities, which is being developed to support employment creation in Adelaide's north. The land was originally Commonwealth Department of Defence land.

The estate is located at the northern end of the Northern Economic Corridor within easy access to the Interstate Main rail Line (IML, through the SCT Direk Intermodal terminal) and Adelaide's upgraded expressway system through the Northern Expressway.

The project has included Renewal SA providing all internal roads, services and stormwater infrastructure to create a modern and efficient industrial subdivision. Planning for the northern area of the estate is currently focussed on investigating potential higher-value land uses which may be desirable in the vicinity of the Elizabeth Regional Centre – at this stage no decision on a change of land use in this area has been made.

Edinburgh Parks is home to the national headquarters of Australia's largest defence contractor, BAE Systems, and is adjacent to the RAAF Base Edinburgh, the 7RAR Battle Group and Defence Science and Technology Organisation (DSTO). A wide range of national and international businesses have been attracted to Edinburgh Parks with more than 6500 jobs created. Major business occupants include Coles, Inghams, MTU Detroit Diesel, DHL, TOLL and Futuris.

Approximately 248 hectares has been sold since the estate opened in 2005. At 30 June 2014, 34 hectares of development-ready land was available to the market. Allotment sizes range from 2500 square metres to more than 10 hectares.

**Total approved budget: \$96.4 million**

**Project size: 600 hectares**

**Project commencement: 2004**

**Forecast completion: about 2035**

#### PROGRESS 2013-14

- Completed stage one works for the Northern Detention Basin (stormwater);
- Commenced stage one heritage building conservation works;
- Achieved 100 per cent leasing of tenantable buildings over the financial year; and
- Achieved sales revenue of \$1.4 million over the financial year.

#### TARGETS 2014-15

- Upgrade of the West Avenue / Third Avenue Roundabout (at entrance to DSTO);
- Review transport access arrangements within the estate;
- Undertake stage two works of the Northern Detention Basin;
- Complete stage one heritage building works;
- Marketing of developed allotments across the estate; and
- Achieve budgeted sales and maintain leasing revenue.

## SEAFORD INDUSTRY PARK

The Seaford Industry Park includes approximately 30 hectares of land at Seaford that has been developed by Renewal SA in stages. It provides for the development and delivery of industrial land with access to the Southern Expressway.

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.

This final stage comprises 22 allotments ranging from 1800 square metres to 7399 square metres and brings the total number of allotments in the estate to 92. Marketing of the final stage commenced in 2012-13, and 16 allotments remain available for purchase.

**Total approved budget: \$8.0 million**

**Project size: 30 hectares**

**Project commencement: 2004**

**Forecast completion: 2014 (Infrastructure complete with allotment sales in progress and is forecast to be complete in 2018)**

### PROGRESS 2013-14

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

### TARGETS 2014-15

- Achieve budgeted sales revenue.

## GILLMAN EMPLOYMENT LANDS (INCLUDING EAST GRAND TRUNKWAY)

The Gillman Employment Lands Precinct includes over 500 hectares of land primarily in the suburbs of Gillman and Dry Creek with approximately 450 hectares owned by Renewal SA. 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 provides guidance for development of the project, including:

- an industrial subdivision (in stages);
- infrastructure and transport linkages to Port Adelaide; and
- open space areas which will also act to manage stormwater from the adjacent urban areas.

Community members were invited to contribute to the Gillman Master Plan via a survey designed to collect feedback on the draft master plan. This survey was conducted in November and December 2013. Feedback was used to prepare the final Gillman master plan.

**Project size: 450 hectares**

**Project commencement: 2014 (construction works)**

**Forecast completion: 2025**

#### **PROGRESS 2013-14**

- Completion of community consultation for the master planning process;
- Complete master planning for the remainder of the Gillman Employment Lands Precinct;
- Commenced delivery of eight serviced industrial allotments of between 8000 square metres and more than five hectares to meet market demand (East Grand Trunkway Project) - with completed allotments expected to be available mid- 2015;
- Completed master planning, with the master plan expected to provide a framework for ongoing development within the broader precinct; and
- The state government entered into an agreement with Adelaide Capital Partners who are currently investigating the site as a preferred location for a new industrial estate, which has a focus on supporting the emerging oil and gas sector.

#### **TARGETS 2014-15**

- Re-zone land in accordance with the master plan;
- Infrastructure Agreements agreed in accordance with the master plan;
- Delivering serviced industrial allotments to meet market demand (East Grand Trunkway Project);
- Facilitate settlement of the stage one land under the Lipson Industrial Estate Option Deed with Adelaide Capital Partners; and
- Ensure progress on land acquisition matters (former Dean Rifle Range).

### **WINGFIELD CAST METALS PRECINCT**

Located on 14 hectares at Wingfield in Adelaide's North, the Cast Metals precinct was established to support cast metals industries to either establish or relocate from other locations within the Metropolitan Area.

The Wingfield Cast Metals precinct is identified in *The 30-Year Plan for Greater Adelaide* as a key area to support employment targets for Western Adelaide. With large allotments located well away from sensitive residential land uses, the estate is ideally suited to industries operating within the Cast Metals sector.

**Renewal SA investment: \$7.4 million**

**Site size: 14 hectares**

**Project commencement: 2003**

**Forecast completion: complete**

#### **PROGRESS 2013-14**

- Ensured that serviced industrial allotments were available for businesses associated with the cast metals sector.

## TARGETS 2014-15

- Rezoning of Wingfield Cast Metals Precinct from “Industry (Cast Metals Policy Area 9)” to “Industry” (or similar). The re-zoning process is independent of Renewal SA. However, Renewal SA is required to support the process through the provision of information related to the proposed amendment; and
- Achieve budgeted sales revenue.

## PORT DIRECT

Port Direct is a general purpose industrial estate located 22 kilometres north of Adelaide’s central business district with access to Outer Harbour import/export facilities and the facilities within the Techport facility. It offers businesses the opportunity to develop facilities according to their needs, in close proximity to transport infrastructure, including Adelaide’s international port.

Designed as a general industry alternative to allotments in the adjacent Techport Australia precinct (which specifically cater to naval shipbuilding) these allotments offer significant locational benefits.

Stage one (comprising 13 allotments from 5993 square metres to 8217 square metres) was released to the market in November 2011, with each allotment geotechnically prepared, environmentally certified and ready for immediate development.

**Renewal SA investment: \$20 million (stage one)**

**Site size: 27 hectares**

**Project commencement: 2010**

**Forecast completion: 2016 (stage one), 2025 (stages two and three)**

## PROGRESS 2013-14

- Port Direct has available fully serviced and geotechnically prepared sites.

## TARGETS 2014-15

- Maintaining supply of allotments to companies;
- Complete geotechnical improvement (pre-loading) of the stage two and stage three land; and
- Review requirements to develop land within the stage two and stage three areas.

## TECH PORT

Techport is Australia’s premier naval industry hub, located 22 kilometres north of Adelaide’s CBD at Osborne and providing land for naval-oriented businesses.

The Techport suppliers’ precinct comprises approximately 14 hectares within a broader 80 hectare maritime precinct. Techport was developed in 2008 as part of the state’s commitment to the \$8 billion Air Warfare Destroyer project and the multi-billion dollar through-life-support contract for the Collins Class submarines.

Designed specifically with naval shipbuilding in mind, the allotments are well suited to companies which provide goods and services into the Air Warfare Destroyer or Collins Class submarine programs. A range of allotments sizes are available and can be combined to create larger parcels that meet the demands of the market.



Sites are available to parties engaged in shipbuilding activities and could benefit from access to the significant shipbuilding infrastructure and the Outer Harbour Shipping Terminal available within the broader precinct.

Currently, ASC, AWD System Centre, Raytheon Australia, MSC and PMB Defence are just a few of the high calibre organisations at Techport Australia.

**Total Renewal SA investment: \$28.53 million**

**Project size: 14 hectares**

**Project commencement: 2008**

**Forecast completion: Complete with land available**

### **Progress in 2013-14**

- Techport has available fully serviced and geotechnically prepared sites.

### **Targets for 2014-15**

- Maintaining supply of allotments to companies which meet the objectives of the shipbuilding industry cluster.

## **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.

The Northern Lefevre Peninsula Master Plan identified a number of industrial and open-space precincts for development.

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 2013-14**

- Project completion.

### **TARGETS 2014-15**

- Undertake ongoing asset maintenance for properties which continue to be held by Renewal SA.



## RESIDENTIAL LAND RELEASES

### EVANSTON

Renewal SA owns two parcels of land at Evanston Gardens (49 hectares) and Evanston South (59 hectares) which are part of a wider area totalling approximately 200 hectares which is identified for residential development.

Renewal SA administers the delivery of coordinated infrastructure (including stormwater channels, basins and wetlands, aquifer storage recharge (ASR) system for irrigation of green spaces, road upgrades and contribution toward community facilities) by Renewal SA, neighbouring developers and Town of Gawler.

Renewal SA intends to make the parcels of land at Evanston Gardens and Evanston South available to the private sector for purchaser and/or development.

### PROGRESS 2013-14

- The Evanston parcels were released to the market by tender but Renewal SA has been unable to enter into acceptable transaction(s);
- Major upgrade and signalisation of the Main North Road/Tiver Road intersection completed; and
- Stormwater infrastructure continued to be progressively delivered.

### TARGETS 2014-15

- Renewal SA to review supply and demand activity for development parcels with the view of re-marketing the sites when appropriate; and
- Continue to administer and progressively deliver infrastructure obligations.

### BLAKEVIEW

Renewal SA owns approximately 275 hectares of land identified for future residential development at Blakeview. Approximately 206 hectares of the land has previously been marketed but remains unsold.

Renewal SA is investigating infrastructure requirements to enable commencement of residential development on a smaller scale to meet demand for housing allotments as market conditions improve. It is intended that the land will be offered for sale for development by the private sector.

### TARGETS 2014-15

- Renewal SA will continue to identify and negotiate required infrastructure for a smaller development parcel;
- Monitor market conditions and progress to marketing of identified parcel as appropriate; and
- Continue to monitor and implement delivery of road upgrade obligations by others.

## 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 residential development, providing walking and cycling paths to the Adelaide CBD together with the O-Bahn transit corridor.

The site offers potential to provide healthy and sustainable lifestyles which forms part of Renewal SA's mandate.

### PROGRESS 2013-14

- Established development outcomes and successfully marketed the site for sale with a staged settlement program;
- Entered into contractual arrangements with local developer Qattro to progressively acquire and develop the site; and
- Approved Qattro's Master Plan for the site which will deliver approximately 158 dwellings incorporating 66 affordable housing outcomes.

### TARGETS 2014-15

- Complete staged settlement program; and
- Monitor development outcomes in terms of Development Deed obligations.

## SEAFORD MEADOWS

In 2005 the Fairmont group purchased approximately 132 hectares at Seaford Meadows from Renewal SA. The land was purchased in six stages with the final stage settling in November 2013. The master planned development containing over 1900 dwellings is well underway with over 65 per cent of dwellings now complete. The recent opening of the supermarket as part of the Neighbourhood Centre development has further enhanced the sense of community in the area.

## SEAFORD HEIGHTS

In 2008 the Fairmont Group purchased 81 hectares at Seaford Heights from joint owners Renewal SA and South Australian Housing Trust. The land was purchased in four stages with the second stage being settled in June 2014.

The Fairmont Group will ultimately develop an estate that includes approximately 1350 dwellings, district playing fields and a neighbourhood centre with an estimated population of 3600. The first release of allotments to the public is expected in October 2014.

## DISPOSAL OF SURPLUS GOVERNMENT SITES AND ACQUISITIONS

Renewal SA is responsible for managing the disposal of surplus government land and acquisitions, on behalf of state government departments in accordance with Premier and Cabinet Circular 114.

In accordance with government policy, following 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
- the relevant local council, for public or community uses.

If no interest is expressed by state or local government, and following requisite due diligence, a real estate agent is engaged to sell the land.

### PROGRESS 2013-14

Renewal SA managed the sales on behalf of government departments as shown in Table 1.

**Table 1: Sales by Renewal SA on behalf of government departments**

Site	Description	Sale Price \$	Purchaser
Millbrook Primary School	Former Primary School	310 000	A Warner & M Blason
Morphett Vale West Primary School	Former Primary School	3 457 000	White Holdings Pty Ltd
Augusta Tce Port Augusta	Residence	160 000	M & K Bowshire
Carramar Clinic, Parkside	Former Health Clinic/Offices	2 420 000	SG Norris
36 Gordon St Glenelg	Residence	1 200 000	TJ Cowling
15 Pearce Avenue Felixstow	Residence	482 000	Mercorp Developments Pty Ltd
18 Percy St Seaton	Residence	325 000	I & C Trivedy
John Morphett Primary School	Former Primary School	3 500 000	Craven Securities Pty Ltd & Battye Farm Pty Ltd
Old Port Lincoln Fire Station	Former Fire Station	230 500	G Whitehead
Evanston Primary School	Former Primary School	2 500 000	Metro SASPV 11 Pty Ltd
Evanston Pre-school	Former Preschool	351 000	G Girolamo
Norton Summit Rd, Magill	Warehouse	820 000	DJ Penn
Portion of Ross Smith High School	Former High School	7 976 000	Renewal SA

Renewal SA negotiated acquisitions on behalf of government departments as shown in Table 2.

**Table 2: Acquisitions on behalf of government departments**

Site	Description	Sale Price \$	Purchaser
Angle Vale	Vacant Land	275 000	Department of Education and Child Development
Littlehampton	Residence	325 000	Department of Education and Child Development
Birdwood	Vacant Land	500 000	SA Ambulance Service

See Appendices Table 26, 27 and 28 *Renewal SA Land and Property Sales for 2013-14*.

## TARGETS 2014-15

To continue to manage disposal of sites and the provision of property related services in line with the programs agreed with the relinquishing agencies.

Properties with contracts currently being negotiated or under contract that are scheduled to be settled during this period include:

- Former Magill Youth Training Centre – site of around 19 hectares rezoned to accommodate higher density residential development prior to releasing to the market;
- Salisbury North West Primary School – site of around 3.5 hectares zoned for residential use;
- Ferryden Park Primary School – site of around 3.7 hectares zoned for residential use;
- Burton Park Pre School – site of around 1450 square metres zoned Neighbourhood Centre;
- Somerton Park Dental Clinic – former dental clinic zoned for residential use;
- Smith Creek Primary School – site of around 1.1 hectares zoned for both residential and town centre uses;
- Beaufort Clinic Woodville Road, Woodville – former SA Health clinic of around 4660 square metres zoned for residential use; and
- Tregenza Avenue, Elizabeth South – former care facility of around 4780 square metres zoned for residential use.

Properties that were either released to market prior to 30 June 2014, or are being prepared for sale to be released to market include:

- Glenside Core Library comprising DMITRE Drill Core Library, a heritage-listed building known as Z Ward and vacant land with total site area of about 2.14 hectares;
- Fort Largs former police academy site of about seven hectares with heritage listed Fort release date pending Minister's approval;
- Port Pirie former TAFE Annex site of around one hectare; and
- Palm Lodge former care facility with substantial improvements on a site of around 2200 square metres.

## 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, a community training and employment strategy was established initially within the Playford Alive project in 2008. The concept has proven to be very successful and has now been extended to cover four more major projects – Bowden, Tonsley, Port Adelaide and Woodville West.

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; and
3. Live training sites using Renewal SA-owned land and capital works contracts as well as community facilities 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, City of Onkaparinga, City of Marion and the City of Port Adelaide Enfield - the Renewal SA Works Program has secured funding in excess of \$10.3 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 sixth year of delivery, and Bowden is now in its third year. 2014 marks the inaugural year of delivery of the Renewal SA Works Program at Tonsley, Woodville West and Port Adelaide.

### PROGRESS 2013-14

The Renewal SA Works Program at Playford Alive has delivered the following to the local community during 2013-14:

- \$1.2 million of funding;
- 18 engagement, training and employment programs to 286 local people;
- 229 work experience placements with 66 of these coming from Playford Alive contractors;
- 87 paid employment placements with 40 of these coming from Playford Alive contractors; and
- Nine live training sites.

During 2013-14, Renewal SA Works Program at Bowden delivered the following to the local community:

- \$525 750 of funding;
- 144 accredited training places;
- 174 work experience placements with 10 of these coming from Bowden contractors;
- 62 paid employment placements with four of these coming from Bowden contractors; and
- Three live training sites.

During 2013-14, Renewal SA Works Program at Port Adelaide delivered the following to the local community:

- \$115 000 of funding;
- 15 accredited training places;
- 15 work experience placements;
- One paid employment placement; and
- One live training site.

During 2013-14, Renewal SA Works Program at Tonsley delivered the following to the local community:

- \$0 of funding;
- Zero accredited training places;
- Three work experience placements coming from Tonsley contractors;
- Four paid employment placements all coming for Renewal SA contracts; and
- Zero live training sites.

During 2013-14, Renewal SA Works Program at The Square at Woodville West delivered the following to the local community:

- \$145 000 of funding;
- 30 accredited training places;
- 30 work experience placements;
- One paid employment placement; and
- One live training site.

## **TARGETS 2014-15**

In 2014-15, Renewal SA Works Program at Playford Alive will deliver a minimum of:

- 50 work experience placements;
- 30 paid employment positions;
- 100 accredited training places for local people; and
- Four live training sites.

In 2014-2015, Renewal SA Works Program at Bowden will deliver a minimum of:

- 40 work experience placements;
- 20 paid employment positions;
- 60 accredited training places for local people; and
- Three live training sites.

In 2014-15, Renewal SA Works Program at Port Adelaide will deliver a minimum of:

- 20 work experience placements;
- 10 paid employment positions;
- 30 accredited training places for local people; and
- Two live training sites.

In 2014-15, Renewal SA Works Program at Tonsley will deliver a minimum of:

- 40 work experience placements;
- 20 paid employment positions;
- 30 accredited training places for local people; and
- One live training site.

In 2014-15, Renewal SA Works Program at The Square at Woodville West will deliver a minimum of:

- 20 work experience placements;
- 10 paid employment positions;
- 30 accredited training places for local people; and
- One live training site.

## EXPLANATION OF FINANCIAL RESULTS

Soft real estate market conditions continue to have an influence on Renewal SA's land sales and profitability. The *englobo* land segment of the property market has been negatively impacted upon due to the limited availability of finance for developers to undertake greenfield projects. Another influencing factor in terms of reduced demand for *englobo* land has been the large volume of land sold to the market leading up to and just following the global financial crisis (GFC).

While the sale of *englobo* land is the most profitable activity of Renewal SA, activities are increasingly moving toward higher cost - and more capital intensive - land developments. The situation is further exacerbated by Renewal SA's declining greenfield landholdings (reducing from more than 50 per cent of developable land for urban purposes in the mid-2000s to three per cent of land zoned in accordance with *The 30-Year Plan for Greater Adelaide*).

It is also important to note, as articulated in *The 30-Year Plan for greater Adelaide*, it is the state government's policy to reduce development on the urban fringe and to concentrate higher proportions of development (70 per cent of new housing) within the existing urban boundary.

In summary, financial conditions were challenging for Renewal SA over the past twelve months with the agency recording a statutory net loss of \$39.207 million for the 2013-14 financial year. This is in contrast to a statutory net profit of \$7.192 million achieved in the 2012-13 financial year.



Reasons for the decline in financial performance between financial year 2013-14 and the financial year 2012-13 comprise:

- **A significant decline in gross profit** for 2013-14 that was \$25.518 million lower than 2012-13 due to lower sales of \$23.492 million and higher cost of sales of \$2.026 million. Cost of sales increased over the past 12 months despite sales decreasing due to higher *englobo* land sales in 2012-13. These large land sales have a significantly lower cost of sales (resulting in a higher profit margin) when compared to capital intensive development projects. *Englobo* land sales typically require less expenditure on site preparation, valuations, legal fees, advertising and conveyancing.
- **An increase in net land tax** with \$7.269 million more payable in 2013-14 compared to 2012-13 due to higher land tax on assets transferred from South Australian Housing Trust (Housing SA), Defence SA and the ASER site. These assets were not included in Renewal SA's land tax assessment in the previous financial year due to the timing of when the assets physically transferred to Renewal SA.
- **A rise in other operating expenditure** with \$3.220 million extra payable in 2013-14 compared to 2012-13 resulting from higher doubtful debt provisions and damages of \$2.723 million relating to the stalled Newport Quays development at Port Adelaide. **Higher borrowing costs** with \$4.800 million more paid in 2013-14 compared to 2012-13 due to less interest being eligible for capitalisation into the balance sheet.

## FINANCIAL POSITION

As at 30 June 2014, Renewal SA's total net assets were \$170.130 million, a decrease of \$39.207 million since 30 June 2013. Significant balance sheet movements over the past 12 months include:

- Inventories rose by \$55.656 million over the reporting period due to capital additions and development expenditure totalling \$100.210 million partly offset by cost of sales of \$33.556 million and write-downs of \$15.034 million.
- A \$21.805 million reduction in the value of Renewal SA's investment property portfolio caused by a combination of net valuation falls of \$7.979 million and the \$14 million sale of a large multi-storey building at 196 OG Road, Felixstow.
- Increased borrowings of \$57.611 million with these additional funds used primarily to pay capital development of inventories.

## FUTURE RENEWAL OPPORTUNITIES

Renewal SA is responsible for identifying and consolidating sites for urban renewal activity and undertaking precinct planning. During 2013-14, Renewal SA undertook preliminary investigation and planning activities across a range of key sites earmarked for potential urban renewal.

Some of the land within these key sites has been declared surplus to government requirements. These sites provide opportunities for private sector development and fulfil the urban infill objectives articulated in *The 30-Year Plan for Greater Adelaide*.

Renewal SA has worked closely with Housing SA to identify neighbourhood scale urban renewal projects. Two sites are currently being carefully considered at Woodville Gardens and Morphetville. If successful, these sites will provide for more appropriate, higher density housing within much improved streets and increased opportunities for affordable home ownership.

Part of Renewal SA's role is to enable attractive investment options for the private sector. We do this by creating planning certainty and addressing any significant infrastructure and site remediation risks that allow integrated and master planned developments to proceed.

There are two sites currently under consideration for urban renewal including 54 hectares at Oakden and Gilles Plains and 16 hectares of undeveloped land remaining at Glenside. These sites represent some of the last remaining sizable government owned land parcels within the inner metropolitan areas north and east of the CBD respectively.

Successful projects on these sites will be measured by the delivery of diverse and innovative built form that demonstrates the benefits of medium to high density living, mixed-use integration, high quality public spaces and effective stakeholder consultation.

## INFRASTRUCTURE NEGOTIATIONS FOR URBAN GROWTH AREAS

Renewal SA's is coordinating and negotiating the development of neighbourhood infrastructure in collaboration with state agencies, local government bodies and developers, the preparation of precinct plans and negotiations for infrastructure provisions and funding to ensure the integration and timing of development and infrastructure in the state, particularly in areas identified for urban renewal.

### PROGRESS 2013-14

On 6 March 2014, the *Government Gazette* confirmed that Part 3 of the Playford Urban Growth Areas Development Plan Amendment (DPA) – Playford North Extension (Munno Para Downs) has been finalised and approved by the Minister for Planning. The third stage DPA covers approximately 262 hectares of land bounded by Andrews Road to the west, Dalkeith Road to the north, Coventry Road to the east and Fradd Road to the south. The area includes approximately 10.46 hectares of Renewal SA owned land adjacent to Coventry Road.

Total area of rezoned land within Playford North, Angle Vale and Virginia is 1436 hectares approximately with a rolling land supply of about 22 years.

In addition, the following infrastructure targets were met:

- The preparation of Precinct Infrastructure Plans the Angle Vale, Virginia and Playford North Extension Precincts;
- Negotiation of Infrastructure Deeds for Playford North Extension, Virginia and Angle Vale Precincts; and
- Precinct Infrastructure Plans completed for Playford North Extension, Virginia and Angle Vale.

## TARGETS 2014-15

Renewal SA, in conjunction with the Department for Planning, Transport and Infrastructure (DPTI) will work towards the following future targets:

- Declaration of Precincts to be investigated;
  - This involves the development of Business Cases, Precinct Master Plans and Precinct Implementation Plans.
- Finalise Stormwater Deed negotiations for Playford North Extension, Virginia and Angle Vale; and
- Preparation of a Precinct Plan for Greater Edinburgh Parks, requiring the engagement and cooperation of key stakeholders (City of Salisbury, City of Playford, DPTI, Defence SA, Department of State Development).

## 8. APPENDICES

### A) Board and Management

#### *Membership and meeting attendance 2013-14*

Table 3.

Name	Membership Period 2013-14	Number of Meetings Eligible to Attend	Number of Meetings Attended
Hon Bronwyn Jane PIKE, Presiding Member	1 July 2013 – 30 June 2014	10	10
Ms Helen Margaret FULCHER	1 July 2013 – 30 June 2014	10	10
Mr Craig Andrew HOLDEN	1 July 2013 – 18 December 2013	6	6
Mr Theo Steven MARAS AM	1 July 2013 – 2 December 2013	5	3
Ms Amanda Mary RISCHBIETH	1 July 2013 – 17 December 2013	6	5
Mr Michael John TERLET AO	1 July 2013 – 2 December 2013	5	4
Ms Jennifer Anne WESTACOTT	1 July 2013 – 31 July 2013	1	0
Mr Phillip Andrew BAKER	12 December 2013 – 30 June 2014	4	4
Ms Amanda Dianne BLAIR	12 December 2013 – 30 June 2014	4	3
Mr Robert Lawrence BOORMAN	12 December 2013 – 30 June 2014	4	4

## ***Risk and Audit Committee Meeting attendance 2013-14***

**Table 4.**

	<b>29 Jul 2013 Meeting #7</b>	<b>26 Aug 2013 Extraordinary Meeting</b>	<b>16 Oct 2013 Meeting #8</b>	<b>3 Feb 2014 Meeting #9</b>	<b>12 May 2014 Meeting #10</b>
<b>Members</b>					
Jennifer Westacott	✓ Chair	N/A	N/A	N/A	N/A
Helen Fulcher	✓ Observer	✓ Chair	✓ Chair	✓ Chair	✓ Chair
Hon Bronwyn Pike	✓	✓	✓	✓	✓
Mike Terlet AO	✓	✓	✓ By phone	N/A	N/A
Phil Baker	N/A	N/A	N/A	N/A	✓
<b>Renewal SA</b>					
Fred Hansen	✓	✓	✓	✓	✓
Michael Buchan	N/A	N/A	✓	Apology	Apology
Linda South	✓	✓	✓	✓	Apology
Taryn Thompson	N/A	N/A	✓	✓	✓
Hayden Manhood	✓	✓	N/A	N/A	✓
Mark Labaz	✓	N/A	N/A	N/A	N/A
Trudi Meakins	N/A	N/A	N/A	N/A	✓
<b>Ernst &amp; Young</b>					
Peter Byrnes	✓	✓	Apology	N/A	N/A
Amy Grace	Apology	Apology	✓	✓	✓
Matthew Beeby	✓	✓	Apology	N/A	N/A
Julia Langdon	N/A	N/A	N/A	✓	✓
<b>Auditor-General's</b>					
Andrew Richardson	✓	✓	N/A	✓	✓
Ken Anderson	✓	✓	N/A	✓	✓

## ***Remuneration Committee meeting for the 2013-14 period***

There was one meeting of the Remuneration Committee for 2013-14, attended by Bronwyn Pike (Board representative) and Fred Hansen and Morna Young (Management representatives).

## B) Our People

### EMPLOYEE NUMBERS, GENDER AND STATUS

Table 5.

Total Number of Employees (as at 30 June 2014)		
Persons	204.0	
FTEs	196.8	FTEs shown to one decimal place

Table 6.

Gender	% Persons	% FTEs
Male	52.0 (106 people)	53.6 (105.5 FTE)
Female	48.0 (98 people)	46.4 (91.3 FTE)

Table 7.

Number of Persons During the 2013-14 Financial Year	
Separated from Renewal SA	20
Recruited to Renewal SA	15

Table 8.

Number of Persons at 30 June 2014	
On Leave Without Pay	3

### NUMBER OF EMPLOYEES BY SALARY BRACKET

Table 9.

Salary Bracket	Male	Female	Total
\$0 - \$54 799	1	6	7
\$54 800 - \$69 699	11	25	36
\$69 700 - \$89 199	24	30	54
\$89 200 - \$112 599	26	22	48
\$112 600 +	44	15	59
<b>TOTAL</b>	<b>106</b>	<b>98</b>	<b>204</b>

*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	32.6	5.0	67.9	0	105.5
Female	25.7	5.0	60.6	0	91.3
TOTAL	58.3	10.0	128.5	0	196.8

Table 11.

PERSONS	Ongoing	Short-term Contract	Long-term Contract	Other (casual)	Total
Male	33	5	68	0	106
Female	29	5	64	0	98
TOTAL	62	10	132	0	204

## 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	2012-13	2013-14
Sick Leave	5.6	5.2
Family Carer's Leave	0.7	1.1
Miscellaneous Special Leave	0.8	0.7

## Workforce Diversity

### ABORIGINAL AND / OR TORRES STRAIT ISLANDER EMPLOYEES

Table 14.

Salary Bracket	Aboriginal Employees	Total Employees	% Aboriginal Employees	Target* (%)
\$0 - \$54 799	0	7	0	2
\$54 800 - \$69 699	0	36	0	2
\$69 700 - \$89 199	0	54	0	2
\$89 200 - \$112 599	0	48	0	2
\$112 600 +	0	59	0	2
<b>TOTAL</b>	<b>0</b>	<b>#204</b>	<b>0</b>	<b>2</b>

\* Target from South Australia's Strategic Plan.

# Note: 10 employees declined to provide information.

### NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER

Table 15.

Age Bracket	Male	Female	Total	% of Total	2014 Workforce Benchmark (%)*
15-19	0	0	0	0	5.5
20-24	0	0	0	0	9.7
25-29	5	8	13	6.4	11.2
30-34	13	19	32	15.7	10.7
35-39	15	18	33	16.2	9.6
40-44	20	19	39	19.1	11.4
45-49	12	8	20	9.8	11.1
50-54	13	10	23	11.3	11.4
55-59	12	9	21	10.3	9.1
60-64	11	7	18	8.8	6.7
65+	5	0	5	2.4	3.6
<b>TOTAL</b>	<b>106</b>	<b>98</b>	<b>204</b>	<b>100</b>	<b>100</b>

\*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb '78 Super table, South Australia at Nov 2013.

## CULTURAL AND LINGUISTIC DIVERSITY

**Table 16.**

	Male	Female	Total	% Agency	% SA Community*
Number of employees born overseas	22	27	49	24.0	22.1
Number of employees who speak language(s) other than English at home	5	13	18	8.8	14.4

\* Benchmarks from ABS Publication Basic Community Profile (SA) Cat No. 2001.0, 2011 census.

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

**Table 17.**

Male	Female	Total	% of Agency
4	1	5	2.5

## TYPES OF EMPLOYEE DISABILITIES (Where Specified)

**Table 18.**

Disability	Male	Female	Total	% of Agency
Disability requiring workplace adaptation	0	1	1	0.5
Physical	3	0	3	1.5
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	10	11	21
Flexitime / Programmed Days Off	106	98	204
Compressed Weeks	0	0	0
Part-Time	2	20	22
Job Share	0	0	0
Working From Home	0	1	1

## Performance Development

### DOCUMENTED REVIEW OF INDIVIDUAL PERFORMANCE MANAGEMENT

Table 20.

Employees with	% of Total Workforce
A review within the past 12 months	90.2
A review older than 12 months	8.3
No review	1.5

## 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	177 985	0.78
Total leadership and management development expenditure	17 499	0.08

## Accredited Training Packages

### ACCREDITED TRAINING PACKAGES BY CLASSIFICATION

Table 22.

Classification	Number of Accredited Training Packages
ASO2	1

## *Employment Opportunity Programs*

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

Renewal SA supports and regularly provides work experience placements for school and university students. In financial year 2013-14, we have provided eight work placements, one industry placement and one mentoring placement for students.

Employment opportunity programs within Renewal SA included 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 and encompassing the vision of our new Chief Executive, Renewal SA is keen to strive to achieve the four guiding strategic principles of the organisation; one of which is encouraging and supporting more people to work in South Australia. We are aiming to do this by providing employment opportunities and will be introducing a further graduate scheme in 2014-15.

## *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 opportunities to improve our safety management system continued to be identified and were progressively addressed to align with the Work Health and Safety (WHS) legislation and SA Public Sector Code of Practice for Crown Self-Insured Employers.

We have continued to focus 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 and Performance Reviews;
- Promoting early reporting, investigation and consultation on WHS issues;
- Developing a business planning cycle that builds in safety targets;
- Maintaining 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 nominated employees in key responsibilities in the WHS legislation;

- Undertaking hazard identification and risk assessments for our key activities;
- Inducting new and transferred employees in key safety requirements and expectations;
- Maintaining regular safety inspections which included members of our WHS Committee and Leadership Team;
- Upgrading compliance at our satellite offices;
- Developing protocols for a WHS auditing program;
- Establishing a Safety Management Forum at our Tonsley site involving key site organisations.

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.

**Table 23. 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 occurred in July 2013 and related to a number of employees being trapped in a lift in the Riverside Centre whilst returning to work following an off-site employee meeting. The Building manager subsequently arranged repair to a faulty lift load weighing device.

**Table 24. Agency gross workers compensation expenditure<sup>4</sup> for 2013-14 compared with 2012-13<sup>5</sup>**

EXPENDITURE	2013-14 (\$)	2012-13 (\$)	Variation (\$) + (-)	% Change + (-)
Income Maintenance	99543	5664	+ 93879	+ 1657
Lump Sum Settlements Redemptions - Sect.42	Nil	Nil	-	-
Lump Sum Settlements Permanent Disability – Sect. 43	Nil	Nil	-	-
Medical/Hospital Costs combined	8285	1046	+ 7239	+ 692
Other	26791	15722	+ 11069	+ 70
<b>Total Claims Expenditure</b>	<b>134619</b>	<b>22432</b>	<b>+ 112187</b>	<b>+ 500</b>



**Table 25.Meeting Safety Performance Targets<sup>6</sup>**

	Base: 2009-10	Performance: 12 months to end of June 2014 *			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	2	-1	2
New Workplace Injury Claims Frequency Rate	9.37	2.97	7.50	- 4.53	7.03
4. Lost Time Injury Frequency Rate ***	6.25	2.97	5.00	- 2.03	4.69
New Psychological Injury Claims Frequency Rate	0	0	0	0	0
6. Rehabilitation and Return to Work:					
6a. Early Assessment within 2 days	33.33%	100%	80%	+ 20%	80%
6b. Early Intervention within 5 days		N/A	90%	N/A	90%
LTI have 10 business days or less lost time	100%	100%	60%	+ 40%	60%
7. Claim Determination:					
New claims not yet determined , assessed for provisional liability in 7 days		N/A	100%	N/A	100%
7b. Claims determined in 10 business days	100%	100%	75%	+ 25%	75%
Claims still to be determined after 3 months	0%	0%	3%	- 3%	3%
Income Maintenance Payments for Recent Injuries:					
2012-13 Injuries (at 24 months development)		\$0	\$3392	- \$3392	Below previous 2 years average
2013-14 Injuries (at 12 months development)		\$2201	\$0	+ \$2201	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. <b>Formula for Lost Time Injury Frequency Rate (new claims):</b> Number of new cases of lost-time injury/disease for year x 1,000,000 Number of hours worked in the year					

4 before third 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, skin screening, hearing testing, health assessments, 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 and various presentations.

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

## ***Performance Management***

Renewal SA has a formal performance development review procedure which occur bi-annually in June / July and January / February.

Employees are encouraged to own this process and manage their performance and development by providing constructive feedback and self-evaluation. One hundred (100) per cent of eligible employees completed their performance development review plan in February 2014. We are currently in the process of completing the annual performance development review throughout the organisation.

Poor performance is not tolerated and is addressed through initiating a performance improvement agreement plan where the onus is to encourage an improvement in performance.

In 2014-15, Renewal SA is keen to develop an on-line performance development review system that will enable us to evaluate the organisations performance as a whole and target development areas more effectively.

Renewal SA is proactive in encouraging all employees in their professional development and working towards achieving their career aspirations. The next financial year will be focussed on growing and developing capabilities and leaders across the organisation.

## ***Reporting Against the Carers Recognition Act 2005***

Renewal SA is not required to report against the Carers Recognition Act 2005 as we are not an 'applicable organisation' i.e. provide services relevant to Carers and the person they care for, as stipulated in the Act (Section 7).

## C) Renewal SA land and property sales 2013-14

Table 26.

Renewal SA land and property sales <sup>1</sup>			
Description	Area sold (hectares)	Sale price \$ <sup>2</sup>	Purchaser
Lot 300 & 301 Alexander Avenue, Evanston South	3.000	2 150 000	Trinity College Gawler Inc.
196 OG Road, Felixstow	1.2370	15 350 000	OG Office P/L
Lot 200 Briar Road, Felixstow	0.2029	600 000	Briar Nominees P/L
Lot 18 Farrow Circuit, Seaford	0.3719	297 520	Contrail P/L
Pt Lot 8120 Curtis Road, Munno Para	0.0229	68 850	5 Curtis Road
Lot 1622 Curtis Road, Munno Para	0.0689	212 000	B Boiling
Lot 39 Farrow Circuit, Seaford	0.3400	260 000	K & S Ramsey
Lot 3213 Saurbiers Road & Lot 3214 Jared Road, Seaford Meadows	8.9860	7 245 957	LandSA, Fairmont Homes, MSP Property
Pt Lot 115 Veitch Road, Osborne	0.1080	125 000	N & A Balopitos

<sup>1</sup> 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.

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

Renewal SA land and property sales <sup>1</sup>			
Lot 1 Shipwright Road, Largs North	0.2163	335 885	Mazron P/L
Lot 1618 Curtis Road, Munno Para	1.0440	1 119 220	Uniting Church
Lot 8122 Curtis Road, Munno Para	0.1971	690 000	GIC
Lot 1532 Curtis Road, Munno Para	0.1937	665 000	Infinite
Lot 302 Kaurana Ave, Edinburgh	2.1790	1 375 000	Bear Clan
91 Exeter Terrace, Dudley Park	2.9110	Land/Building Transfer	FMF Investments
Lot 9992 Curtis Road, Munno Para	0.2700	945 000	Goodnick Enterprises
Lot 41 Farrow Circuit, Seaford	0.1850	154 000	THT Services
Lot 10 Shipwright Road, Largs North	0.2208	310 000	LA Property Group
Lot 1004 Robinson Road & Lot 1009 Main South Road, Seaford Heights	20.7600	12 117 612	Fairmont Land Holdings

Table 27.

Government sales – Renewal SA land sold to other state government agencies			
Description	Area sold (hectares)	Sale price \$	Purchaser
Lot 556 Goodenia Street, Munno Para	0.0595	151 664.27	SA Housing Trust
Lot 585 Newton Boulevard, Munno Para	0.0642	150 324.36	SA Housing Trust
Lot 1154 Scarlet Avenue, Munno Para	0.0375	105 963.82	SA Housing Trust
Lot 1159 Clementine Avenue, Munno Para	0.0295	90 018.82	SA Housing Trust
Lot 1160 Clementine Avenue, Munno Para	0.0300	90 021.00	SA Housing Trust
Lot 1170 Clementine Avenue, Munno Para	0.0300	93 958.50	SA Housing Trust
Lot 1197 The Greenway, Munno Para	0.0300	93 958.50	SA Housing Trust
Lot 1201 The Greenway, Munno Para	0.0300	93 958.50	SA Housing Trust
Lot 1204 Clementine Avenue, Munno Para	0.0297	95 985.64	SA Housing Trust
Lot 1205 Clementine Avenue, Munno Para	0.0297	95 985.64	SA Housing Trust
Lot 1210 Scarlet Avenue, Munno Para	0.0300	93 958.50	SA Housing Trust

Government sales – Renewal SA land sold to other state government agencies			
Lot 1774 South Parkway, Lightsview (Northgate)	0.0171	33 862.50	SA Housing Trust
Lot 1822 Parna Lane, Lightsview (Northgate)	0.0134	37 275.00	SA Housing Trust
Lot 2582 Jeffcott Avenue, Lightsview (Northgate)	0.2281	329 319.38	SA Housing Trust

Table 28.

Renewal SA development projects sales	
Bowden	17 Bowden residential development allotments
Lightsview	224 Lightsview residential allotments
Lochiel Park Green Village	7 Lochiel Park residential allotments
Playford Alive Urban Renewal Project	86 Playford Alive residential allotments
Woodville West	26 Woodville West residential allotments
Penfield	47 Penfield residential allotments
Snowdens Beach	64 Snowdens Beach residential allotments (Defence Housing Australia)



## D) Urban Design Charter

The Urban Design 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 interpreted to include significant building projects that have:

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

During 2013, Renewal SA established the positions of Director, Urban Design and Principal Urban Designer within the Urban and Portfolio Planning Division to ensure appropriate urban design principles are applied to all new and existing projects.

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:

<b>Playford Alive</b>	Creation of innovative residential development, streetscape and public open space including commencement of a new residential project associated with innovative compact housing.
<b>Lightsview</b>	Renewal SA, in joint venture with CIC Australia, continues to deliver unique built form solutions, streetscapes and public open space.
<b>Woodville West</b>	Medium density residential development and associated streetscape and public space. Stage one completed during 2013 with new public roads, community art and landscaped open space. Stage two redevelopment is ongoing.
<b>Bowden</b>	Review of the master plan including public realm, streetscaping and town square retail enhancements. The review included opportunities for improved management of interfaces and flexibility in the delivery of future transport options.
<b>Port Adelaide</b>	Delivery of the Port Adelaide Precinct Plan setting a long term vision for development in Port Adelaide and guiding the delivery of major public realm enhancements including the establishment of a pedestrian and cycle trail, Cruickshanks Corner small boat launch facility and creation of public open space and a regional playground adjacent to Harts Mill.
<b>Tonsley</b>	The project has established an Urban Design Protocol and Urban Design Guidelines for all built form and public realm within the project. The project is adaptively re-using the old Main Assembly Building as the centre piece of the development and is currently implementing internal forests (public realm plazas and gardens) inside the Main Assembly Building.

**Riverbank**

Renewal SA has been tasked with coordinating all projects within the precincts and parklands associated with the River Torrens between Hackney and Bowden.

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

## E) 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.

### Annual Corporate Energy Efficiency Performance<sup>3</sup>

Table 29.

Resource area	2012-13	2013-14
Vehicle travel		
- Distance travelled	170 240 kilometres	163 370 kilometres
- Fuel consumption	19 600 litres	16 950 litres
- CO <sub>2</sub> e emissions	46 025 kilograms	41 553 kilograms
Air travel	<i>Not available</i>	<i>Not available</i>
Paper use	<i>Not available</i>	<i>Not available</i>
Water use	<i>Not available</i>	<i>Not available</i>
Energy use		
- Electricity usage	Not available	141 065 kilowatt hours
- CO <sub>2</sub> e emissions	Not available	86 050 kilograms

<sup>3</sup> Full year data has been estimated based on part year data for 2013 vehicle use and 2014 energy use.

Energy use is reported for corporate office space leased at Riverside Centre. CO<sub>2</sub>-e emissions have been calculated using National Greenhouse Accounts Factors reported by the Department of the Environment.

## F) Freedom of Information (FOI)

Renewal SA received 34 applications for information under the *Freedom of Information Act (1991)* (FOI Act) from 1 July 2013 to 30 June 2014.

The outcome of the applications received in 2013-14 was as follows:

- Access granted in full or partial release – 17;
- Applications where access was refused – two;
- Deemed refused – seven; and
- No documents held – two.

In addition to the FOI applications received, Renewal SA received four applications for internal review and two applications for external review by the Ombudsman.

A complete Freedom of Information Statement is published hereunder:

### **Freedom of Information Statement (1 July 2013 to 30 June 2014)**

The following information is published pursuant to Section 9 of the *Freedom of Information Act 1991* (FOI Act).

#### **Introduction**

The *Freedom of Information Act 1991* (FOI Act) 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 FOI 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 FOI Act 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 at [State Records of South Australia - Freedom of Information](#)

#### **Renewal SA Structure and Functions**

A comprehensive description of Renewal SA's structure and functions can be found at [Renewal SA > About Renewal SA > Annual Reports](#) and 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

Documents held by Renewal SA fall within the categories listed below. The listing of these categories does not necessarily mean all documents are accessible in full or in part under the FOI Act.

The document categories include:

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

Any enquiries about access to documents listed within this Information Statement, or otherwise held by Renewal SA should be directed to the Freedom of Information Officer on (08) 8207 1300 during business hours.

## Making an Application

In accordance with the FOI Act, applications for access to documents must:

- must be made in writing (you may choose to write a letter or use the application form which can be found [on the State Records website](#))
- specify that the application is made under the FOI Act;
- specify an address in Australia to which information can be sent;
- clearly identify the documents being sought or the matter to which they pertain;
- specify whether the documents contain information of a personal nature;
- specify the desired type of access to the document, such as inspection of the document at an arranged location or having a copy made; and
- must be accompanied by the statutory fee (exemptions apply for Members of Parliament and concession card holders).

## Applications under the FOI Act should be forwarded to:

Delegated FOI Officer  
Renewal SA  
GPO Box 698  
Adelaide SA 5001

For more information please phone the Freedom of Information Officer on (08) 8207 1300.

## G) Whistleblowers

Renewal SA had three (3) responsible officers designated for the purposes of the *Whistleblowers Protection Act 1993* for 2013-2014. Under the Act, there were no occasions on which public interest information was disclosed to a responsible officer during the 2013–2014 financial year.

## H) Fraud and anti-corruption

Renewal SA has an updated Fraud and Corruption: Prevention, Detection and Response Policy in accordance with AS 8001-2008 *Fraud and Corruption Control* and *Treasurer's Instruction 2 'Financial Management'*. No instances of alleged fraud were identified during the 2013–2014 financial year.

## I) Employee overseas travel

Table 30.

Name of employee(s)	Destination	Reason for travel	Total cost to agency
Bronwyn Pike	New Zealand	GLO Conference	1 797.76
Total			\$1 797.76 <sup>4</sup>

## J) Contractual arrangements

During this reporting period Renewal SA continued to work with the Office of the Industry Advocate to amend the Renewal SA Procurement Policy and Framework so as to incorporate the changes made to the Industry Participation Policy (IPP) by the state government in September 2013, including the introduction of new IPP Plan Templates in December 2013. As such Renewal SA continued to operate under the 2012 Industry Participation Policy requirements.

IPP Statements of Intent were provided by the following suppliers awarded contracts during the 2013-14 Financial Year and these were provided to the Office of the Industry Advocate:

Table 31.

Supplier / contractor	Description	Commencement date	Completion date	Project	Contract value (GST inclusive) \$
Bardavcol Pty Ltd	East Grand Trunkway civil works	4/02/2014	30/06/2017	East Grand Trunkway	12 319 000.00
L R & M Constructions Pty Ltd	Supply of Construction Services - Playford Alive - Munno Para Civil Construction Services - 13-PA-13	21/10/2013	21/10/2016	Playford Alive	10 000 000.00

<sup>4</sup> This includes only the airfare portion of the trip. Accommodation and other travel costs were invoiced and paid in 2014-15.

## K) Use of consultants

Table 5

Consultant	Purpose of consultancy
<b>Value below \$10 000</b>	
Various	Various
<b>\$ Subtotal (number of consultants)</b>	<b>273 561.88 (62)</b>

Consultant	Purpose of consultancy
<b>Value \$10 000 - \$50 000</b>	
Grieve Gillett Pty Ltd	Consultancy Services for the Riverbank Hotel Market Call
HDS Australia Pty Ltd	Edinburgh Parks Industrial Estate - PBS 3 Route Study and Detailed Design of the West and Third Avenue Intersection
Macroplan Dimasi Pty Ltd	Riverbank Health and Biomedical Precinct Stage One Hotel Market Call Consultancy Services
Mossop Construction and Interiors	Stage Two Research and Development phase for the Apartment Construction Cost Demonstration Project at the Woodville West Project the Square
Mulloy Studio	The Provision of Loop Path Interpretation Concept
Property Advisory	Placemaker / Retail Strategist for 'The Village Square' at Woodville West (\$42,000)
Square Holes Pty Ltd	Market Research for Playford Alive
Wallbridge and Gilbert	Technology Park Adelaide Infrastructure Assessment
Warren Pump	Kilburn and Blair Athol Gap Analysis and Community Engagement Program
<b>\$ Subtotal (number of consultants)</b>	<b>223 498.00 (9)</b>



Consultant	Purpose of consultancy
<b>Value above \$50,000</b>	
Adelaide Business Hub	Economic Development Initiatives – Port Adelaide Renewal Project
Adelaide Research & Innovation Pty Ltd	Kilburn and Blair Athol Community Engagement
Alexander and Symonds Pty Ltd	Consultancy Services - Provision of cadastral Surveying Services - The Square at Woodville West
Aspect Studios Pty Ltd	Landscape Architecture Consulting Services, Bowden Main Park
Bold It Pty Ltd	Job Profile design and review project
Cummins & Partners	Tonsley-Integrated Strategic Marketing Services
Esanti Pty Ltd	2014 Infrastructure Negotiations
Fyfe Pty Ltd	RAH Relocation - Local Economic Impact Assessment
Global Leadership Foundation	Consultancy services - Training, Executive Leadership Development and Coaching and Engagement Program and 360° Feedback
Hybrid Advertising & Marketing	Advertising Design Marketing and Communication Services for the Square at Woodville West
Kellogg Brown & Root Pty Ltd	Consultancy Services - The Square at Woodville West Stage Two and Four - Provision of Civil Engineering Services
Moto Projects Pty Ltd	Consultancy Services relating to the Flour Shed and Adjacent Buildings at Port Adelaide
Sam Ciccarello and Geoffrey Thomas Whitbread	Provision of Professional Services
The Career Consultancy	Leadership Coaching, Outplacement and Career Transition Services
\$ Subtotal (number of consultants)	2 790 646 (14)
<b>\$ Total (number of consultants)</b>	<b>3 287 705.88 (85)</b>

## L) 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. (DPC Circular 13 also describes the requirement for reporting the number of employees with ongoing disabilities in the Management of Human Resources section).**

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.

The number of employees with disabilities at Renewal SA is recorded and reported in the Annual Report and public sector annual workforce statistics.

#### **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 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 24 hours / 7 days per week support for employees as an aid to encouraging 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 (now trading as Renewal SA) and is keen to be an employer of choice for people with disabilities. Recruitment policy and processes are reviewed regularly, 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 2014 significant work was undertaken to upgrade WCAG2 compliance of Renewal SA websites including:

- the complete redevelopment of the Renewal SA corporate website to AA level compliance;
- the complete redevelopment of the Renewal SA corporate intranet to AA level compliance;
- migration commenced on the Playford Alive website to a new CMS to ensure AA level compliance (to be completed by end 2014);
- redevelopment commenced on the Our Port website to AA compliance (to be completed by end 2014);
- redevelopment commenced on The Square at Woodville West website to AA compliance (to be completed by end 2014);
- the Northern Lefevre Peninsula Open Space Project website was decommissioned; and
- preliminary work has been carried out toward upgrades to WCAG2 compliance on all other websites.

## M) Renewal SA Charter (Urban Renewal Authority)

### 1. Preliminary

This Charter has been prepared by the Minister for Housing and Urban Development (hereafter referred to as 'the Minister') and the Treasurer in accordance with Part 3 section 12 of the *Public Corporations Act 1993*, pursuant to section 8 of the *Housing and Urban Development (Administrative Arrangements) (Urban Renewal Authority) Regulations 2012*<sup>5</sup>, and Section 7E<sup>6</sup> of the *Housing and Urban Development (Administrative Arrangements) (Urban Renewal) Amendment Act 2013*<sup>7</sup> (hereafter referred to as the *Urban Renewal Act 2013*) in consultation with the Urban Renewal Authority (trading as 'Renewal SA').

This Charter sets out the Government's strategic objectives, priorities and requirements for Renewal SA and will be reviewed at the end of each financial year by the Minister and the Treasurer after consultation with the Board of Management responsible for Renewal SA.

### 2. Interpretation

Expressions used in this Charter have the same meanings as in the *Housing and Urban Development (Administrative Arrangements) (Urban Renewal Authority) Regulations 2012* (hereafter referred to as 'the Regulations') and the *Urban Renewal Act 2013*.

### 3. Strategic Objectives

Renewal SA has the following key strategic objectives:

- (a) Contribute to key strategic priorities of the South Australian Government, including:
  - creating a vibrant city
  - safe communities, healthy neighbourhoods
  - an affordable place to live; and
  - growing advanced manufacturing
- (b) As the key precinct planning and delivery agency responsible for *The 30-year Plan for Greater Adelaide* outcomes, work in partnership with communities and industry to help significantly reduce urban sprawl and progressively deliver 70% of urban growth within existing urban areas by 2038.
- (c) 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.
- (d) Show leadership to the market in social and environmental sustainability with smart planning and delivery for South Australia's expected population growth.
- (e) 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.

<sup>5</sup> Still in force, which states that sections 8 to 10 and Part 3 of the *Public Corporations Act 1993* apply to the URA

<sup>6</sup> Which states that Sections 8 to 10 and Part 3 of the *Public Corporations Act 1993* apply to the URA

<sup>7</sup> Date of operation yet to be proclaimed

- (f) 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, to reduce current concentrations of social disadvantage and create safe healthy and vibrant communities.
- (g) Undertake development, including precinct planning, infrastructure and human services planning and coordination, to ensure the appropriate delivery of approved projects
- (h) 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.
- (i) Negotiate with key stakeholders financial arrangements for the delivery of necessary infrastructure in development areas.
- (j) 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.
- (k) Improve opportunities for more affordable living by concentrating Renewal SA program and project activity in transport corridors, maximising access to public transport and designing for reduced energy and water consumption
- (l) Support economic development and employment growth 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
- (m) 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.

#### **4. Nature and Scope of Operations**

Subject to this Charter and any direction given by the Minister, Renewal SA may undertake any activities which are related to its legislated functions.

The functions of Renewal SA, as set out in Regulation 6 of the Regulations (still in force) are as follows (note that in the Regulations Renewal SA is referred to as the URA):

6 (1) the functions of the URA are as follows:

- (a) to initiate, undertake, support and promote the development of land and housing in the public interest, particularly for urban renewal purposes, including by—
  - (i) acquiring, assembling and using land and other assets in strategic locations, including in areas identified for urban renewal; and
  - (ii) promoting public support for urban renewal by working with the South Australian Housing Trust (SAHT), community groups and other bodies in the development of land and housing; and



- (iii) undertaking preliminary works (including remediation of land) to prepare land for development and other functions such as planning and co-ordination for the purposes of such development;
- (b) to encourage, facilitate and support public and private sector investment and participation in the development of the State, including by performing its functions to facilitate development that is attractive to potential investors;
- (c) to acquire, hold, manage, lease and dispose of land, improvements and property, including land and housing formerly held under the *South Australian Housing Trust Act 1995* transferred to the URA particularly with a view to—
  - (i) reducing social disadvantage within the community through urban renewal, including the renewal of public housing by promoting, facilitating or undertaking—
    - (A) the creation of a mixture of public and private housing in particular locations; and
    - (B) an increase in the supply of affordable housing and community housing; and
  - (ii) managing projects involving the development of land and housing, including for urban renewal purposes (on its own behalf or on behalf of other agencies or instrumentalities of the Crown); and
  - (iii) managing the orderly development of areas through the management and release of land, including areas of undeveloped or under developed land, as appropriate; and
  - (iv) holding land and other property to be made available, as appropriate, for commercial, industrial, residential or other purposes;
- (d) to act as a landlord in relation to public housing and for this purpose the functions of the URA include the functions that are the same as the functions of SAHT in Part 2 Division 1 of the *South Australian Housing Trust Act 1995* (but nothing in this paragraph prevents the URA from delegating any such function to SAHT);
- (e) to give advice to the Government on issues related to housing and urban development in the State;
- (f) to liaise with State and Commonwealth agencies, local government bodies, developers and owners of land and community groups in relation to housing and urban development;
- (g) to undertake and facilitate planning, including detailed precinct master planning, sequencing and feasibility proposals and the promotion of Government policies, strategies and objectives with a view to supporting sustainable, desirable and affordable housing and infrastructure, particularly in areas identified for urban renewal and redevelopment;
- (h) to promote and facilitate a high level of co-operation between, and work with, relevant industry and community groups, and other relevant persons or bodies, to develop and implement policies and strategies that encourage excellence in the design, planning and delivery of housing and urban development;

- (i) to co-ordinate, in collaboration with State and Commonwealth agencies, local government bodies and developers, the integration and timing of development and infrastructure in the State, particularly in areas identified for urban renewal purposes;
  - (j) to negotiate and enter into contracts for the payment of contributions towards, and costs associated with, the development of land and the provision of housing and infrastructure;
  - (k) to negotiate with local government bodies in relation to the vesting of public infrastructure in the care, control and management of those bodies;
  - (l) to carry out its functions to support development that promotes growth in employment and the economy;
  - (m) in relation to public housing, to develop and implement policies, procedures and systems for measuring performance with respect to efficient and effective management and maintenance of public housing by the URA, the SAHT and any other housing authority or government body that holds public housing, including by promoting and facilitating the timely transfer of public housing between the URA, the SAHT and any other housing authority or government body that holds public housing;
  - (n) to carry out the functions formerly carried out by the Land Management Corporation established under the (revoked) *Public Corporations (Land Management Corporation) Regulations 1997*;
  - (o) to support the undertaking of development that is consistent with achieving its other functions and the outcomes that apply under this regulation, including by participating in the scheme established by section 37 of the *Development Act 1993* (to the extent prescribed by regulations under that section);
  - (p) to manage the Crown's interests in various joint ventures and land development projects identified by the Minister for the purposes of this regulation;
  - (q) to manage the sale of surplus government land on behalf of other agencies or instrumentalities of the Crown, and to advise on any proposal to sell such land;
  - (r) to carry out other functions conferred on URA by the Minister.
- 6 (2) URA may carry out its functions alone, or in a trust scheme, partnership, joint venture, or any other scheme or arrangement for the sharing of profits established in accordance with the Act (and section 21(2) of the Act does not apply to URA).

The functions of Renewal SA, as set out in Part 2A, Section 7C of the *Urban Renewal Act 2013* (date yet to be proclaimed) are:

- a. to initiate, undertake, support and promote residential, commercial and industrial development in the public interest, particularly for urban renewal purposes, including by—
  - (i) acquiring, assembling and using land and other assets in strategic locations, including in areas identified for urban renewal; and

- (ii) promoting community understanding of, and support for, urban renewal by working with government agencies, local government, community groups and organisations involved in development, in the development or redevelopment of land; and
  - (iii) undertaking preliminary works (including remediation of land) to prepare land for development and other functions such as planning and co-ordination for the purposes of such development;
- b. to encourage, facilitate and support public and private sector investment and participation in the development of the State, including by performing its functions to facilitate development that is attractive to potential investors;
- c. to acquire, hold, manage, lease and dispose of land, improvements and property, including land and housing formerly held under the [South Australian Housing Trust Act 1995](#) transferred to the URA, particularly with a view to—
  - (i) reducing social disadvantage within the community through urban renewal, including the renewal of public housing by promoting, facilitating or undertaking—
    - (A) the creation of a mixture of public and private housing in particular locations; and
    - (B) an increase in the supply of affordable housing and community housing; and
  - (ii) managing projects involving the development of land and housing, including for urban renewal purposes (on its own behalf or on behalf of other agencies or instrumentalities of the Crown); and
  - (iii) managing the orderly development of areas through the management and release of land, including areas of undeveloped or under developed land, as appropriate; and
  - (iv) holding land and other property to be made available, as appropriate, for commercial, industrial, residential or other purposes;
- d. to act as a landlord in relation to public housing and for this purpose the functions of the URA include the functions that are the same as the functions of SAHT in Part 2 Division 1 of the [South Australian Housing Trust Act 1995](#) (but nothing in this paragraph prevents the URA from delegating any such function to SAHT);
- e. to carry out the functions formerly carried out by the Land Management Corporation established under the (revoked) *Public Corporations (Land Management Corporation) Regulations 1997*;
- f. to support the undertaking of development that is consistent with achieving its other functions and the outcomes that apply under this section, including by participating in the scheme established by section 37 of the [Development Act 1993](#) (to the extent prescribed by regulations under that section);

- g. to carry out other functions conferred on the URA by the Minister.  
Renewal SA must obtain the approval of the Minister and/or Cabinet before it makes a material change to its policy direction or budget in accordance with Treasurer's Instructions.

#### **4.1 Nature and Scope of Non-Commercial Operations**

The performance of Renewal SA's functions pursuant to Regulation 6 of the Regulations or Part 2A, Section 7C of the *Urban Renewal Act 2013* may require Renewal SA to undertake non-commercial operations.

Renewal SA must perform its non-commercial operations in an efficient and effective manner. Renewal SA's non-commercial operations include those operations which are:

- related to its legislated functions as set out in the Regulations; and
- subject to an agreement between Renewal SA and a purchasing Minister; and
- agreed to be non-commercial by the Minister and the Treasurer; or
- agreed to be non-commercial by Cabinet.

In accordance with the Public Non-Financial Corporation Ownership Framework Guidelines, any non-commercial projects required by the Government (and related Community Service Obligations) will be determined by Cabinet or the Treasurer on a case-by-case basis.

The approved costing and funding arrangements will be reported in the Performance Statement.

#### **4.2 Investment Activities**

Renewal SA shall only invest its funds or retained earnings in the South Australian Government Financing Authority. Other working account amounts will be held in a nominated Government operating account.

For the purposes of this Charter, the acquisition of property related assets is to be considered a trading activity rather than an investment activity.

#### **4.3 Operations and Transactions Outside the State**

The nature and scope of Renewal SA's activities outside South Australia shall be limited to the provision and/or purchase of minor consulting services and project management services, subject to the approval of the Minister.

#### **4.4 Subsidiaries, Associated and Allied Organisations**

For the purposes of effective business arrangements and commercial operations, Renewal SA may need to establish subsidiaries, joint ventures and other arrangements. To the extent necessary to fulfil this Charter, Renewal SA may do so in accordance with Regulation 6(2) of the Regulations and Division 6 (21) of the *Housing and Urban Development (Administrative Arrangements) Act 1995* or Division 7C(3) of the *Urban Renewal Act 2013* (date of operation yet to be proclaimed)

Renewal SA must not, without the approval of the Treasurer, establish a trust scheme or a partnership or other scheme or arrangement for sharing of profits or joint venture with another person or undertake any operations or transactions pursuant to such a scheme or arrangement.

## **4.5 Dividend and Tax Equivalent Payments**

Renewal SA will comply with Government policy and relevant Treasurer's Instructions in relation to dividends and tax equivalent payments.

The dividend and dividend payout ratio to be applied to Renewal SA will be agreed by the Treasurer and the Minister and reflected in the annual Performance Statement.

All rates, taxes, duties and imposts for which Renewal SA would otherwise be liable if it were not a State owned entity will apply to Renewal SA. Any exemptions from rates, taxes, duties and imposts applied to non-commercial operations of Renewal SA or associated community service obligation payments will be determined by Cabinet or the Treasurer on a case-by-case basis in accordance with section 4.1 of the Charter.

## **5. Efficiency of Operations**

Renewal SA in performing its functions must have regard to the financial merits of any proposal from the view of the State, including the extent of the financial risks to which the State is exposed.

Renewal SA is required to perform all operational activities (both commercial and non-commercial) efficiently so as to minimise cost to Renewal SA and any consequential loss to the State.

All operational activities are to be fully costed and where applicable, funded on the basis of negotiations between Renewal SA and the Government.

## **6. Board Responsibilities**

The Renewal SA Board of Management is responsible to the Minister for overseeing the operations of Renewal SA and any subsidiary with the goal of:

- a. securing continuing improvements in performance; and
- b. protecting the long term viability of the statutory corporation and the Crown's financial and other interests in the statutory corporation.

In accordance with Regulation 8 of the Regulations or Section 7E of the *Urban Renewal Act 2013*, a person authorised in writing by the Minister or the Treasurer may attend any meeting of the Board of Management responsible for Renewal SA.

## **7. Operating Environment**

### **7.1 Government Policies**

In pursuing the strategic objectives in the context of the Government's directions, and undertaking its functions and exercising its powers, Renewal SA shall act in accordance with the Government's:

- governance framework for public authorities;
- policies generally applying to its commercial agencies; and
- policies specifically applying to Renewal SA.

Renewal SA in developing its operating policies shall have regard to other Government policies and strategies and the roles and responsibilities of other Government agencies.

In particular, Renewal SA should<sup>8</sup>, as far as it is reasonably practical, ensure that its activities are-

- co-ordinated with the activities of other public authorities
- consistent with the planning of a desirable physical and social environment
- conducive to the enhancement of the physical or social development objectives of the Government

## **7.2 Compliance with the Public Finance and Audit Act**

Renewal SA will be subject to all the requirements of the *Public Finance and Audit Act 1997*.

Renewal SA will be subject to all Treasurer's Instructions (Authorities) unless specifically exempted by the Treasurer.

## **8. Financial Standards & Reporting**

### **8.1 Performance Targets**

The financial and commercial targets to be met by Renewal SA shall be those set out in the annual Performance Statement (issued in accordance to Regulation 8 of the Regulations) and the Ownership Framework, once established for Renewal SA.

### **8.2 Reports on Operations**

Renewal SA shall provide reports as required by the Minister or the Treasurer, such as:

- quarterly, a statement of comprehensive income, a statement of financial position and a statement of changes in equity. The actual form of the report is to be in a format as determined between Renewal SA and the Department of Treasury and Finance. The report will contain at a minimum a quarterly report detailing Renewal SA's operations for year to date, detailing actual year to date performance against year to date revised budget and full year estimated performance against full year revised budget, and full year original budget for revenue and expenditure items.
- annual report.
- an exception report on any other information, that in the opinion of the Board, should be provided; and
- other information as requested from time to time by the Minister or the Treasurer.

### **8.3 Form & Content of Accounts & Financial Statements**

Renewal SA shall:

- prepare financial statements based on Australian Accounting Standards, specific instructions from the Treasurer and generally accepted accounting principles and practices; and
- maintain separate accounts and records for and report upon all commercial activities, all non-commercial activities and any other components of the business where separate accounts are required or appropriate.

<sup>8</sup> As stated in Section 9 of the Regulations (still in force) and Section 7F of the *Urban Renewal Act 2013* (date of operation yet to be proclaimed)



#### 8.4 Accounting & Internal Auditing Systems & Practices

Renewal SA shall:

- establish and maintain financial and accounting processes, practices and systems in accordance with appropriate standards of practice;
- establish and maintain effective records of all asset acquisitions and disposals;
- establish and maintain service level agreements when undertaking asset management activities for other entities; and
- establish and maintain effective internal auditing of its operations in accordance with appropriate standards of practice.


#### 8.5 Fees and Charges

In setting fees and charges Renewal SA shall endeavour to:

- determine a competitive market rate (where possible) and set prices at this level.
- achieve a reasonable commercial margin on its services while having regard to contributing to the competitiveness of the South Australian economy; and
- ensure compliance with Competitive Neutrality Policy.

#### 9. Date of Operation

This Charter comes into operation upon the signing thereof and is binding on Renewal SA.

  
**Hon John Rau MP**  
 Minister for Housing and Urban  
 Development  
 Date 6-6-14

  
**Hon Tom Koutsantonis MP**  
 Treasurer  
 Date 27-6-14



## N) Our financial performance

### Financial Statements

#### Statement of Comprehensive Income for the year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>INCOME</b>			
Revenue from sales	4	63,853	87,345
Less: cost of sales	4	33,556	31,530
<b>Gross profit</b>		<b>30,297</b>	<b>55,815</b>
Share of net profits of joint ventures	5	3,820	7,566
Revenues from Commonwealth and SA Government	6	11,289	4,188
Interest revenues	7	2,099	3,023
Property income	8	25,830	20,723
Other revenues	9	7,768	4,635
Net gain from the disposal of non-current assets	10	1,277	-
<b>Total other income</b>		<b>52,083</b>	<b>40,135</b>
Net gain from administrative restructure	39	4,036	81,800
<b>TOTAL INCOME</b>		<b>86,416</b>	<b>177,750</b>
<b>EXPENSES</b>			
Employee benefits expenses	11	20,659	17,980
Operating expenditure	14	67,538	44,816
Borrowing costs	15	13,685	8,885
Depreciation and amortisation	23	558	491
Net loss resulting from changes in value of non-current assets	5,21,22	23,183	98,385
Net loss from the disposal of non-current assets	10	-	1
<b>TOTAL EXPENSES</b>		<b>125,623</b>	<b>170,558</b>
<b>PROFIT/(LOSS) BEFORE INCOME TAX EQUIVALENT</b>		<b>(39,207)</b>	<b>7,192</b>
Income tax equivalents expense	17	-	-
<b>PROFIT/(LOSS) AFTER INCOME TAX EQUIVALENT</b>		<b>(39,207)</b>	<b>7,192</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>(39,207)</b>	<b>7,192</b>

The profit/(loss) 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 2014

	Note	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	37	16,285	19,717
Mortgage debtor receivables	19	6,775	7,555
Receivables	20	7,216	7,149
Inventories	21	60,768	78,731
Investment in joint ventures	5	5,293	7,009
<b>Total current assets</b>		<b>96,337</b>	<b>120,161</b>
<b>NON-CURRENT ASSETS</b>			
Mortgage debtor receivables	19	15,035	21,811
Receivables	20	3,556	3,556
Inventories	21	394,415	320,796
Investment properties	22	167,619	189,424
Property, plant and equipment	23	3,383	3,975
Investment in joint ventures	5	586	679
<b>Total non-current assets</b>		<b>584,594</b>	<b>540,241</b>
<b>TOTAL ASSETS</b>		<b>680,931</b>	<b>660,402</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	26	20,078	13,859
Unearned income	29	2,326	4,960
Borrowings	27	289,890	313,824
Provision	30	-	967
Employee benefits	31	1,718	1,554
Other liabilities	32	286	-
<b>Total current liabilities</b>		<b>314,298</b>	<b>335,164</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	26	347	313
Unearned income	29	9,832	10,184
Borrowings	27	182,586	101,041
Employee benefits	31	3,738	3,396
Other liabilities	32	-	967
<b>Total non-current liabilities</b>		<b>196,503</b>	<b>115,901</b>
<b>TOTAL LIABILITIES</b>		<b>510,801</b>	<b>451,065</b>
<b>NET ASSETS</b>		<b>170,130</b>	<b>209,337</b>
<b>EQUITY</b>			
Contributed capital		107,939	107,939
Retained earnings		62,191	101,398
<b>TOTAL EQUITY</b>		<b>170,130</b>	<b>209,337</b>

Total equity is attributable to the SA Government as owner

Remuneration commitments	11
Unrecognised contractual commitments - operating leases	33
Unrecognised contractual commitments - capital expenditure	34
Contingent liabilities	35

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

Statement of Changes in Equity for the year ended 30 June 2014

	Contributed Capital \$'000	Retained Earnings \$'000	Total \$'000
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
<b>Balance at 30 June 2013</b>	<b>107,939</b>	<b>101,398</b>	<b>209,337</b>
Profit after income tax equivalent for 2013-14	-	(39,207)	(39,207)
Total comprehensive result for 2013-14	-	(39,207)	(39,207)
<b>Balance at 30 June 2014</b>	<b>107,939</b>	<b>62,191</b>	<b>170,130</b>

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 2014

	Note	2014 \$'000 Inflows (Outflows)	2013 \$'000 Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Receipts from sales		63,303	78,945
Receipts from SA Government		24,133	10,352
Receipts from Commonwealth		-	2,520
Interest received		427	533
Receipts from mortgage debtors (principal and interest)		9,423	10,157
Receipts from tenants (rent and recoveries)		23,734	16,992
Recoveries and sundry receipts		19,460	7,864
Funds held in trust		12	269
GST recovered from the ATO		15,231	11,238
Receipts for paid parental leave scheme		44	32
<b>Cash generated from operations</b>		<b>155,767</b>	<b>138,902</b>
<b>Cash outflows</b>			
Payments for land purchase and development		(88,737)	(38,425)
Payments for salaries and related costs		(23,476)	(21,929)
Payments to suppliers		(64,108)	(50,299)
Land tax paid		(23,703)	(24,337)
Interest paid		(21,503)	(22,318)
Payments of funds held in trust		(693)	(3,949)
GST paid to the ATO		(15,138)	(9,911)
Payments for paid parental leave scheme		(48)	(27)
<b>Cash used in operations</b>		<b>(237,406)</b>	<b>(171,195)</b>
<b>Net cash provided by/(used in) operating activities</b>	36	<b>(81,639)</b>	<b>(32,293)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Capital repayments by joint ventures		5,460	8,577
Proceeds from the sale of investment properties		15,350	-
<b>Cash generated from investing activities</b>		<b>20,810</b>	<b>8,577</b>
<b>Cash outflows</b>			
Capital contributions to joint ventures		-	(400)
Purchase of property, plant and equipment and investment property		(214)	(381)
Payments for work in progress (property, plant and equipment and investment property)		-	(19)
<b>Cash used in investing activities</b>		<b>(214)</b>	<b>(800)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>20,596</b>	<b>7,777</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from borrowings		94,000	51,000
<b>Cash generated from financing activities</b>		<b>94,000</b>	<b>51,000</b>
<b>Cash outflows</b>			
Repayment of borrowings		(36,389)	(27,242)
<b>Cash used in financing activities</b>		<b>(36,389)</b>	<b>(27,242)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>57,611</b>	<b>23,758</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,432)</b>	<b>(758)</b>
Cash and cash equivalents at the beginning of the period		19,717	20,475
<b>Cash and cash equivalents at the end of the period</b>	37	<b>16,285</b>	<b>19,717</b>

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 up to 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; safe communities, healthy neighbourhoods; an affordable place to live; and growing advanced manufacturing. 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) use (residential and commercial) urban developments located near to transport, employment, education and other services.
  - creating a vibrant city
  - safe communities, healthy neighbourhoods
  - an affordable place to live; and
  - growing advanced manufacturing.
- (b) As the key precinct planning and delivery agency responsible for The 30-year Plan for Greater Adelaide outcomes, work in partnership with communities and industry to help significantly reduce urban sprawl and progressively deliver 70% of urban growth within existing urban areas by 2038.
- (c) 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.
- (d) Show leadership to the market in social and environmental sustainability with smart planning and delivery for South Australia's expected population growth.
- (e) 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.
- (f) 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, to reduce current concentrations of social disadvantage and create safe healthy and vibrant communities.
- (g) Undertake development, including precinct planning, infrastructure and human services planning and coordination, to ensure the appropriate delivery of approved projects.
- (h) 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.
- (i) Negotiate with key stakeholders financial arrangements for the delivery of necessary infrastructure in development areas.
- (j) 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.
- (k) Improve opportunities for more affordable living by concentrating Renewal SA program and project activity in transport corridors, maximising access to public transport and designing for reduced energy and water consumption.
- (l) Support economic development and employment growth 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.
- (m) 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.

Renewal SA did not voluntarily change any of its accounting policies during 2013-14.

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 2014.

Renewal SA has assessed the impact of new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of Renewal SA, except as outlined below:

- In accordance with the new *AASB 13 Fair Value Measurement*, which became effective for the first time in 2013-14, Renewal SA has:
  - a) reviewed its fair value valuation techniques (both internal estimates and independent valuation appraisal) for non-financial assets to ensure they are consistent with the standard. Previously, Renewal SA has used the cost approach or the market approach to determine fair value. Renewal SA will continue to measure its non-financial assets using either the cost or market approach. The application of *AASB 13* has not had a material impact on the fair value measurements; and
  - b) included additional disclosures where required to assist users in assessing the valuation techniques and inputs used to ascertain fair value measurements used for asset and liability measurements.

Fair value hierarchy and other information is provided in Notes 22, 23 and 25.

- In accordance with the new *AASB 10 Consolidated Financial Statements*, which became effective for the first time in 2013-14, Renewal SA has:
  - a) reviewed its control assessments in accordance with the new standard and has concluded that there is no impact. Renewal SA does not control (as subsidiaries or otherwise) any investees.
- In accordance with the new *AASB 11 Joint Arrangements*, which became effective for the first time in 2013-14, Renewal SA has:
  - a) reviewed its classification assessment in accordance with the new standard and has concluded that all joint arrangements are classified as joint ventures and must apply the equity method of accounting. The application of *AASB 11* does not have a material impact as Renewal SA's existing accounting policy is to equity account for investments in joint ventures; and
  - b) included additional disclosures where required to help users evaluate the nature, risks and financial effects of Renewal SA's interest in joint ventures. Details of Renewal SA's interests in joint ventures are shown in Note 5.

### 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 based on a twelve month period 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 2014 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 financial statements if the impact is material. The restated comparative amounts do not replace the original financial statements for the preceding period.

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 Note 28).

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 2014 and before the financial statements are authorised for issue, where those events provided information about conditions that existed at 30 June 2014.

Note disclosure is made about events between 30 June 2014 and the date the financial statements are authorised for issue where the events relate to a condition which occurred after 30 June 2014 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 following are specific recognition criteria:

#### *Revenues from sales*

##### (a) Inventories - Land held for resale

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

With respect to all other land sales, recognition of sales revenue occurs when settlement is completed and legal title transfers to the purchaser.

##### (b) 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 Commonwealth and SA Government**(a) Community service obligations*

Renewal SA may be required under its charter to provide a number of non-commercial services to the community on behalf of the SA Government. The SA Government provides Renewal SA with funding to compensate for these non-commercial activities. Non-commercial activities include the provision of infrastructure, sustainable energy development and precinct and urban planning works.

Community service obligations 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 (refer Note 6). Inventory development costs funded by community service obligations are capitalised against inventories and recognised in the Statement of Comprehensive Income as cost of sales when inventory is sold during the reporting period.

*(b) Government grants*

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and Renewal SA will comply with all attached conditions.

Renewal SA receives Government grants in the form of housing affordability funding from the Commonwealth Government.

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 (refer Note 6).

*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 is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount.

*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 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 community service obligations 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 plant and equipment, 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 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 charges. In accordance with Accounting Policy Framework II General Purpose Financial Statements Framework and *AASB 123 Borrowing Costs*, 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.

**2.9 Cash and cash equivalents**

Cash assets in the Statement of Financial Position include 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 (refer Note 21). Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

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

The following are specific recognition criteria:

### *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 properties

Investment properties are held to earn rentals and/or for capital appreciation purposes.

Investment properties are initially recognised at cost. 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 at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. The properties are not depreciated and are not tested for impairment.

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.

Any gains or losses on the sale of investment property are recognised in the Statement of Comprehensive Income in the year of sale.

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.

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2014.

## 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

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. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds its recoverable amount is recorded as an impairment loss.



## 2.18 Fair value measurement

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

Renewal SA classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 - not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes were reviewed by the Chief Executive and Audit and Risk Committee at reporting date.

### *Non-financial assets*

In determining fair value, Renewal SA has taken into account the characteristics of the asset (for example condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

Renewal SA's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Notes 22, 23 and 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurement for non-financial assets.

### *Financial assets/liabilities*

Renewal SA does not recognise any financial assets or financial liabilities at fair value.

## 2.19 Liabilities

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

## 2.20 Payables

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

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

## 2.21 Borrowings/Financial liabilities

Renewal SA measures financial liabilities including borrowings/debt at historical cost. Financial liabilities that are due to mature within twelve months after the reporting date have been classified as current liabilities. All other financial liabilities are classified as non-current.

## 2.22 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.

**2.23 Employee benefits**

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

*Wages, salaries, annual leave, 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.

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.

**2.24 Unearned Income**

Unearned income includes rental income and revenues from Commonwealth and SA Government received in advance. Rental income from the leasing of inventories and investment properties is recognised in the Statement of Comprehensive Income as part of property income, on a straight line basis over the lease term. 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.

**2.25 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.

**2.26 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.

**2.27 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 Notes 33 and 34).

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 35).

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.

**2.28 Insurance**

Renewal SA has arranged through the SA Government Captive Insurance Corporation (SAICORP) to insure all major risks of Renewal SA. The excess payable under this arrangement varies depending on each class of insurance held.

**2.29 Financial risk management**

Renewal SA is exposed to a variety of financial risks, i.e. market risk, credit risk and liquidity risk (refer Note 38).

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.

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 Land Acquisition - Incitec Pivot Facility

Renewal SA acquired the Incitec Pivot facility at Port Adelaide for \$15.792 million, comprising a cash payment of \$13.977 million and a rent free period of \$1.815 million. The facility has been leased-back to Incitec Pivot Limited for an initial term of three years.

#### 3.2 Land Acquisition - Ross Smith Secondary School Site

Renewal SA acquired 6.548 hectares of land that was formerly the Ross Smith Secondary School site at Northfield for \$7.976 million. The Northgate Stage 3 Precinct One Joint Venture between Renewal SA and CIC Northgate Pty Ltd will be extended to include the Ross Smith Secondary School site. The extension of the joint venture will contribute to the urban infill objectives of *The 30-Year Plan for Greater Adelaide*.

#### 3.3 Land Sale - 196 O.G. Road and Lot 200 Briar Road at Felixstow

Renewal SA received \$15.350 million for the sale of 196 O.G. Road and \$0.600 million for the sale of Lot 200 Briar Road. The sale of 196 O.G. Road resulted in a net profit on disposal of non-current assets of \$1.350 million (refer Note 10), while the sale of Lot 200 Briar Road has been included in revenue from sales (refer Note 4). The properties were originally acquired under the Industrial and Commercial Premises Scheme for \$18.782 million funded entirely by debt. The acquisition, development and sale is governed by an Indemnity Deed between the then Minister for Industry and Trade and the Industrial and Commercial Premises Corporation. In accordance with Clause 2.1(l) of the Indemnity Deed the Minister for Manufacturing, Innovation and Trade has reimbursed Renewal SA the amount of \$2.832 million which represents the shortfall between net sale proceeds and the loan against the properties.

#### 3.4 Land Sale - Seaford Meadows

Renewal SA received \$6.695 million following settlement of the final instalment. 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 came under the umbrella of a development deed to ensure that all of Renewal SA's mandatory requirements were met. The last settlement for Stage 6 took place in December 2013.

#### 3.5 Land Sale - Seaford Heights

Renewal SA received \$6.059 million following settlement of Stage 2. 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 came under the umbrella of a development deed to ensure that all of Renewal SA's mandatory requirements were met. Stage 1 settlement was conditional on a Development Plan Approval which occurred in May 2011 with the first settlement completing in November 2012. The final settlement for Stage 4 is due in April 2018.

#### 3.6 Land Sale Option - Dry Creek/Gillman

Renewal SA granted Adelaide Capital Partners (ACP) exclusive call options to acquire up to 407 hectares of industrial land within three tranches over a nine year period. The first exercisable option is due to expire in the next financial year and if exercised will result in an off market sale of approximately 150 hectares of land at Dry Creek for \$45.000 million. If ACP exercises the first option, Renewal SA will also enter into a long-term licence with ACP to facilitate further development within the remaining 257 hectares of land which will form part of the second and third exercisable options.

If ACP exercises the second and third options, this will result in further off market sales of up to 257 hectares of land at Dry Creek for a combined total of \$77.100 million.

#### 3.7 Port Adelaide Waterfront Redevelopment Project

In October 2011, the former Land Management Corporation (LMC) exercised its Discretionary Termination Right under the Port Adelaide Waterfront Redevelopment (PWR) project development agreement (PDA) with Newport Quays Consortium (NQC). In March 2012, Renewal SA assumed responsibility for LMC's obligations under the terminated PDA. As a result Renewal SA, by virtue of the PDA, was legally obliged to pay an Agreed Damages Amount to NQC. In March 2013 Renewal SA, the State of South Australia and NQC entered into a Dispute Resolution Deed in relation to the discretionary termination of the PDA, a component of which setting out a process relating to the calculation of the Agreed Damages Amount. Pursuant to the Dispute Resolution Deed Renewal SA paid NQC \$5.000 million in March 2013 as the base component of the Agreed Damages Amount prescribed by the PDA, and agreed to non-binding negotiations with NQC to resolve the balance of the Agreed Damages Amount. In February 2014, Renewal SA and NQC executed a Deed of Settlement resulting in a payment of \$3.690 million on account of the remaining balance of the Agreed Damages Amount (agreed as \$3.400 million) and certain ancillary matters associated with activities undertaken as a consequence of the PWR.

### 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.

Sales revenue for the reporting period is summarised as follows:

	2014 \$'000	2013 \$'000
<i>Land sales to:</i>		
Joint ventures	10,337	10,651
Entities within the SA Government	1,556	1,703
Other - sales to general public and developers	51,960	74,991
Total sales revenue	<b>63,853</b>	<b>87,345</b>

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

Cost of sales for the reporting period is summarised as follows:

	2014 \$'000	2013 \$'000
<i>Cost of sales associated with:</i>		
Joint ventures	432	391
Entities within the SA Government	971	1,209
Other - cost of sales associated with sales to general public and developers	32,153	29,930
Total cost of sales	<b>33,556</b>	<b>31,530</b>



## 5 Joint ventures

### 5.1 Joint ventures summary

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

	Northgate Stage 3 Joint Venture		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenues	14,071	13,049	15,214	19,317
Expenses	(10,744)	(10,487)	(11,394)	(11,751)
Profit from ordinary activities	<b>3,327</b>	<b>2,562</b>	<b>3,820</b>	<b>7,566</b>

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

Share of investment in joint ventures:

Carrying amount at the beginning of the period	6,937	6,476	7,688	8,300
Profit for the reporting period	3,327	2,562	3,820	7,566
Distribution of profit	(4,500)	(2,100)	(5,459)	(8,178)
Impairment	-	-	(170)	-
Total carrying amount of investment in joint ventures	<b>5,764</b>	<b>6,938</b>	<b>5,879</b>	<b>7,688</b>

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

*Current assets:*

Cash	3,322	2,992	3,891	4,028
Receivables	717	729	730	870
Inventories	5,566	6,869	5,764	7,276
Financial assets	-	-	197	197
Deferred tax asset	-	-	157	157
Prepayments	-	28	-	28
	<b>9,605</b>	<b>10,618</b>	<b>10,739</b>	<b>12,556</b>

*Non current assets:*

Inventories	-	118	-	118
Property, plant and equipment	586	561	586	561
	<b>586</b>	<b>679</b>	<b>586</b>	<b>679</b>

Total assets

	<b>10,191</b>	<b>11,297</b>	<b>11,325</b>	<b>13,235</b>
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*Current liabilities:*

Creditors and other payables	4,427	4,359	4,986	5,258
Financial liabilities	-	-	226	225
Tax liabilities	-	-	64	64
	<b>4,427</b>	<b>4,359</b>	<b>5,276</b>	<b>5,547</b>

Total liabilities

	<b>4,427</b>	<b>4,359</b>	<b>5,276</b>	<b>5,547</b>
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Net assets

	<b>5,764</b>	<b>6,938</b>	<b>6,049</b>	<b>7,688</b>
--	--------------	--------------	--------------	--------------

Impairment

	-	-	(170)	-
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Net assets after impairment

	<b>5,764</b>	<b>6,938</b>	<b>5,879</b>	<b>7,688</b>
--	--------------	--------------	--------------	--------------

The net assets is split as follows:

Current	5,178	6,259	5,293	7,009
Non current	586	679	586	679
	<b>5,764</b>	<b>6,938</b>	<b>5,879</b>	<b>7,688</b>

### 5.2 Northgate Stage 3 Joint Venture

In 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. In November 2010 documentation was executed with the same partner, to extend the Northgate Stage 3 Joint Venture over Renewal SA's adjoining Precinct 2 land parcel. In November 2013 the Northgate Stage 3 Precinct One Joint Venture was extended to include the Ross Smith Secondary School site acquired by Renewal SA in June 2014.

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 100 hectare project is forecast to deliver in the order of 2,100 allotments and 2,600 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 comprised residential, retail and industrial land to be developed over a fifteen year timeframe. Other parties with commitments to the joint venture arrangements were 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. In the 2013-14 financial year, one residential allotment and two medium density development sites settled in July 2013 and the final residential allotment settled in October 2013. The Mawson Lakes Economic Development Project is scheduled to complete in December 2014.

### 5.4 PAWR Marina Joint Venture

Renewal SA has a 50% interest in a marina berth 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 contemplated the construction of approximately 600 marina berths in the Port Adelaide inner harbour to be staged with the land-based PAWR development (which was terminated on 31 October 2011). As at 30 June 2014, two marinas have been constructed and leased by PAWR Marina Joint Venture, being Edgewater Marina and MC Marina South Marina (aggregating to 137 marina berths).

Under the PAWR Marina Joint Venture, marina berths were offered under leasehold arrangements, with Renewal SA retaining ownership of the inner harbour (subjacent land). Renewal SA has entered into lease arrangements with marina lessee companies (representing berth holders) which has placed obligations on lessees to procure the services of competent marina managers and achieve appropriate environmental standards in the management of the marinas.

On 13 February 2014, Renewal SA and the Newport Quays Consortium executed a deed of settlement. Subject to various conditions precedent being met, the deed of settlement provides for the resolution of a number of issues arising between the parties following the termination of the PAWR Project Development Agreement (PDA) with the Newport Quays Consortium, which occurred on 31 October 2011, including the dissolution of the PAWR Marina Joint Venture. Renewal SA and the Newport Quays Consortium are presently working through these conditions precedent, which conditions when fulfilled will dissolve the PAWR Marina Joint Venture. The dissolution of the PAWR Marina Joint Venture is anticipated to be finalised during the next financial year.

Renewal SA's investment of \$0.170 million in the PAWR Marina Joint Venture has been impaired as a result of the deed of settlement and has been written off.

## 6 Revenues from Commonwealth and SA Government

	2014 \$'000	2013 \$'000
Community service obligations from SA Government	22,488	8,713
Housing affordability funding from Commonwealth Government	1,560	-
Other SA Government revenues	3,032	-
Gross revenues from Commonwealth and SA Government	<u>27,080</u>	<u>8,713</u>
Less: Deferred community service obligations from SA Government for inventories development costs	<u>(15,791)</u>	<u>(4,525)</u>
Total revenues from Commonwealth and SA Government	<u>11,289</u>	<u>4,188</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:

	2014 \$'000	2013 \$'000
Mortgage debtor interest	1,683	2,527
Interest from operating accounts	416	496
Total interest revenue	<u>2,099</u>	<u>3,023</u>

## 8 Property income

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

	2014 \$'000	2013 \$'000
Rental income	17,166	15,646
Recoveries	8,339	5,032
Other property income	325	45
Total property income	<u>25,830</u>	<u>20,723</u>

9 Other revenues

Other revenues includes consulting revenue and recoveries. Other revenues for the reporting period are summarised as follows:

	2014 \$'000	2013 \$'000
Consulting revenue	4,508	4,037
Recoveries	2,530	280
Other revenues	730	318
Total other revenues	<b>7,768</b>	<b>4,635</b>

10 Net gain/(loss) from the disposal of non-current assets

Net gain/(loss) from the disposal of non-current assets is summarised as follows:

	2014 \$'000	2013 \$'000
<i>Plant and equipment:</i>		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	(73)	(1)
Net gain/(loss) on disposal of plant and equipment	<b>(73)</b>	<b>(1)</b>
<i>Investment properties:</i>		
Proceeds from disposal	15,350	-
Less: Net book value of assets disposed	(14,000)	-
Net gain/(loss) on disposal of investment properties	<b>1,350</b>	<b>-</b>
Total net gain/(loss) from the disposal of non-current assets	<b>1,277</b>	<b>(1)</b>

11 Employees benefits expenses

	2014 \$'000	2013 \$'000
Salaries and wages	20,070	18,419
Long service leave	504	(349)
Annual leave	(129)	83
Skills and experience retention leave	(5)	41
Employment on-costs - superannuation	1,772	1,771
Employment on-costs - other	1,494	1,182
Board fees	247	298
Other employee related expenses	71	101
Gross employee benefits expense	<b>24,024</b>	<b>21,546</b>
Less: Employee benefits capitalised to inventories	<b>(3,365)</b>	<b>(3,566)</b>
Total employee benefits expenses	<b>20,659</b>	<b>17,980</b>

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:

	2014 No.	2013 No.
\$138,000 - \$141,499*	n/a	1
\$141,500 - \$151,499	9	7
\$151,500 - \$161,499	10	9
\$161,500 - \$171,499	5	3
\$171,500 - \$181,499	4	2
\$181,500 - \$191,499	2	2
\$191,500 - \$201,499	3	6
\$201,500 - \$211,499	1	1
\$211,500 - \$221,499	2	1
\$231,500 - \$241,499	1	2
\$241,500 - \$251,499	1	1
\$251,500 - \$261,499	1	-
\$261,500 - \$271,499	1	-
\$271,500 - \$281,499	1	-
\$281,500 - \$291,499	-	1
\$291,500 - \$301,499	1	-
\$391,500 - \$401,499	1	1
Total number of employees	<b>43</b>	<b>37</b>

\*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2012-13.

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

Total remuneration received or due and receivable by the above employees for the period they held office was \$7.982 million (2013: \$6.789 million).

The number of employees at the reporting date was 196.8 (2013: 199.7).

## 11 Employees benefits expenses (continued)

### 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:

	2014 \$'000	2013 \$'000
Within one year	14,922	14,825
Later than one year but not longer than five years	16,410	19,624
	<b>31,332</b>	<b>34,449</b>

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 financial year:

Hon B J Pike, Presiding Member	From 1 July 2013 to 30 June 2014
P A Baker	From 12 December 2013 to 30 June 2014
A D Blair	From 12 December 2013 to 30 June 2014
R L Boorman	From 12 December 2013 to 30 June 2014
H M Fulcher	From 1 July 2013 to 30 June 2014
C A Holden	From 1 July 2013 to 18 December 2013
T S Maras AM	From 1 July 2013 to 2 December 2013
Dr A M Rischbieth	From 1 July 2013 to 17 December 2013
M J Terlet AO	From 1 July 2013 to 2 December 2013
J A Westacott	From 1 July 2013 to 31 July 2013

### 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 financial year:

F J Hansen	Chief Executive
J C Durand	Executive Director, Marketing and Corporate Relations
J A Meakins	Executive Director, Inter-Government Relations and Policy
W P Smith	Executive Director, Corporate Affairs and Strategy
M M P Young	Executive Director, People and Organisational Development
M J Buchan	General Manager, Major and Residential Project Delivery
D J DeConno	General Manager, Asset Management
I H Hodgen	General Manager, Industrial Project Delivery
D K Just	General Manager, Urban and Portfolio Planning
I R H McLachlan	General Manager, Riverbank, Infrastructure and Project Co-ordination
L A South	General Manager, Corporate Services

### 12.3 Key management personnel compensation

Key management personnel compensation for the period ended 30 June 2014 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.

	2014 \$'000	2013 \$'000
Short-term employee benefits	2,987	2,780
Total employee benefits	<b>2,987</b>	<b>2,780</b>

### 12.4 Remuneration of governing board members

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

	2014 No.	2013 No.
Nil*	-	2
\$1 - \$9,999	1	1
\$10,000 - \$19,999	7	-
\$30,000 - \$39,999	1	5
\$40,000 - \$49,999	-	1
\$70,000 - \$79,999	1	1
<b>Total number of governing board members</b>	<b>10</b>	<b>10</b>

Total remuneration received and receivable by all governing board members for the period they held office was \$0.247 million (2013: \$0.298 million) which includes superannuation contributions.

The number of board members who held office at 30 June 2014 was 5 (2013: 7).

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

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 the financial year were:

### Port Adelaide Steering Committee

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

### Playford North Urban Renewal Project Steering Committee

J Blaess  
M Buchan  
B Dunning  
P Fagan Schmidt  
M Hemmerling  
T Jackson  
S Kennedy  
G Martin  
D O'Donovan  
P Reardon  
L Stevens  
R Veitch  
M White

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

	2014 No.	2013 No.
Nil	14	12
\$1 - \$9,999	6	6
\$20,000 - \$29,999	1	1
<b>Total number of committee members</b>	<b>21</b>	<b>19</b>

Remuneration of committee members reflects all costs of performing committee member duties including sitting fees, superannuation contributions and salary sacrifice benefits. Total remuneration received by all committee members for the period they held office was \$0.029 million (2013: \$0.029 million).

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) and is employed on a part-time basis by Telstra Health.

Mr P A Baker was a Director of Philbak Pty Ltd., Chairman of the Adelaide Convention Bureau, Non-Executive Director of Flinders Ports Holdings, Director of Health First Network, Honorary Life Member of the Airports Association of Australia and National Awards Judge for the Property Council of Australia.

Ms A D Blair was a Member of the Board of Management of the South Australian Housing Trust and a member of the Independent Gambling Authority.

Mr R L Boorman was a Director of Bob Boorman and Associates, Member and Deputy Chairman of the Board of Management of the South Australian Housing Trust, Director of Atomix Pty Ltd and Director of Haslop Pty Ltd.

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 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, Chairman of the University of Adelaide Heritage Foundation, Member of the South Australian Government Expert Panel on Planning Reform, 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, Fellow 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), member of the South Australian Motor Sport Board, Director of Middleton Consulting and Director of Outcomes Australia and Better Off Australia.

Mr M J Terlet AO was Chairman of Tidswell Financial Services Ltd and Chairman of Operation Flinders. 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.

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

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 declared a pecuniary interest, either direct or indirect, in any firm, trust or company with which Renewal SA had entered into a transaction during the financial year.

**14 Operating expenditure**

	2014 \$'000	2013 \$'000
Property expenditure	19,370	15,722
Land tax	23,703	15,558
Contractors and consultants	13,624	5,405
Accommodation costs	2,127	1,760
Administration and other expenditure	15,791	12,571
Gross supplies and service expenditure	<b>74,615</b>	<b>51,016</b>
Less: Land tax capitalised to inventories	(7,077)	(6,200)
Total operating expenditure	<b>67,538</b>	<b>44,816</b>

**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:

	2014 No.	2014 \$'000	2013 No.	2013 \$'000
Below \$10,000	62	274	41	184
Between \$10,000 and \$50,000	28	507	19	510
Above \$50,000	9	1,066	9	857
Total paid/payable to consultants engaged	<b>99</b>	<b>1,847</b>	<b>69</b>	<b>1,551</b>

**15 Borrowing costs**

	2014 \$'000	2013 \$'000
Borrowing costs ICPS loans	2,549	3,818
Borrowing costs other loans	11,645	11,202
Borrowing costs overdraft	832	1,662
Guarantee fees ICPS loans	344	328
Guarantee fees other loans	5,612	4,364
Guarantee fees overdraft	494	684
Gross borrowing costs	<b>21,476</b>	<b>22,058</b>
Less: Borrowing costs capitalised to inventories	(7,791)	(13,173)
Total borrowing costs	<b>13,685</b>	<b>8,885</b>

The average rate of interest capitalised in the reporting period was 4.8% (2013: 5.3%).

**16 Auditor's remuneration**

	2014 \$'000	2013 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the financial statements audit	212	180
Total auditors' remuneration	<b>212</b>	<b>180</b>

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

Auditor's remuneration costs are recognised in the Statement of Comprehensive Income and included in the balance of administration and other expenditure (refer Note 14).

**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 SA 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 the exemption of the net gain from administrative restructure from Renewal SA's income tax calculation in the prior year. Excluding the net gain from restructure Renewal SA made a financial loss in the prior year. Renewal SA has also made a financial loss in the current year, therefore no income tax equivalent is payable in both current and prior years.

**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. After consultation with the Treasurer, the Minister determined that there is no dividend payable in respect of the reporting period.

**19 Mortgage debtor receivables**

	2014 \$'000	2013 \$'000
<i>Current:</i>		
Mortgage debtor receivables	6,775	7,555
	<b>6,775</b>	<b>7,555</b>
<i>Non-current:</i>		
Mortgage debtor receivables	15,035	21,811
	<b>15,035</b>	<b>21,811</b>
Total mortgage debtor receivables	<b>21,810</b>	<b>29,366</b>

*Maturity analysis of receivables:*  
Refer to table in Note 38.5

*Categorisation of financial instruments and risk exposure information:*  
Refer to table in Note 38.1

## 20 Receivables

	2014 \$'000	2013 \$'000
<i>Current:</i>		
Trade and other debtors	8,852	7,720
Allowance for doubtful debts	(1,668)	(579)
Prepayments	32	8
	<b>7,216</b>	<b>7,149</b>
<i>Non-current:</i>		
Marina Adelaide	3,556	3,556
	<b>3,556</b>	<b>3,556</b>
Total Receivables	<b>10,772</b>	<b>10,705</b>

### *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.

### *Movements in the allowance for doubtful debts (impairment loss):*

	2014 \$'000	2013 \$'000
Carrying amount at the beginning of the period	579	579
Debts no longer legally enforceable	(395)	-
Debts extinguished on legal settlement	(115)	-
Increase in the allowance	1,669	-
Decrease in the allowance	(70)	-
Carrying amount at the end of the period	<b>1,668</b>	<b>579</b>
<i>Bad debts written off:</i>		
Trade debtors	21	-
<i>Transfer to provision for doubtful debts:</i>		
Trade debtors	1,599	-
Total bad and doubtful debts expense	<b>1,620</b>	<b>-</b>

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 38.5

### *Categorisation of financial instruments and risk exposure information:*

Refer to table in Note 38.1

## 21 Inventories

	2014 \$'000	2013 \$'000
<i>Current:</i>		
Inventories	60,768	78,731
	<b>60,768</b>	<b>78,731</b>
<i>Non-current:</i>		
Inventories	394,415	320,796
	<b>394,415</b>	<b>320,796</b>
Total inventories	<b>455,183</b>	<b>399,527</b>
<i>Movements in carrying amounts:</i>		
Carrying amount at the beginning of the period	399,527	451,852
Transfer in from administrative restructure	4,036	-
Land purchases	23,961	-
Development costs capitalised	92,040	60,869
Community service obligations for development costs	(15,791)	(4,525)
Cost of sales	(33,556)	(31,530)
Inventory write down	(15,034)	(80,879)
Reversal of inventories write down	-	3,740
Carrying amount at the end of the period	<b>455,183</b>	<b>399,527</b>

Inventories acquired for development and sale in the ordinary course of business are carried at the lower of cost and net realisable value.

The net realisable value is the estimated selling price in the ordinary course of business less costs of acquisition, holding costs such as borrowing costs, rates and taxes, estimated costs of completion and selling expenses. Estimates of net realisable value are based on the most recent reliable evidence available at the time the estimates are made including the amount the inventories are expected to realise and the estimate of costs to complete.

The recoverable amount of each property is assessed at each balance date and where cost (including costs to complete) exceeds net realisable value that inventory is written down with the amount being recognised as an expense in the period the write down occurred. Any write down reversals are recognised as a reduction to expense. In determining the recoverable amount, regard is given to the market conditions affecting each property and the underlying strategy for selling the property. This requires the use of management judgement and key assumptions in estimates are reviewed on a regular basis.



## 21 Inventories (continued)

Renewal SA performed an internal review of the net realisable values for all inventories as at 30 June 2014. The review involved comparing current book values to the independent valuations performed as at 30 June 2013 to identify all land holdings at risk of being carried in excess of net realisable value. For those land holdings considered to be at risk, further analysis was performed to determine whether a write-down was required. This analysis included reference to recent sale contracts, independent valuations performed for relevant land parcels during the financial year and project cash flows.

As a result of this review inventory was written down by \$15.034 million (2013: \$80.879 million). There were no reversal of inventory write downs during the financial year (2013: \$3.740 million).

Renewal SA has recognised land inventory within the Statement of Financial Position at the lower of cost or net realisable value. The total net realisable value of inventories based on independent valuations performed as at 30 June 2013 was \$1.122 billion.

## 22 Investment properties

Investment properties at fair value	<b>2014</b>	<b>2013</b>
<i>Freehold land at fair value:</i>	<b>\$'000</b>	<b>\$'000</b>
Independent valuation - 2014	89,892	-
Independent valuation - 2013	-	100,928
	<b>89,892</b>	<b>100,928</b>
<i>Buildings at fair value:</i>		
Independent valuation - 2014	77,727	-
Independent valuation - 2013	-	88,496
	<b>77,727</b>	<b>88,496</b>
Total investment properties	<b>167,619</b>	<b>189,424</b>
Movements in carrying amounts	<b>2014</b>	<b>2013</b>
<i>Freehold land at fair value:</i>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	100,928	68,527
Transfer in from administrative restructure	-	17,100
Disposals	(3,080)	-
Net (loss)/gain on fair value adjustments	(7,956)	15,301
Carrying amount at the end of the period	<b>89,892</b>	<b>100,928</b>
<i>Buildings at fair value:</i>		
Carrying amount at the beginning of the period	88,496	59,820
Transfer in from administrative restructure	-	64,700
Additions	174	30
Transfer from work in progress	-	493
Disposals	(10,920)	-
Net loss on fair value adjustments	(23)	(36,547)
Carrying amount at the end of the period	<b>77,727</b>	<b>88,496</b>
Total carrying amount at the end of the period	<b>167,619</b>	<b>189,424</b>
Amounts recognised in the Statement of Comprehensive Income		
Property income (refer Note 8)	15,517	11,446
Direct operating expenses arising from investment properties that generated rental income (refer Note 14)	(8,083)	(5,754)
Direct operating expenses arising from investment properties that did not generate rental income (refer Note 14)	(43)	(1,654)
Total amount recognised in the Statement of Comprehensive Income	<b>7,391</b>	<b>4,038</b>

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2014. Valuations of all investment properties were undertaken by the firm of McGees Property and prepared by qualified Certified Practicing Valuers with extensive experience in the local market with equivalent properties. 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 *AASB 140 Investment Property*. The valuer arrived at fair value using the direct comparison approach. The valuation was based on recent market transactions for similar land and buildings in the area and includes adjustments for factors specific to the land and building being valued such as size, location and current use. In instances where an alternative use for an asset was identified the highest and best use was determined and the asset valued accordingly.

## 23 Property, plant and equipment

Leasehold Improvements	<b>2014</b>	<b>2013</b>
At cost (deemed fair value)	<b>\$'000</b>	<b>\$'000</b>
Accumulated amortisation	3,152	3,152
	(759)	(423)
Total leasehold improvements (deemed fair value)	<b>2,393</b>	<b>2,729</b>

Carrying amount of leasehold improvements

The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Impairment

There were no indications of impairment of leasehold improvements at 30 June 2014.

Movements in carrying amounts:

Leasehold improvements:	<b>2014</b>	<b>2013</b>
Carrying amount at the beginning of the period	<b>\$'000</b>	<b>\$'000</b>
Additions	2,729	2,823
Amortisation	-	224
	(336)	(318)
Carrying amount at the end of the period	<b>2,393</b>	<b>2,729</b>

**23 Property, plant and equipment (continued)**

	2014 \$'000	2013 \$'000
Plant and equipment		
At cost (deemed fair value)	1,319	1,464
Accumulated depreciation	(329)	(218)
Total plant and equipment (deemed fair value)	<u>990</u>	<u>1,246</u>

Carrying amount of plant and equipment

The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Plant and equipment includes \$0.332m (2013: \$0.958m) of fully depreciated assets still in use.

Impairment

There were no indications of impairment of plant and equipment at 30 June 2014.

Movements in carrying amounts:

	2014 \$'000	2013 \$'000
Plant and equipment		
Carrying amount at the beginning of the period	1,246	653
Transfer in from work in progress	-	640
Additions	39	127
Disposals	(73)	(1)
Depreciation	(222)	(173)
Carrying amount at the end of the period	<u>990</u>	<u>1,246</u>
Total property, plant and equipment	<u>3,383</u>	<u>3,975</u>

**24 Work in progress**

Movements in carrying amounts:

	2014 \$'000	2013 \$'000
Carrying amount at the beginning of the period	-	1,114
Additions	-	19
Transfer to property, plant and equipment	-	(640)
Transfer to investment property	-	(493)
Carrying amount at the end of the period	<u>-</u>	<u>-</u>

**25 Fair value measurement**

The fair value of non-financial assets must be estimated for recognition, measurement and disclosure purposes. Renewal SA categorises non-financial assets measured at fair value into a hierarchy based on the level of inputs used in measurement of fair value.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2014.

Renewal SA had no valuations categorised into level 1.

**Fair value measurements at 30 June 2014**

**Recurring fair value measurements**

	2014 \$ '000	Level 2 \$ '000	Level 3 \$ '000
Investment properties (Note 22)	167,619	167,619	-
Leasehold improvements (Note 23)	2,393	-	2,393
Plant and equipment (Note 23)	990	-	990
Total recurring fair value measurements	<u>171,002</u>	<u>167,619</u>	<u>3,383</u>

Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

There were no transfers of assets between level 1 and 2 fair value hierarchy levels during the financial year. Renewal SA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

**Valuation techniques and inputs**

Valuation techniques used to derive level 2 and 3 fair values are at Note 22 and 23. Although unobservable inputs were used in determining fair value, and are subjective, Renewal SA considers that the overall valuation would not be materially affected by changes to the existing assumptions. There were no changes in valuation techniques during the financial year. The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

**Reconciliation of fair value measurements - level 3**

	Leasehold improvements \$ '000	Plant and Equipment \$ '000
Opening balance at the beginning of the period	2,729	1,246
Acquisitions	-	39
Disposals	-	(73)
Total losses for the period recognised in net result:		
Depreciation	(336)	(222)
Closing balance at the end of the period	<u>2,393</u>	<u>990</u>

**26 Payables**

*Current:*

Trade creditors
Sundry creditors and accrued expenses
Parental Leave Scheme
Employment on costs

2014 \$'000	2013 \$'000
10,060	4,357
9,665	9,155
1	4
352	343
<b>20,078</b>	<b>13,859</b>

*Non-current:*

Employment on costs
---------------------

347	313
<b>347</b>	<b>313</b>

Total payables

<b>20,425</b>	<b>14,172</b>
---------------	---------------

*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 38.5

*Categorisation of financial instruments and risk exposure information:*

Refer to table in Note 38.1

**27 Borrowings**

*Current:*

Loans - South Australian Government Financing Authority (a)
Loans - South Australian Government Financing Authority (b)

2014 \$'000	2013 \$'000
18,789	38,473
271,101	275,351
<b>289,890</b>	<b>313,824</b>

*Non-current:*

Loans - South Australian Government Financing Authority (a)
Loans - South Australian Government Financing Authority (b)

21,686	28,391
160,900	72,650
<b>182,586</b>	<b>101,041</b>
<b>472,476</b>	<b>414,865</b>

Total borrowings

(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 38.5

*Categorisation of financial instruments and risk exposure information:*

Refer to Note 38.1

*Defaults and breaches*

There were no defaults or breaches on any of the above borrowings during the year.

**28 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.

The Treasurer approved the exemption of the net gain from administrative restructure from Renewal SA's income tax calculation in the prior year. Excluding the net gain from restructure Renewal SA made a financial loss in the prior year. Renewal SA has also made a financial loss in the current year, therefore no income tax equivalent is payable in both current and prior years.

**29 Unearned income**

*Current:*

Unearned income
-----------------

2014 \$'000	2013 \$'000
2,326	4,960
<b>2,326</b>	<b>4,960</b>

*Non-current:*

Unearned income
-----------------

9,832	10,184
<b>9,832</b>	<b>10,184</b>
<b>12,158</b>	<b>15,144</b>

Total unearned income

*Movements in carrying amounts:*

Carrying amount at the beginning of the period
Received during the year
Recognised in the statement of comprehensive income
Carrying amount at the end of the period

2014 \$'000	2013 \$'000
15,144	20,637
1,961	4,423
(4,947)	(9,916)
<b>12,158</b>	<b>15,144</b>

Includes rental income of \$10.945 million (2013: \$10.957 million) and revenues from Commonwealth and SA Government of \$1.211 million (2013: \$4.159 million) received in advance.

**30 Provision**

*Current:*

Provision for general expenditure  
Total provision for general expenditure

2014 \$'000	2013 \$'000
-	967
-	967

*Movements in carrying amounts:*

Provision for general expenditure  
Carrying amount at the beginning of the period  
Reductions in provisions  
Total carrying amount at the end of the period

2014 \$'000	2013 \$'000
967	5,967
(967)	(5,000)
-	967

The reduction in the provision of \$0.967 million (2013: \$5.000 million) relates to the payment of the agreed damages amount in respect of the termination of the Port Adelaide Waterfront Redevelopment Project Development Agreement with Newport Quays Consortium (refer Note 3.7).

**31 Employee benefits**

*Current:*

Accrued wages and salaries  
Annual leave  
Long service leave  
Skills and experience retention leave

2014 \$'000	2013 \$'000
78	-
1,260	1,377
345	136
35	41
1,718	1,554

*Non current:*

Long service leave

3,738	3,396
3,738	3,396
5,456	4,950

Total employee benefits

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability for the measurement of long service leave.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2013 (3.75%) to 2014 (3.5%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability. The net financial effect of the changes in actuarial assumptions in the current financial year is immaterial.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4.0%. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

**32 Other liabilities**

*Current:*

Funds held in trust

2014 \$'000	2013 \$'000
286	-
286	-

*Non-current:*

Funds held in trust

-	967
-	967
286	967

Total other liabilities

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.

**33 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:

Due within one year  
Due later than one year but within five years  
Due later than five years

Total operating lease receivables

2014 \$'000	2013 \$'000
12,394	9,999
35,731	25,781
9,995	17,153
58,120	52,933

*Operating lease payables:*

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

Payable within one year  
Payable later than one year but within five years  
Payable later than five years

Total operating lease payables

2014 \$'000	2013 \$'000
1,578	1,579
6,362	6,266
2,650	4,326
10,590	12,171

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.



34 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:

	2014 \$'000	2013 \$'000
Payable within one year	22,436	15,604
Payable later than one year but within five years	11,556	2,192
Payable later than five years	-	159
	<b>33,992</b>	<b>17,955</b>

As at 30 June 2014 commitments relating to Playford Alive were \$13.759 million (2013: \$7.598 million), commitments for Bowden were \$2.156 million (2013: \$2.647 million), commitments for Tonsley were \$3.295 million (2013: \$4.444 million) and commitments for Gillman were \$13.348 million (2013: \$0.523 million).

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

**Capital expenditure commitments arising from Edinburgh Parks acquisition:**

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

*Stage 0 land and buildings:*

Based on the contractual agreements, an amount may be payable to DMITRE, representing 25% of the net profit arising from completion of the development and sale of Stage 0. At balance date, this amount is estimated to be \$1.299 million (2013: \$2.498 million).

	2014 \$'000	2013 \$'000
Payable within one year	-	200
Payable later than one year but within five years	606	1,052
Payable later than five years	693	1,246
	<b>1,299</b>	<b>2,498</b>

*Stages 1 and 3:*

Assets included in stages 1 and 3 have been acquired by Renewal SA on a deferred payment basis. Payments are made to the Department of State Development (formerly 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.

	2014 \$'000	2013 \$'000
Payable within one year	-	1,682
Payable later than one year but within five years	4,851	4,273
Payable later than five years	6,246	7,055
	<b>11,097</b>	<b>13,010</b>

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:

	2014 \$'000	2013 \$'000
Payable within one year	107	96
Payable later than one year but within five years	926	933
Payable later than five years	6,455	5,297
	<b>7,488</b>	<b>6,326</b>

**Total capital expenditure commitments:**

	2014 \$'000	2013 \$'000
Payable within one year	22,543	17,582
Payable later than one year but within five years	17,939	8,450
Payable later than five years	13,394	13,757
	<b>53,876</b>	<b>39,789</b>

### 35 Contingent liabilities

#### *Dean Rifle Range*

In October 2009, Cabinet approved the compulsory acquisition of the interest held by the Corporation of the City of Adelaide (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, 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 2014 the Minister (acting through Renewal SA as the Minister's agent) and 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.

### 36 Cash flow reconciliation

	2014 \$'000	2013 \$'000
<b>Reconciliation of cash and cash equivalents - cash at the end of the reporting period</b>		
Statement of Cash Flows	16,285	19,717
Statement of Financial Position	16,285	19,717
<b>Reconciliation of profit/(loss) after income tax equivalent to net cash provided by/(used in) operating activities:</b>		
Profit/(loss) after income tax equivalent	(39,207)	7,192
<b>Add/less non-cash items</b>		
Share of net profits of joint ventures	(3,820)	(7,566)
Net loss on disposal of plant and equipment	73	1
Net gain on disposal of investment property	(1,350)	-
Depreciation and amortisation	558	491
Inventory write down	15,034	80,879
Reversal of inventory write down	-	(3,740)
Investment property net loss on fair value adjustments	7,979	21,246
Impairment of joint ventures	170	-
Net gain from restructure	(4,036)	(81,800)
<b>Movements in assets and liabilities:</b>		
(Increase)/Decrease in mortgage debtor receivables	7,556	7,582
(Increase)/Decrease in other receivables	(1,132)	(2,292)
Increase/(Decrease) in doubtful debts	1,089	-
(Increase)/Decrease in prepayments	(24)	7
(Increase)/Decrease in inventories	(66,654)	(24,814)
Increase/(Decrease) in payables	6,213	(14,919)
Increase/(Decrease) in unearned income	(2,986)	(5,493)
Increase/(Decrease) in provisions	(967)	(5,000)
Increase/(Decrease) in employee benefits	546	(387)
Increase/(Decrease) in other liabilities	(681)	(3,680)
<b>Net cash provided by/(used in) operating activities</b>	<b>(81,639)</b>	<b>(32,293)</b>

### 37. Cash and cash equivalents

	2014 \$'000	2013 \$'000
Deposits with the Treasurer	14,295	18,531
Short term deposits with SAFA	164	159
Cash held in Cheltenham trust account	286	967
Cash at bank and on hand	1,540	60
<b>Total cash and cash equivalents</b>	<b>16,285</b>	<b>19,717</b>

#### *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.

### 38 Financial instruments disclosure/ financial risk management

#### 38.1 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

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

	2014 Carrying amount \$'000	Fair value \$'000	2013 Carrying amount \$'000	Fair value \$'000
<i>Financial assets:</i>				
Cash and cash equivalents	16,285	16,285	19,717	19,717
Loans and receivables				
Receivables (a)(b)	11,727	11,727	11,276	11,249
Mortgage debtors receivables	21,810	20,600	29,366	27,366
Allowance for doubtful debts	(1,668)	(1,668)	(579)	(579)
Total financial assets	<b>48,154</b>	<b>46,944</b>	<b>59,780</b>	<b>57,753</b>
<i>Financial liabilities:</i>				
Financial liabilities at cost				
Payables (a)	19,523	19,523	12,203	12,203
Borrowings	472,476	447,456	414,865	395,001
Total financial liabilities	<b>491,999</b>	<b>466,979</b>	<b>427,068</b>	<b>407,204</b>
Net financial assets/ (liabilities)	<b>(443,845)</b>	<b>(420,035)</b>	<b>(367,288)</b>	<b>(349,451)</b>

(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 Financial Instruments: Presentation* 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.

#### 38.2 Fair value

Renewal SA does not recognise any financial assets or financial liabilities at fair value but does disclose fair value in the notes.

All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable. Refer to Note 2.18 for information on Renewal SA's fair value measurement hierarchy.

- the carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to their short-term nature (refer Notes 2, 20 and 26).
- borrowings are recognised at historical cost, plus any transaction costs directly attributable to the borrowings. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (refer Notes 2 and 27).
- held to maturity investments are initially recognised at historical cost. The fair value of held to maturity investments approximates the carrying amount, as the impact of discounting is not significant (refer Notes 2 and 19).

#### 38.3 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 38.1 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.



### 38.4 Ageing analysis of receivables

The following table discloses the ageing of financial assets, past due, including impaired assets past due:

	Overdue < 30 days \$'000	Overdue 30 - 60 days \$'000	Overdue > 60 days \$'000	Total \$'000
<b>2014</b>				
Not impaired:				
Receivables	583	100	164	847
Impaired:				
Receivables	78	120	1,397	1,595
<b>Receivables at 30 June 2014</b>	<b>661</b>	<b>220</b>	<b>1,561</b>	<b>2,442</b>
<b>2013</b>				
Not impaired:				
Receivables	1,212	51	2	1,265
Impaired:				
Receivables	-	-	579	579
<b>Receivables at 30 June 2013</b>	<b>1,212</b>	<b>51</b>	<b>581</b>	<b>1,844</b>

### 38.5 Maturity analysis of financial assets and liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities:

	Carrying amount \$'000	Contractual maturities		
		< 1 year \$'000	1 - 5 years \$'000	> 5 years \$'000
<b>2014</b>				
Financial assets:				
Cash and cash equivalents	16,285	16,285	-	-
Loans and receivables				
Receivables	11,727	8,171	3,556	-
Mortgage debtors receivables	21,810	6,775	15,035	-
Allowance for doubtful debts	(1,668)	(1,668)	-	-
<b>Total financial assets</b>	<b>48,154</b>	<b>29,563</b>	<b>18,591</b>	<b>-</b>
Financial liabilities:				
Financial liabilities at cost:				
Payables	19,523	19,523	-	-
Borrowings	472,476	289,890	176,185	6,401
<b>Total financial liabilities</b>	<b>491,999</b>	<b>309,413</b>	<b>176,185</b>	<b>6,401</b>

### 38.6 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 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 38.1 represents Renewal SA's maximum exposure to financial liabilities.

### 38.7 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 slow market conditions within the local South Australian and Adelaide markets. 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.

### 38.8 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 property price movements on the financial results is impractical to estimate as the analysis would be overly assumptive.

39 Net gain from administrative restructure

*Transfer of assets from the South Australian Housing Trust*

Pursuant to the provisions of Section 23 of the *South Australian Housing Trust Act 1995*, the Minister for Social Housing, with the concurrence of the Treasurer, gazetted on 26 September 2013 the transfer of assets from the South Australian Housing Trust to Renewal SA effective 15 August 2013.

Renewal SA recognised the following income upon the transfer of these assets from the South Australian Housing Trust.

	2014 \$'000
Net gain from administrative restructure	4,036
Net result	<b>4,036</b>

Renewal SA recognised the assets transferred from the South Australian Housing Trust in the Statement of Financial Position as follows:

	2014 \$'000
Inventories	4,036
Total assets transferred	<b>4,036</b>

*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 for the year ended 30 June 2013:

	2013 \$'000
Net gain from administrative restructure	81,800
Net result	<b>81,800</b>

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

	2013 \$'000
Investment Property	81,800
Total assets transferred	<b>81,800</b>

40. Transactions with SA Government

Note	SA Government		Non-SA Government		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>INCOME</b>						
4 Revenue from sales	1,556	1,703	62,297	85,642	63,853	87,345
4 Less: cost of sales	(971)	(1,209)	(32,585)	(30,321)	(33,556)	(31,530)
<b>Gross profit</b>	<b>585</b>	<b>494</b>	<b>29,712</b>	<b>55,321</b>	<b>30,297</b>	<b>55,815</b>
5 Share of net profits of joint ventures	-	-	3,820	7,566	3,820	7,566
6 Revenues from Commonwealth and SA Government	9,729	4,188	1,560	-	11,289	4,188
7 Interest revenues	409	308	1,690	2,715	2,099	3,023
8 Property income	7,639	1,123	18,191	19,600	25,830	20,723
9 Other revenues	4,587	4,147	3,181	488	7,768	4,635
10 Net gain from disposals	-	-	1,277	-	1,277	-
39 Net gain from administrative restructure	4,036	81,800	-	-	4,036	81,800
<b>TOTAL INCOME</b>	<b>26,985</b>	<b>92,060</b>	<b>59,431</b>	<b>85,690</b>	<b>86,416</b>	<b>177,750</b>
<b>EXPENSES</b>						
11 Employee benefits expenses	2,509	2,178	18,150	15,802	20,659	17,980
14 Operating expenditure	35,006	16,767	32,532	28,049	67,538	44,816
15 Borrowing costs	13,683	8,885	2	-	13,685	8,885
23 Depreciation and amortisation	-	-	558	491	558	491
5,21,22 Impairment loss	-	-	23,183	98,385	23,183	98,385
10 Net loss from disposals	-	-	-	1	-	1
<b>TOTAL EXPENSES</b>	<b>51,198</b>	<b>27,830</b>	<b>74,425</b>	<b>142,728</b>	<b>125,623</b>	<b>170,558</b>
<b>FINANCIAL ASSETS</b>						
20 Receivables	4,670	4,692	7,770	6,592	12,440	11,284
19 Mortgage debtor receivables	-	-	21,810	29,366	21,810	29,366
20 Allowance for doubtful debts	-	-	(1,668)	(579)	(1,668)	(579)
<b>TOTAL FINANCIAL ASSETS</b>	<b>4,670</b>	<b>4,692</b>	<b>27,912</b>	<b>35,379</b>	<b>32,582</b>	<b>40,071</b>
<b>FINANCIAL LIABILITIES</b>						
26 Payables	12,793	6,746	7,632	7,426	20,425	14,172
27 Borrowings	472,476	414,865	-	-	472,476	414,865
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>485,269</b>	<b>421,611</b>	<b>7,632</b>	<b>7,426</b>	<b>492,901</b>	<b>429,037</b>


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**Certification of the Financial Statements**


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We certify that the:

- Attached general purpose financial statements for the Urban Renewal Authority (trading as Renewal SA):
  - are in accordance with the accounts and records of the Urban Renewal Authority; and
  - comply with relevant Treasurer's Instructions; and
  - comply with relevant Australian Accounting Standards; and
  - present a true and fair view of the financial position of the Urban Renewal Authority as at 30 June 2014 and the results of its operations and cash flows for the financial year.
- Internal controls employed by the Urban Renewal Authority for the financial year 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.



J F HANLON  
CHIEF EXECUTIVE  
19 September 2014



HON B J PIKE  
PRESIDING MEMBER  
19 September 2014



M J BUCHAN  
GENERAL MANAGER  
COMMERCIAL AND CORPORATE SERVICES  
19 September 2014

**INDEPENDENT AUDITOR'S REPORT****Government of South Australia****Auditor-General's Department**

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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 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the General Manager Commercial and Corporate Services.

**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 2014, 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 2014