



Urban Renewal Authority (trading as Renewal SA)

## Annual Report 2015-16

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**RenewalSA**  
people partnerships progress

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The Hon Stephen Mullighan MP  
Minister for Housing and Urban Development  
GPO Box 1533  
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 2015-16.

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 2016 as required by section 30 of the *Urban Renewal Act 1995*.

Yours sincerely

Hon Bronwyn Pike

**Presiding Member  
Urban Renewal Authority Board of Management**

30 September 2016



**Government of  
South Australia**

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# PART 1 – Our Business

## Our Vision

### *Delivering an inspiring urban future*

Renewal SA is leading the urban renewal of Adelaide on behalf of the Government of South Australia. We are dedicated to creating a better place for all South Australians by developing accessible, connected and vibrant places where people want to live, work, enjoy and invest.

Partnerships and consultation with community, industry and organisations drive the future we are building. Together we are unlocking the greater potential of existing urban areas and enhancing the distinctive South Australian lifestyle with excellence in planning and lasting quality in delivery and execution.

Our expertise and influence encompass urban design, integrated development, project management and place-making brought together holistically to achieve urban renewal outcomes of the highest quality.

Renewal SA's vision is breathing new life into South Australia by creating places that are vibrant and active.

## Our Future Direction

By encouraging good design and quality home building, we facilitate the regeneration of neighbourhoods to meet future community needs.

Changes in 2014–15 have seen Renewal SA take on additional responsibilities broadening the organisation's focus to include areas with high concentrations of ageing social housing assets as well as medium-to-high urban infill development. In coming years, we expect to have increasingly limited involvement in larger greenfield projects in Adelaide's outer suburbs.

Renewal SA will be guided by:

- ▼ focusing on marquee sites and creating premium places and iconic destinations
- ▼ redeveloping the Adelaide Riverbank which is at the heart of the government's agenda for revitalising the city
- ▼ facilitating medium to high urban infill development and areas with high concentrations of ageing social housing assets
- ▼ generating opportunities for non-government partners
- ▼ facilitating the supply of strategically located commercial and industrial land to support South Australia's economic and employment growth
- ▼ fostering urban regeneration.

Renewal SA is the key organisation encouraging more people to live in South Australia, by creating more housing opportunities primarily within 10 kilometres of the CBD. We encourage more people to work in the city by boosting the economy and creating jobs, driving more investment in South Australia and, through the facilitation of development opportunities, which encourage more people to visit and spend time in the city and regional South Australia.

Within the City of Adelaide, the focus is two-fold: enabling more people to live in the city and supporting an environment where people want to come to the city through initiatives such as the Vibrant City economic priority. In the suburbs, we will help to drive great design by facilitating inclusive and connected urban regeneration that demonstrates and adds to the character of the existing public spaces and services.

We apply commercial rigour to our operations and drive continuing improvements in performance to protect both the long-term viability of Renewal SA and the State's financial interests.

## Our Strategic Alignment

### *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*. 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 in partnership with the private sector.

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

### *South Australia's Strategic Plan*

Through the delivery of a range of projects and activities we contribute to the following *South Australian Strategic Plan* targets:

- 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.
- 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.
- Target 56: Strategic infrastructure: ensure that the provision of key economic and social infrastructure accommodates population growth.
- Target 60: Energy efficiency, dwellings; improve the energy efficiency of homes by 15% by 2020.
- Target 63: Use of public transport; increase the use of public transport to 10% 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.

### *The State Government's Strategic and Economic Priorities*

Renewal SA is the lead agency for the State Government's Strategic Priority No 1: *Creating a Vibrant City* and Economic Priority No 8: *Adelaide—the heart of our vibrant state*.

We also contribute to and support other strategic and economic priorities for South Australia.

## Legislation

Renewal SA is created under the *Urban Renewal Act 1995*.

## Our Governance

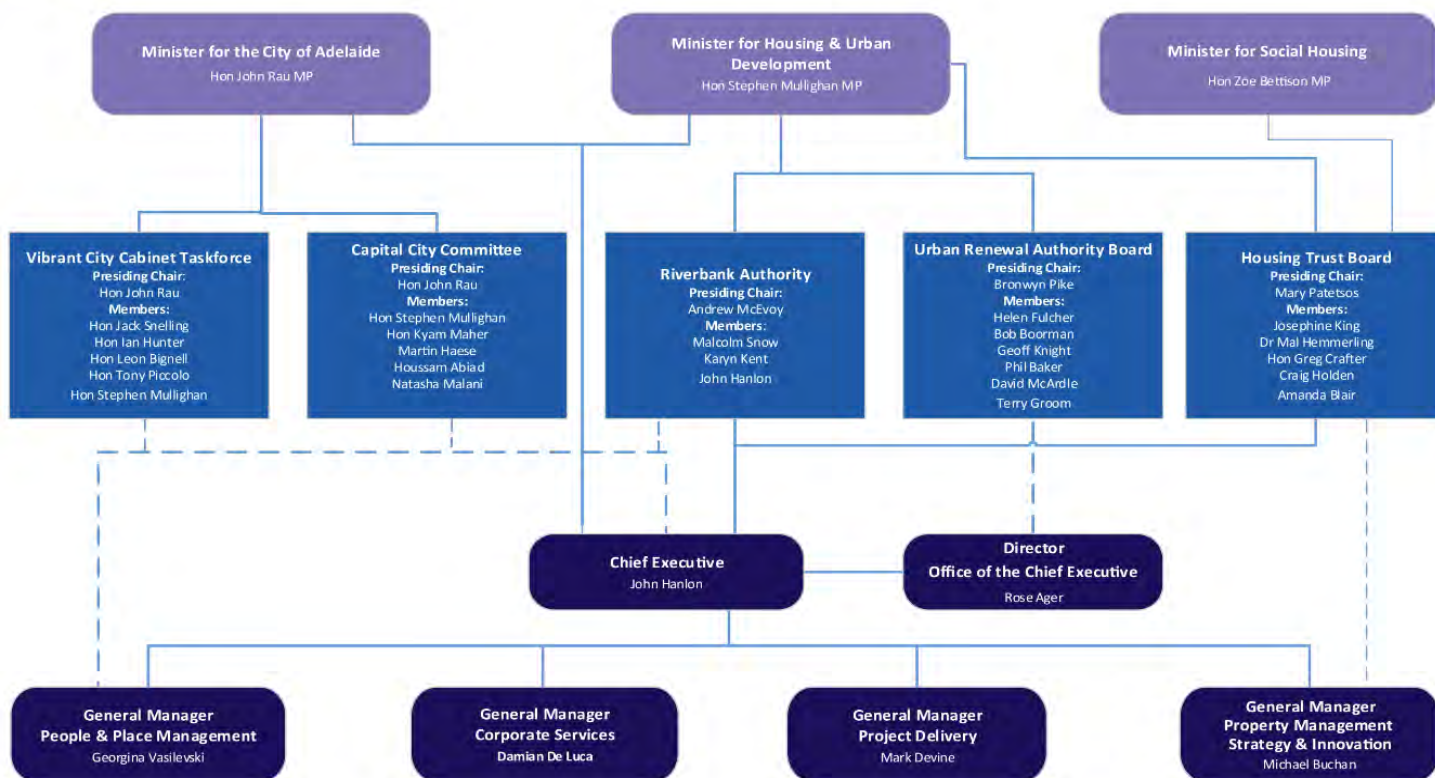
Renewal SA coordinates, manages and delivers activities and initiatives on behalf of three representative boards:

- **Urban Renewal Authority Board of Management:** Responsible for continual improvements in performance and protecting both the long term viability of, and the government's financial and other interests in, the Urban Renewal Authority (trading as Renewal SA).
- **South Australian Housing Trust Board:** Created to help deliver more affordable homes and public housing for South Australians who are locked out of the housing market.
- **Riverbank Authority Board of Management:** Appointed to oversee the coordination of events, development and promotion of Adelaide's Riverbank precinct.

## Renewal SA

### High Level Structure

30 June 2016



## Board Membership

Appointed by the Governor, the Urban Renewal Authority Board of Management is subject to the control and direction of the Minister for Housing and Urban Development, Hon Stephen Mullighan, MP. 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 government'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 2016, the Board's membership comprised:



**Hon Bronwyn Pike (Presiding Member)** is a former Victorian Government Minister with portfolio responsibilities and experience across health, housing, 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.



**Geoff Knight (Member)** has had a long career in the public sector, serving in diverse senior policy and leadership positions over three decades. He is a former Chief Executive of the Department of Primary Industries and Resources (PIRSA).



**Phil Baker (Member)** has had 45 years experience in aviation, including as managing director of Adelaide Airport Ltd. He is currently chairman of the Adelaide Convention Bureau, a non-executive director of Flinders Ports Holdings and director of the Health First Network. In addition, Phil is sole director of his own aviation consultancy company and acts as a judge for both the Property Council of Australia and the Australian Airports Association (AAA) annual national awards.



**Helen Fulcher (Member)** is the former chief executive of the Environment 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.



**Bob Boorman (Member)** is principal of Bob Boorman & Associates. In 2008 Bob Boorman and Associates was appointed as a consultant to drive the Nation Building Program for 3 years. Bob is a member of the project board for the recently completed SIEC facility and the new Kinetica building at Tonsley, and ACH for the procurement of a joint private/public care facility at Daws Park. He was a board member of the Smith Family for 9 years.



**David McArdle (Member)** operates a property consultancy business and has extensive experience in the commercial, retail and industrial property sectors including a role as a former national proprietor with Jones Lang Wootton Australia.

David is currently deputy chair of Turner Securities and was previously a director of the Property Trust of Australia, chair of the West Beach Trust and chair of the Government Office Accommodation Committee.



**Terry Groom (Member)** is a former South Australian Government Minister with portfolio responsibilities and experience across primary industries and multicultural and ethnic affairs. A member of parliament for 13 years, he holds qualifications in corporate and commercial law and accounting and has extensive experience in the areas of commercial law, conveyancing, and taxation law.

He has previously served on the governing councils of Flinders University and Roseworthy Agricultural College, and the board of the Repatriation General Hospital. Presently Terry is a consultant solicitor in the areas of commercial, property and business law.

**Table 1: Board meeting attendance 2015-16**

Member	Membership period	Number of meetings		
		Attended	Absent	Eligible to attend
Hon Bronwyn Pike (Presiding Member)	1 July 2015 – 30 June 2016	12	1	13
Helen Fulcher	1 July 2015 – 30 June 2016	11	2	13
Phil Baker	1 July 2015 – 30 June 2016	12	1	13
Bob Boorman	1 July 2015 – 30 June 2016	11	2	13
Geoff Knight	1 July 2015 – 30 June 2016	12	1	13
David McArdle	20 August 2015 – 30 June 2016	11	1	12
Terry Groom	20 August 2015 – 30 June 2016	12	0	12

## Message from the Board

The period 2015–16 has been a time of significant change and achievement for Renewal SA, affirming its position as one of South Australia's key economic agencies.

This year saw changes in ministerial portfolios affecting Renewal SA, with Hon Stephen Mullighan MP sworn in as the new Minister for Housing and Urban Development. Retaining his other portfolio as Minister for Transport and Infrastructure, this has brought new opportunity for Renewal SA to leverage project delivery outcomes across these critical areas of public policy.



Minister Mullighan took over from Hon John Rau MP, who remains Minister for Planning and will have a continuing and significant interest in our ongoing work, particularly in the city centre as the new Minister for the City of Adelaide.

During the financial year, Renewal SA released to market once-in-a-generation opportunities to transform Adelaide's CBD and metropolitan regions with expressions of interest sought for mixed-use development at the current Royal Adelaide Hospital site and the Port Adelaide waterfront.

We have made major progress with the approval for the \$280 million transformation of Port Adelaide and the \$650 million Festival Plaza redevelopment. Finalisation of approvals in the reporting period have meant that work is now beginning to transform the Festival Plaza into a world-class tourism and cultural space.

These significant development opportunities attracted submissions from master developers of international and national standing, galvanised by a desire to invest in South Australia.

And the buzz is catching. The national Urban Development Institute of Australia conference held in Adelaide earlier this year, sponsored by Renewal SA, was an opportunity to showcase South Australia's world class urban developments and saw an impressive line-up of national and international speakers discussing topics such as waterfront development planning, harnessing the power of technology for smart cities, and street activation for communities.

And no wonder. New and revitalised buildings and infrastructure are changing Adelaide's urban realm and how people use the city, reinforcing the unique qualities that make Adelaide one of the world's most liveable cities.

These and other initiatives are creating a new reputation for this city: Adelaide is now being seen as a city that offers exciting opportunities for investment.

Throughout metropolitan Adelaide, Renewal SA has contributed to ongoing urban regeneration through smaller-scale redevelopment activities. This year has been the first in our new partnership with the Housing Trust in renewing ageing social housing stock throughout the inner city.

And we continue our partnership with the private sector to generate jobs through initiatives such as the Works Program. Now in its eighth year, this training and employment initiative generates real outcomes for South Australians creating 439 jobs, 714 work experience opportunities and 727 accredited training places across Renewal SA project areas. The program has secured \$2,893,667 million in funding from partners. The inaugural Woolworths Pre-employment Programs at Playford Alive with Woolworths and TAFE SA delivered 38 employment outcomes.

In what has been a year of consolidation and delivery, Renewal SA has received significant awards and accolades.

Our partnership for housing regeneration with Rivergum Homes won the Best Affordable Housing Development and Best Medium Density Development categories at the Urban Development Institute of Australia (UDIA) SA Awards. And at a national level, the Playford Alive Town Life Living product was recognised as the best affordable and best medium density housing products by UDIA.

The revitalisation of Hart's Mill surrounds at Port Adelaide received another major accolade, taking out the Planning Institute of Australia's Australia Award for Urban Design in the Small Scale category.

All of this augurs well for the year ahead, as we see development and redevelopment both large and small unfolding across the city and we continue to aim for excellence in delivering an inspiring urban future for the citizens of this State.

A handwritten signature in dark ink, appearing to read 'Bronwyn Pike', with a stylized, cursive script.

Hon Bronwyn Pike

**Presiding Member  
Urban Renewal Authority Board of Management**

## Message from the Chief Executive

During 2015–2016 Renewal SA asserted itself as a key economic agency, securing private sector investment and leveraging partnerships to deliver social and economic outcomes for our state.

To best deliver our services, this year we took further measures to strengthen our governance capacity recognising its vital importance to our business of unlocking development potential.

The establishment of a new Property Management Services division and the appointment of Damian DeLuca as General Manager of Corporate Services will help us to manage complex governance and property transactions transparently and accountably.



These functions are so important because they ultimately enable Renewal SA to fulfil its mandate - creating better places where people want to live, work, invest and spend time. Every one of our staff is crucial to this mission.

What we know is that urban renewal is a major economic driver and will help to underpin future jobs and inbound investment. And whether it is major projects or small-scale redevelopment, the message is the same: our state is open for business.

Through place making and activation strategies such as our 'Winterlicious' ice rink village and the 'Liverpool Football Fan Zone' which attracted more than 145 000 visitors to Adelaide's Riverbank - we are creating a buzz. This is complemented by our ongoing work on small bars, laneway activation and other Vibrant City projects.

Through regeneration of ageing public housing and medium-scale infill land releases, we are creating a pipeline of work for our local industry. During the financial year, a total of 25 separate offerings were released to the market as part of delivering on the government's ambitious program to renew 4500 outdated Housing Trust homes within 10 kilometres of the city. More than 130 homes were planned or under construction during the reporting period.

This is complemented by our medium-sized redevelopment offerings at sites throughout the metropolitan Adelaide - such as the Morphettville Neighbourhood Renewal Project announced in April 2016, which will deliver a mixture of 180 new homes and allotments once complete.

Through some of our major projects, we are attracting new investors to South Australia. During the financial year, we undertook major land releases located at Glenside, Port Adelaide, Fort Largs and the old Royal Adelaide Hospital site.

It is a big achievement that we have successfully attracted new major developers to the State - including Walker Corporation, Defence Housing Australia and The Princes Foundation. The strong response to our expression of interest for the old Royal Adelaide Hospital site - from major companies such as Lendlease, Investec, SP Setia, John Holland and Commercial & General - tells us Adelaide is starting to attract new interest from investors.

Throughout the reporting period, Renewal SA has also maintained a strong focus on project delivery with some \$800 million in investment currently committed across its projects. The biggest of these is the Festival Plaza transformation which is now commencing after being greenlighted in June.

Elsewhere we have milestones including:

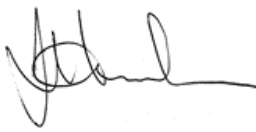
- finalising tenders for residential development at Tonsley - the award-winning developer of Lightsview, the Peet Group, was awarded the contract for the 850-home development;
- still on Tonsley, two unprecedented achievements for South Australia - secured internationally recognised 6 Star Green Star certification by the Green Building Council

of Australia, and won the World Architecture News award for adaptive reuse for the redevelopment of the Main Assembly Building;

- at Fort Largs, AV Jennings was appointed as preferred developer of the 7.4 hectare former Police Academy site with plans for some 250 homes;
- at Glenside, stage 2 of community consultation on the master plan was reached with the public report online after 131 responses;
- at the Port, we opened expressions of interest for 6 sites across 40 hectares of the heritage waterfront setting with the potential to attract more than \$1 billion in new investment and accommodate up to 8000 new residents.

As we reflect on a year of strong advancement and look to the 2016-17 period, I would like to take this opportunity to thank the Minister for Housing and Urban Development, Hon Stephen Mullighan MP, and Minister for the City of Adelaide, Hon John Rau MP, for their valuable collaborations.

I also want to thank the executive team for their outstanding work during the year and all staff for their professionalism and results-focused work ethic.

A handwritten signature in black ink, appearing to read 'John Hanlon', with a stylized, flowing script.

John Hanlon

**Chief Executive  
Renewal SA**



## The Year in Review

Our year in review is categorised as follows:

- ▼ Place Making and Engaging With Our Communities
  - ▼ Housing Renewal
  - ▼ Land Development Opportunities
  - ▼ Project Delivery
- 

### ***Place Making and Engaging With Our Communities***

Renewal SA's place making principles are embedded in delivering each of our urban redevelopment projects to ensure we create inspiring new places where people want to live, work, invest and spend time.

Our place making activities are the cornerstone to building thriving communities for all South Australians to enjoy. Renewal SA continues to strengthen the connection between people and the places they share by celebrating the culture and history of our redevelopment areas. We foster relationships and enable collaboration and partnerships that provide social and economic wellbeing for the communities in which we work.

Through place making we are developing diverse, sustainable and inclusive neighbourhoods that embrace with pride their community and unlock the cultural, social and economic potential.

In 2015-16 Renewal SA engaged with our communities through demonstration projects, grant programs, cultural initiatives, public art activities and place activation.

To further strengthen the creation of a 'sense of place', a Renewal SA Place Framework will be developed and implemented in 2016–17.

### ***Vibrant City Program***

In December 2014, the Premier confirmed the State Government's ongoing commitment to revitalisation of the Adelaide CBD through objectives set out in *Economic Priority 8 – Adelaide, the heart of the vibrant state*, which the Vibrant City Program contributes to.

During 2015–16 key objectives for Economic Priority 8 were accomplished including the signing of a development agreement with property developer Lang Walker to transform the Adelaide Riverbank through redevelopment of Festival Plaza and the signing of a \$14.6 million partnership with Adelaide City Council to transform Adelaide's laneways, through upgrades to the Market to Riverbank link.

Renewal SA also continues to support new local start-ups and entrepreneurs through the Hub Adelaide + Renewal SA Spark Program and the City Makers Grant Program.

### **Program commenced: 2012**

### **Progress 2015–16:**

- The Festival Plaza Integrated Development Agreement was signed as part of the Adelaide Riverbank redevelopment.
- Renewal SA delivered two successful winter activations at the Adelaide Riverbank - Winterlicious and the Football Fan Zone - highlighting activation opportunities within

the Adelaide Riverbank during the traditionally quieter winter months. These events attracted more than 145 000 visitors.

- Renewal SA undertook a comprehensive stocktake of vacant buildings along North Terrace to scope possible future activation opportunities.
- Through a funding partnership, Renewal SA supported Renew Adelaide to provide 23 new activation opportunities in the city.

#### **Targets 2016–17:**

- Assist 20 new small to medium businesses starting up in the city
- Commence redevelopment of Bank Street with Adelaide City Council through the Market to Riverbank Link project
- Develop a place activation plan for underutilised buildings on North Terrace.

### ***Small Venue Licence Case Management Service***

The Small Venue Licence Case Management service was initiated by the Department of Planning, Transport and Infrastructure in 2013 and transferred to Renewal SA in 2014.

A small venue licence allows venues accommodating up to 120 people to operate from 11am until 2am within Adelaide's CBD.

The service exists to assist people navigating the regulatory processes necessary to open a small venue, including development planning, building rules and liquor licensing. It is also intended to enable applicants to efficiently navigate the process with certainty and reduced financial risk.

This free service is offered to the public and is administered by Renewal SA in collaboration with Adelaide City Council and the Office of Consumer and Business Services. The service aligns with Renewal SA's vision of practising quality engagement, stimulating economic development and encouraging red-tape reduction.

Since its launch in 2013, the case management service has helped over 30 entrepreneurs establish in Adelaide's CBD.

#### **Program commenced: 2013**

#### **Progress 2015–16:**

- Thirty small venues opened in Adelaide in the 2015–16 financial year. Eleven of these were case managed by Renewal SA.
- In August 2015, Renewal SA commissioned the Small Venues Economic Impact Study to determine the economic impact of the small venue licence and case management service. The findings were based on the number of direct and total jobs and contribution to the economy as Gross State Product (GSP) and concluded:
  - The average estimated economic benefit per venue is \$960 000 and 14 jobs (12 direct)
  - Based on the 73 venues currently operating (at June 2016), the GSP impact is estimated at \$70 million with a total of 1000 jobs (876 direct).

#### **Targets 2016–17:**

- Conduct strategic review of case management service
- Continue providing input into the review of the *Liquor Licensing Act 1997* and reforms.



## City Makers Program

Place making and place activation are important in creating safe and vibrant public spaces which strengthen connections between communities and the places they share by adding to the amenity, activity and appearance of places.

As part of the State Government's election commitment, the Vibrant City grant fund known as City Makers was established to support costly building compliance related issues, such as noise, fire safety, heritage and accessibility, as well as place making and street activation initiatives.

The City Makers grant offers funding for projects relating to building compliance matters up to a maximum of \$10 000 while grants up to \$5000 are available for place making and activation projects.

**Program commenced:** 2014

**Forecast program completion:** Currently funded to 2018

**Progress 2015–16:**

- Seventeen applications were submitted for round 2, of which 11 received funding. This included four building compliance recipients and 7 awarded for place activation.
- The successful building compliance applications delivered two disabled toilet facilities and two acoustic assessments and acoustic panelling.
- The 7 place activation grants went to 3 public art installations, one green wall, one night market activation, a place-making trial in the Adelaide Central Market and one development of an interactive story-telling mobile app.

**Table 2: 2015–2016 City Makers Grant Recipients (Round 2)**

2015–2016 City Makers Grant Recipients (Round 2)	
Building Compliance Recipients (4)	Place Activation Recipients (7)
<ul style="list-style-type: none"> <li>• <i>Marjoran</i>—\$10 000               <ul style="list-style-type: none"> <li>◦ Acoustic assessment &amp; panelling</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>Adelaide Eagles Little Athletics Centre</i>—\$5 000               <ul style="list-style-type: none"> <li>◦ Public Mural</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <i>Mama Jambo</i>—\$10 000               <ul style="list-style-type: none"> <li>◦ Disabled toilet Facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>Adelaide Fringe</i>—\$5 000               <ul style="list-style-type: none"> <li>◦ Moving projections on buildings in Adelaide's West End – Fringe 2016</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <i>NOLA</i>—\$7 000               <ul style="list-style-type: none"> <li>◦ Acoustic assessment &amp; panelling</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>The Art Gallery Board</i>—\$5 000               <ul style="list-style-type: none"> <li>◦ Public Art installation</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• <i>The Pork Knuckle Group</i>—\$10 000               <ul style="list-style-type: none"> <li>◦ Disabled toilet facilities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• <i>Multimind Solutions</i>—\$4,850               <ul style="list-style-type: none"> <li>◦ "Converse in the Market"—place-making trial</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <i>Peter Rabbit</i>—\$5 000               <ul style="list-style-type: none"> <li>◦ Living green wall</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <i>Saphron &amp; Scantlebury</i>—\$4 524               <ul style="list-style-type: none"> <li>◦ Sym Choon night markets</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>• <i>Story City</i>—\$5 000               <ul style="list-style-type: none"> <li>◦ Interactive story-telling mobile app</li> </ul> </li> </ul>

## **Targets 2016–17:**

- Deliver two funding rounds (\$60 000 in Round 3 and \$103 000 in Round 4)
- Increase application submissions by 20 per cent
- Generate greater social media reach and interaction.

## ***Hub Adelaide Spark Entrepreneurs***

Hub Adelaide was established as a result of the “Emerging Leaders” forum hosted by the Capital City Committee in June 2012. A key recommendation of that forum was the creation of hub spaces to provide subsidised co-working space for emerging entrepreneurs.

Following the Hub Adelaide opening in September 2013, the Spark Entrepreneurs Program was developed in partnership with Renewal SA and Hub Adelaide in 2014. The objectives of the program are to:

- Provide the infrastructure to support entrepreneurs to start their own businesses
- Connect entrepreneurs to the relevant experience, resources and networks needed to up-skill themselves
- Assist entrepreneurs in gaining exposure to their target markets and customers for validation and publicity
- Gain critical investment to launch and grow business concepts
- Retain talent in South Australia.

**Program commenced: 2014**

**Forecast program completion: 2018**

## **Progress 2015–16:**

- There were 30 participants in the Spark Program, with 28 currently in operation in their businesses.
- Daniels Langeberg is a prime example of a successful Spark participant whose business EcoCaddy is helping to promote Adelaide’s growing creative entrepreneurial sector.
- An industry breakdown of 2015-16 Spark businesses includes 20 per cent in youth education, 25 per cent in medical technology and 55 per cent in Social Enterprise.

Recent successes include Kick.it co-founder winning a Hospital Research Foundation grant to develop a research trial on the Global Research Platform, the launch of Girls+o+, a clinical online self help guide for young women, and a young Adelaide film maker launching his first feature film.

## **Targets 2016–17:**

- Support another 10 entrepreneurs through the Spark Program
- Increase awareness of the program by attracting a 50 per cent increase in application numbers for Round 5
- Broaden the mentorship base to provide better linkages to legal support and increase commercialisation opportunities.

## ***Place Activation***

Through a program of place activation that supports our strategic objective to create inspiring new places where people want to live, work, invest and spend time, Renewal SA has attracted thousands of people to our projects in 2015–16.

Our activations and events introduce people to our redevelopments, demonstrate how spaces can be used and create social and economic activity.

## **Progress 2015–16:**

- 15 000 people attended the Riverbank Winter Activation (ice skating rink demonstration project and winter program).
- 110 000 people attended the weekend program and free community 'Football Fan Zone' event in Elder Park to support Liverpool v Adelaide United and the Adelaide Showdown.
- AFL Draft 'Live Site' community meeting place in Elder Park attracting national TV broadcast.
- Supported the inaugural Adelaide Night Noodle Market as part of the OzAsia Festival which attracted 123 500 people to the Adelaide Riverbank.
- 5 000 people attended the first Mini Maker Faire held at Tonsley.
- More than 3000 people attended the opening of Park 27B at Bowden.
- More than 7000 people attended the 2016 Laneways Festival at Harts Mill in Port Adelaide.
- 3000 people visited Kids Fringe at Harts Mill.
- More than 1000 people enjoyed the Twilight Movie series at Harts Mill.
- 5000 people attended the Playford Alive Community Fun Day.

## **Targets 2016–17:**

- Attract more than 60 000 people to the Adelaide Riverbank winter ice skating demonstration project
- Develop and coordinate a curated program of events for the Adelaide Riverbank that attracts more than 40 000 people
- Install a series of creative installations on Festival Plaza redevelopment hoarding
- Launch the Festival Plaza 'Design your hoarding' competition for emerging designers and artists
- Attract 5000 people to the Bowden Town Park opening
- Release the Invitation for Activation Ideas for the old Royal Adelaide Hospital site
- Coordinate the Activation Program for the old Royal Adelaide Hospital site
- Attract more than 7000 people to Port Adelaide for the Laneways Festival
- Attract more than 5000 people to Port Adelaide for the Wonderwalls II mural festival
- Commence installation of public art through the Market to Riverbank laneways redevelopment
- Showcase the Riverbank Footbridge.

## *Works Program*

The Works Program is Renewal SA's community training and employment model aimed at maximising community and social inclusion benefits from our urban renewal activities. The program's economic outcomes are delivered in three ways:

1. Employment and work experience opportunities in Renewal SA-managed contracts
2. Pre-employment training programs with registered training organisations and local employers
3. Live training site programs on Renewal SA land or within the local community.

**Program commenced:** The Works Program started at Playford Alive in 2008 and has been progressively rolled out to other Renewal SA projects since 2012.

### **Progress 2015–16:**

- Inaugural Woolworths Pre-employment Programs at Playford Alive with Woolworths and TAFESA, delivering 38 employment outcomes.
- Two Works Program students were winners at the Civil Contractors Federation SA 2016 Annual Awards—Trainee of the Year and Indigenous Trainee of the Year.
- Successful expansion of long-running and popular Northern Health Pathways Pre-employment Program to the western and southern suburbs.
- The UnitingCare Wesley Bowden Support Worker Pre-employment Program delivered four programs with 32 employment outcomes. This successful program saw the inclusion of the UnitingCare Australia Springboard model which supports vulnerable women into the workforce.

### **Targets 2016–17:**

- Create a minimum of 240 work experience placements for local people
- Create a minimum of 155 paid employment placements for local people
- Create a minimum of 335 accredited training places for local people
- Provide 12 live training sites within developments for training programs
- Secure a minimum of \$430 000 in funding with stakeholders.

## *Community and Industry Engagement*

Renewal SA engages with organisations and the community to put people at the centre of urban planning and design. We work closely with community members and other stakeholders to plan and design residential areas to ensure that the resulting communities are safer, stronger, and more sustainable.

Our projects and activities enhance communities by creating high quality open spaces and places that bring people together, and most importantly, through a shared vision. We make sure we understand existing communities and link the new with the established.

At Renewal SA we pride ourselves on making a genuine attempt to engage and bring people along the journey. Our approach is inclusive and one that fosters collaboration and honest feedback. We have demonstrated our intent to actively listen through the way we meaningfully engage at various parts of the planning process, from concepts and early design to detailed master planning for a range of different projects throughout 2015–16. We also value partnerships with the surrounding businesses and community can build a strong sense of community, and eventually a valuable, vibrant place.

Key engagement processes were undertaken across project delivery areas via a range of engagement activities including letterboxing, community forums, public information days, drop-in sessions, community reference groups, social media, online surveys and electronic direct mail.

In 2015–16, Renewal SA's key projects and initiatives included:

- engaged face-to-face with more than 10 000 people
- sent 96 targeted direct marketing emails and electronic newsletters, reaching more than 21 000 recipients
- received more than 500 000 website visits
- reached more than 17 000 people per day on average on Facebook.

Some examples of significant community engagement during 2015–16 included:

- Clovelly Park and Mitchell Park environmental management engagements in July 2015 and May 2016
- Glenside masterplan engagement in December 2015 that included two drop-in sessions and online feedback
- The Riverbank Festival Plaza Public Art Forum in September 2015, which brought together thirty prominent representatives from South Australia's arts sector
- Informing and engaging with SA Housing Trust tenants, other key stakeholders and the local communities on plans to renew a number of areas including Morphettville, Parkside, Woodville Gardens, Felixstow and Kilburn/Blair Athol during April to June 2016
- Festival Plaza Information day in January 2016; by tapping into the Tour Down Under Stage we were able to engage meaningfully with 2000 participants at the development site to discuss development plans
- Facilitation of three community workshops for the Park Terrace Community Garden in the Adelaide Park Lands
- Informed the local Playford Alive community ahead of releasing an Expression Of Interest to redevelop Jessie Taylor Reserve in May 2016
- Regular meetings (19 in total) with Bowden Reference Group members to discuss project progress and workshop place making ideas.

In 2015–16, we continued to strengthen our relationships with industry through engagement and the promotion of opportunities facilitated by Renewal SA. Some of these activities included:

- Distribution of collateral to attract investment opportunities through Renewal SA's *2016 Prospectus*
- Development of the *Renewing Our Urban Future: Unlocking SA Potential* booklet to better inform industry about the implications of reforming our planning system
- 25 calls for expression of interest for development opportunities as part of the Renewing our Streets and Suburbs initiative
- Release of the Royal Adelaide Hospital site as a once-in-a-generation opportunity to transform Adelaide's central business district
- Release of Australia's last major undeveloped port waterfront with a call for the rejuvenation of 6 separate but connected precincts in Port Adelaide totalling around 40ha
- Coordination of tours to major projects for urban designers and planners from across the country, both private and public, as part of the national Urban Development Institute of Australia Conference in Adelaide
- Renewing our Streets and Suburbs Industry Briefing held at Adelaide Oval in June 2016 which saw 400 industry representatives briefed on the opportunities as a result of the accelerated housing renewal program.

More information regarding engagement activities is reported against project delivery outcomes.

## ***Housing Renewal***

Renewal SA has the responsibility for the renewal and construction of South Australian Housing Trust (SAHT) public housing stock. Renewal SA and Housing SA work in collaboration to increase the supply of affordable public housing and to ensure existing stock is refurbished to accommodation standards.

Detailed information regarding the 2015-16 activity for housing renewal programs and initiatives can be accessed from the 2015-16 South Australian Housing Trust Annual Report. A brief description of each program is outlined below.

### ***Renewing our Streets and Suburbs***

The Renewing our Streets and Suburbs strategy encompasses several renewal initiatives designed to improve the quality of public housing for our society's most vulnerable people, support investment in the South Australian economy and create South Australian jobs.

In June 2015, the Treasurer handed down the 2015-16 State Budget, which included a \$65 million public housing stimulus package to accelerate the Renewing our Streets and Suburbs initiative. The package comprised \$45 million brought forward and an additional \$20 million in stimulus.

### ***1000 Homes in 1000 Days***

The 1000 Homes in 1000 Days initiative was announced as part of the 2015-16 Mid-Year Budget Review handed down in December 2015 and included \$208 million over three years to help further stimulate the housing and construction industry.

The initiative includes new public housing to be built on existing government-owned land and funded through the sale of surplus land and old Housing Trust stock.

Renewal SA has prepared a delivery plan for the construction of 1000 new Housing Trust homes by December 2018. Detailed planning for individual sites has commenced which includes property demolition, planning approval, tender of building works and construction.

The above initiatives are delivered through several programs within Renewal SA, including the Better Neighbourhoods Program, New Build Program and a new Industry Partnerships Program, which uses an expression of interest process to partner with industry in the renewal of public housing stock.

### ***Transfer of Public Housing Management Program***

In May 2009, the Commonwealth Government and States and Territories agreed to develop a large scale community housing sector in Australia comprising up to 35 per cent of social housing.

The community housing sector currently represents about 12 per cent of social housing in South Australia. The State Government has committed to the transfer of up to 5000 public housing tenancies to the community housing sector.

### ***Affordable Housing Program***

The Affordable Homes Program, managed by Renewal SA, ensures that affordable housing is directed to eligible South Australians wishing to buy a home of their own but who are currently priced out of the housing market.

The program includes land only, newly constructed properties and house-and-land packages secured through the State Government's 15 per cent affordable housing requirement in new significant developments, as well as the sale of former SAHT properties.

Properties listed through the Affordable Homes Program are sold under a set price point and are available for a limited time exclusively to eligible low to moderate income home buyers. Properties are listed on realestate.com.au and domain.com.au, and are identified by an orange key icon.

## ***Land Development Opportunities***

### ***Glenside Land Release***

During the reporting period, the South Australian Government worked towards the sale of approximately 16 hectares of land at Glenside, which is surplus to government requirements. The proposed sale to Cedar Woods Pty Ltd is anticipated to be finalised early in the next financial year.

The Glenside urban renewal project will deliver a high quality, mixed-use urban neighbourhood through an integrated development approach. The location is well serviced by transport, retail and other amenities.

Approximately 11 hectares of the site will be used to construct around 780 apartments and 220 houses, with the balance of the site earmarked for open space and stormwater detention.

Development of this site is expected to generate investment of \$400 million and approximately 450 construction-related jobs during the duration of the project, which is approximately eight years.

**Project commenced:** 2014 with construction to commence in 2017

**Forecast project completion:** 2027

#### **Progress 2015–16:**

- Request for proposal process completed with Cedar Woods selected as the preferred proponent.
- Jointly developed a master plan for the site with Cedar Woods and in consultation with the community.
- Completed due diligence to inform the final financial offer from Cedar Woods.
- decision to accept the offer from Cedar Woods to deliver the master plan.
- Ministerial Development Plan Amendment (DPA) underway.

#### **Targets 2016–17:**

- Cedar Woods to commence site preparation under licence late in 2016
- Completion of Development Plan Amendment in January 2017
- Cedar Woods to settle on the site early in 2017.

### ***Port Adelaide Renewal***

In 2012, Renewal SA began a 20-year renewal program in Port Adelaide to capitalise on the Port's heritage, expansive waterways and diverse cultural attractions.

In October 2013, the State Government approved the ongoing delivery of the Port Adelaide

renewal project with a focus on concluding negotiations with Incitec Pivot Fertilisers for its ultimate relocation from Port Adelaide and finalising the Precinct Plan/DPA and early activations.

In January 2014, the Port Adelaide Precinct Plan was adopted and informed the Port Adelaide Regional Centre Development Plan Amendment which was gazetted in April 2015.

The Port Adelaide Renewal Program encompasses a high level of community engagement and the delivery of early activations, business case development and land sales in order to facilitate economic development activity.

The primary objective of the precinct plan is for more people to live, work, spend time and invest in Port Adelaide.

**Project commenced: 2012**

**Forecast project completion: 2032**

**Progress 2015–16:**

- Delivery of a program of place-making and economic development initiatives including St Jerome's Laneways Festival, Renew Adelaide business activation program and Adelaide Business Hub.
- Public realm and infrastructure projects including ongoing Harts Mill landscaping, heritage building upgrades and upgrades to Commercial Road and Port Adelaide Railway Station.
- The release of 40 hectares of Government-owned land located at inner harbour at Port Adelaide via an open expression of interest process.

**Targets 2016–17:**

- Negotiate development agreements for Dock One, Port Approach (South), North West and Fletchers Slip Precincts
- Commencement of development works under the development agreements
- Delivering Round 3 project initiatives aimed at revitalising the Port Regional Centre and supporting the development of land involved in the precincts mentioned above
- Further developing a strong partnership with Port Adelaide Enfield Council and other key stakeholders.

### *Fort Largs Land Sale*

In 2012, the new Police Academy opened on the eastern boundary of Fort Largs resulting in SAPOL decommissioning the old academy site with a total area of 7.4 hectares.

In preparing the site for sale, Renewal SA undertook due diligence, including environmental investigations over the whole of the site to provide appropriate information to potential purchasers.

The site is zoned for residential use and Renewal SA has discussed the future use of the site with the City of Port Adelaide Enfield. Development of the site will be controlled by the purchaser in accordance with the Development Plan, but subject to minimum 15 per cent affordable housing provision.

**Project commenced: 2015**

**Forecast project completion: 2022**



## **Progress 2015-16:**

- Expression of Interest for sale closed on August 2015. Shortlisted parties were invited to submit a request for proposal which closed 28 October 2015.
- AV Jennings was selected as the preferred proponent for development of the whole site and National Trust SA was selected as the preferred proponent to take over ownership, restoration and adaptive reuse of the State heritage listed fort.
- The National Trust will be supported with State Government funding and will be working towards opening the site to the public.
- The National Trust is working on a business case to support its selection as the preferred proponent to undertake heritage works on the fort.
- Renewal SA and AV Jennings and the National Trust are working to finalise contractual documentation.
- AV Jennings plans to build 250 homes on the site.

## **Targets 2016–17:**

- Finalise all contractual documentation for all parties
- Deposit of plan for superlots and stage one settlement.

## ***The Royal Adelaide Hospital Site***

The current Royal Adelaide Hospital site (the Royal Adelaide site) presents an unparalleled opportunity to transform Adelaide's CBD through the creation of a world class mixed-use precinct, expected to generate more than \$1 billion of investment in South Australia.

There is significant potential for people to live and work on the site with opportunity to create residential, retail, hotel, commercial, health, education and cultural facilities in the precinct, subject to planning and legal approvals.

There are six heritage buildings on the site that present outstanding opportunities for innovative reuse in line with the recent trend to transform and repurpose heritage buildings in Adelaide's CBD.

The new Royal Adelaide Hospital functions are scheduled to be relocated from the current site in the near future. Planning for redevelopment and adaptive reuse of the current site is underway and a number of reports and investigations were commissioned to inform potential uses.

The Royal Adelaide site, approximately seven hectares, is held through various Ministers and instrumentalities in State Government with ownership/custodianship under the *Crown Lands Management Act*. The land also falls within the Adelaide Park Lands as defined in the *Adelaide Park Lands Act*.

On 1 June 2015, the State Government approved the Royal Adelaide site expression of interest process and the strategic objectives and project principles to guide the site's future development. The government also appointed Renewal SA as the lead agency responsible for the future development of the Royal Adelaide site.

**Project commenced:** 2013

**Forecast project completion:** 2030

## **Progress 2015–16:**

- Renewal SA undertook a three-stage process comprising an expression of interest, request for proposal and recommendation to the government.
- An evaluation group was convened to assist the process, comprising representatives of the Department of Treasury and Finance, SA Health, the board of the Urban Renewal Authority, the board of the Riverbank Authority and Renewal SA staff.
- The expression of interest resulted in 11 submissions from local, national and international organisations or consortia seeking to develop the site, and 7 submissions from organisations seeking to be considered as a future occupier or developer of part of the site.
- The request for proposal saw 3 shortlisted parties make a further submission, resulting in approval of John Holland/Commercial & General joint venturers as the government's preferred development partner on the recommendation of the evaluation group.

## **Targets 2016–17:**

- Negotiate and finalise an exclusivity agreement with the preferred proponent
- Commence masterplanning of the site and engage with stakeholders and community
- Finalise financial and budget implications of the recommended proposal
- Commence interim activation initiatives on site in mid-2017
- Initiate a Development Plan Amendment to reflect the proposed master plan and coordinate planning approval processes
- Commence demolition works approval of master plan and finalised costings.

## ***Project Delivery: Residential/Mix Use***

### ***Festival Plaza Redevelopment***

Adelaide Festival Plaza is set to become a unique world-class hub for arts, culture, tourism and entertainment. The area can be defined by a number of key “places” including the Art Space Plaza, Station Road, a new square, promenade and new pedestrian link. Upgrades are also being made to the Adelaide Festival Centre.

## **Progress 2015–16:**

- In August 2015, a forum was held with 27 representatives from the arts and creative sector, including festival directors, contemporary artists and State Government representatives. The creative forum helped to inform a public art strategy for the plaza.
- Renewal SA led communication meetings, forums and community days to gain feedback into the concept plan which are reflected in the refined redevelopment plan.
- In May 2016 the State Government entered into a contract with Walker Corporation for the \$610 million redevelopment of the Festival Centre Plaza, car park, retail and office buildings.
- In May 2016 the State Government and SkyCity signed an early works agreement which underpins the Festival Plaza redevelopment.
- In May 2016 the Minister for Planning issued development approval for development of the public realm on the plaza site.

## **Targets 2016–17:**

- Construction to begin on Stage 1 of the Festival Plaza redevelopment, including the lowering of Festival Drive, separating pedestrian and vehicle traffic and early works in the third quarter of 2016.
- Renewal SA will continue to perform the role of stakeholder engagement and communications lead for the project.

- Installation of temporary project wayfinding and interactive hoardings to keep the public informed of each stage of the development.
- The government to enter into a contract with SkyCity to develop an extension to the Adelaide Casino's current footprint as well as the city's first 6-star hotel.

## *Bowden*

Bowden is the State Government's first higher density urban infill project located on 16 hectares of former industrial land, adjacent the city's western parklands. Bowden is playing an important role in Adelaide's future housing market, setting a new benchmark for design and innovation in medium to high density housing.

Over the next six to seven years, the \$1 billion project will create a vibrant walkable community that 3500 residents will call home. As part of the project, about 20 000 square metres of commercial space and up to 15 000 square metres of retail space will be developed by the private sector.

Renewal SA's role includes master planning, provision of general scheme and staged infrastructure, overall project marketing and project coordination.

**Project commenced:** 2011

**Forecast project completion:** 2023

### **Progress 2015–16:**

- Delivery of Stage 2 streets and public realm landscaping.
- Delivery of the Adelaide Park Lands upgrade, including a community garden.
- Refurbishment and leasing of an existing former industrial building (Plant 4) on the Clipsal site for adaptive reuse as the projects first retail offering in the Town Square.
- Sale of 148 apartments, settlement of six development allotments and the contracting of a further four.

### **Targets 2016–17:**

- Maintain sales momentum to achieve a target of 144 apartment sales.
- Completion of Bowden Park located within the Town Square adjacent to Plant 4 and Plant 3.
- Gas transmission regulators relocated outside of the project.
- Opening of Plant 3 in early 2017 and delivery of complementary retail and community uses adjacent Plant 4.
- Achieve certification for Bowden as a minimum 5 Star Green Star community via the Green Building Council of Australia
- Expression of interest to be released to the market for remediation of the former Origin Gas Works site, with contracting and commencement of remediation occurring by June 2017.
- Completion of the Investec 'rent then buy' apartment building that will see 32 of 86 apartments being delivered under this innovative scheme.
- Settlement of four development allotments and the contracting of a further three
- Completion of a masterplan review to take account of site constraints and identify preferred delivery model for future stages.

## *Lightsview*

The Lightsview development is an innovative inner city infill land development located at Northgate, eight kilometres from Adelaide's central business district.

It is being developed through a land development joint venture between Renewal SA and publicly-listed land development company Peet Group.

The site comprises approximately 100 hectares and will ultimately yield over 2200 allotments accommodating approximately 2700 dwellings and be home to over 5000 residents.

**Project commenced:** 2006

**Forecast project substantive completion:** 2021

**Progress 2015–16:**

- Ongoing innovation with a number of new housing designs released to the market.
- Completed the first light weight apartment building.
- During the period approximately 220 allotments were sold and settled.
- Project has delivered over 290 affordable homes to date with a further 31 delivered in the reporting period.

**Targets 2016–17:**

- During the period, approximately 230 allotments are projected to be sold and settled
- A number of significant milestones associated with built form including:
  - Construction of further Lightsview apartment pods.
  - Completion of the new formal lake
  - Launch of new housing displays
  - Development of a number of new and innovative small lot products
- Accelerated development around the Folland Avenue town centre
- Further development of the landscape and public realm.

## *Playford Alive*

The Playford Alive project is a major urban regeneration and community renewal initiative being delivered in partnership by Renewal SA, the Department for Communities and Social Inclusion, the City of Playford and the local community.

The 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.

Over the life of the project 50 hectares at Andrews Farm and 120 hectares at Penfield—all within the Playford Alive project area—have been sold for development by Devine Communities and AV Jennings.

Community renewal is a key benefit with a strong focus on improving education, social and economic outcomes. Residents of Davoren Park and Smithfield Plains are amongst the most socially disadvantaged in South Australia and are direct beneficiaries of the Playford Alive project.

Community renewal is delivered by Renewal SA's Works Program that offers training and employment opportunities. A Community Initiative Fund has been set up to support the delivery of both hard and soft community infrastructure, which over the life of the project will provide in excess of \$10.5 million.

To date, the fund has supported 50 organisations with more than \$695 000 in grant monies. The fund has also contributed to the redevelopment of the John McVeity Centre, a community facility in Smithfield Plains and the Stretton Centre, a research and community facility in Munno Para.

**Project commenced: 2005**

**Forecast project completion: 2026**

**Progress 2015–16:**

- The Playford Alive greenfields achieved 109 residential sales and two commercial sales, totalling \$12.3 million in revenue. The renewal area achieved 21 land sales and 19 renovated home sales, totalling \$5.3 million in revenue.
- The Playford Alive Town Park won 3 awards:
  - Institute of Landscape Architects' SA Landscape Architecture Design Award
  - A commendation at the Planning Institute of Australia awards for excellence in The Great Places Category
  - Master Landscapers of South Australia Award of Excellence for construction of Commercial Landscape over \$500 000.
- The opening of Stage 1 of the Playford Town Centre, comprising a Woolworth's supermarket and 18 special retail shops.
- Official opening of the new Display Village in January 2016.
- The innovative, small lot affordable project, known as Town Life Living, won the *Best Affordable Development* and *Best Medium Density Development* at the State UDIA awards and the National UDIA Award for *Affordable Development*.
- The official opening of the Stretton Centre was held, with dignitaries from Federal, State and Local Government, the University of Adelaide and the Stretton family.
- The Davoren Park Youth & Community Club, Para Worklinks Inc and Northern Communities of Hope, were successful in Round 8 of grants from the Playford Alive Initiatives Fund and will share in \$15 608 to support their initiatives.

**Targets 2016–17:**

- Achieve settlement on 153 residential lots, 26 renovated homes and 4 commercial sites
- Design 202 residential lots, construct up to 208 residential allotments, renovate 25 public housing dwellings for sale and build 48 new public housing dwellings for retention, subject to land being available
- Release three commercial sites on Curtis Road, Munno Para to market
- Release Town Life Living Product in Precinct 2 of the Town Centre
- Announcement of recipients of grants from the Playford Alive Initiatives Fund (Round 9).

## *Tonsley*

The Tonsley Redevelopment project encompasses the redevelopment of the 61 hectare former Mitsubishi Motors manufacturing site at Clovelly Park.

The Tonsley project is a key South Australian Government project and will deliver growth of high value manufacturing, as well as contributing to the targets outlined in the South Australian Planning Strategy, the Strategic Infrastructure Plan for South Australia, and The 30-Year Plan for Greater Adelaide.

The project will contribute to a number of South Australia's Strategic Plan targets, including:

- Economic growth
- Business investment
- Industry collaboration
- Research and development
- Commercialisation
- Employment creation.

A State Government initiative, the project is jointly delivered by the Department for State Development and Renewal SA.

The vision for the project is to deliver an exemplar interconnected and intelligent mixed-use precinct that integrates industry, education and training, research, residential and community amenities. The project will be supported by low carbon and climate resilient infrastructure, technology and systems that will demonstrate innovation in urban design, governance and delivery models.

Objectives include:

- 6300 Full Time Equivalent (FTE) high value, knowledge-based jobs to be accommodated on the site, building on synergies between skills, industry and services to develop a diverse and resilient employment community
- Approximately 1200 to 1500 residents living on-site in high quality residential dwellings, creating a diverse and connected community including student housing and affordable living options
- Environmental responsibility demonstrated through minimising waste, maximising energy and water use efficiency, and appropriately managing site constraints and contamination
- An integrated community, including pedestrian and bicycle networks that service open spaces and employment locations as well as public transport that provide links to surrounding areas.

**Project commenced:** 2012

**Forecast project completion:** 2027

**Progress 2015–16:**

- Tonsley is now home to 51 businesses; - 21 in conventional accommodation and 30 operating out of the Co-HAB co-working facility. New companies established or committed to Tonsley during 2015–16 include:
  - Siemens, which officially opened its energy maintenance and repair facility in July 2015.
  - The State Drill Core Reference Library which was officially opened in February 2016 by the Premier, Hon Jay Weatherill, MP.
  - SAGE Automation which has committed to establish at Tonsley with their tenancy anticipated to be complete and operational in mid-2017.
  - Micro-X moved into temporary premises at Tonsley in September 2015 and will occupy purpose-built premises in the Main Assembly Building (MAB) from August 2016.
  - Radical Torque Solutions purchased a site and will commence construction of purpose-built premises in late 2016.
- Significant public realm established including construction of the MAB Central Forest, completed in July 2015 and construction of the Western Plaza providing pedestrian access to the MAB from the west completed in January 2016.
- In July 2015, Tonsley became the first mixed-use development to be awarded a prestigious 6 star 'World Leading' Green Star-Communities certification under the Green Building Council of Australia's pilot rating tool.
- In May 2016, a participation deed was executed with CIC/Peet as the preferred developer of a residential and mixed-use precinct.

### **Targets 2016–17:**

- A development agreement is expected to be executed in the next financial year pending final government approvals.
- In order for the development of the residential precinct to progress, significant enabling works are required including demolition, civil works, service infrastructure and the undergrounding of powerlines dissecting the site
- Stage 2 streetscape public realm landscaping will be completed to provide high quality landscape and shared use pathways
- Approximately \$12 million of expenditure will be incurred delivering tenancy works within the MAB
- Progress on commercial opportunities identified by the masterplan strategy review.

### ***The Square at Woodville West***

The Square at Woodville West involves the redevelopment of a 13 hectare site that had a high concentration of SA Housing Trust owned dwellings.

The project area is approximately 12 kilometres from Adelaide CBD.

At the commencement of the project, 165 of the 184 dwellings within the project boundaries were in the ownership of the SA Housing Trust. There were 18 privately-owned dwellings purchased within the project.

The majority of the dwellings were maisonettes that have now been demolished.

The project will deliver at least 428 outcomes (425 dwellings and three retail outlets) of which a minimum of 69, or 15 per cent, will be retained as social housing, 139 dwellings will be sold for affordable rental or home ownership and the balance of 220 sold at market price.

To date, Stage 1 is complete and the 69 dwellings have been sold and are fully occupied. Construction of Stage 2 (80 new dwellings) is well advanced and Stage 3 has commenced.

**Project commenced:** 2009

**Forecast project completion:** 2018

### **Progress 2015–16:**

- Sale and settlement of 11 vacant allotments in Stage 6 and successful sale of 45 dwellings in Stage 2 (for settlement in 2016–17).
- Successful completion of Stage 2 civil works, including the creation of new reserves, bike path and roads.
- Commencement of construction of 23 homes in Stage 2a in September 2015 and 22 homes in Stage 2b in April 2016.
- Commencement of civil works in Stages 3a and 6a.
- Refurbishment, sale and settlement of 2 dwellings in Stage 6.
- Successful community event 'Meet Eat and Greet' in August 2015.

### **Targets 2016–17:**

- Commencement of construction of 25 dwellings in Stage 2c and 20 apartments in Stage 3a
- Practical completion and settlement of 23 homes in Stage 2a and 22 homes in Stage 2b
- Completion of civil works in Stages 3a and 6a
- Engage with current and future buyers through planned community events.

## ***Project Delivery: Industrial***

### ***Seaford Industry Park***

Initially established to support food and wine industries with linkages to the nearby McLaren Vale, Renewal SA transformed this industrial area into a local industry service hub to support the expanding residential populations of Seaford.

The Industry Park, which covers a total area of over 30 hectares, is home to a range of businesses which are ideally located to service the growing population in this area. Renewal SA holds a number of industrial allotments ranging from 1800 m<sup>2</sup> to 7,399 m<sup>2</sup> which are available for purchase within the final stage of the development.

**Project commenced:** 2004

**Forecast project completion:** 2019

#### **Progress 2015–16:**

- Completion of landscape works.
- Active marketing of industrial allotments.

#### **Targets 2016–17:**

- Achieve budgeted sales revenue.

### ***East Grand Trunkway***

The East Grand Trunkway Project is a seven-allotment industrial subdivision (marketed as “Grand Trunkway Estate”) offering fully serviced and development-ready allotments ranging from 8753m<sup>2</sup> to 1.47 hectares, immediately adjacent to Port Adelaide.

The project also contains approximately 15 hectares of adjacent land which can be made available for large floor-plate enterprises and/or developed as subsequent stages of the estate.

**Project commenced:** 2014

**Forecast project completion:** 2019–2020

#### **Progress 2015–16:**

- Completion of site works within the estate.
- The open market release of industrial allotments.

#### **Targets 2016–17:**

- Complete upgrades of Grand Trunkway (estate entry)
- Secure access approvals for B-double vehicles
- Achieve budgeted sales revenue.



## *Edinburgh Parks Industrial Estate*

The Edinburgh Parks Industrial Estate is a high-quality large-scale master-planned industrial estate that provides competitively priced land to meet market demand and reinforce the northern Adelaide Plains as a preferred location for industry and other employment-creation activities.

Initially established to have a focus on defence, logistics and automotive-related businesses, the estate has become home to a wide range of business enterprises which benefit from strong freight links, a large employment base and well-priced land.

The estate contains a wide range of development-ready industrial allotments and Renewal SA holds over 100 hectares of additional land which can be developed as demand requires.

**Project commenced:** 2005

**Forecast project completion:** 2030+

### **Progress 2015–16:**

- Maintained sales and marketing strategy for industrial allotments.
- Reviewed future freight transport options for improved heavy vehicle access to the estate.

### **Targets 2016–17:**

- Continue to engage with stakeholders for the project
- Ongoing maintenance of sales and marketing strategy for industrial allotments
- Review development options arising from any announced asset divestment strategy for the Holdens site.

## *Port Direct—Osborne North*

The Osborne North Project is a multiple-phase industrial subdivision (marketed as “Port Direct”) offering fully serviced and development-ready allotments within the Stage 1 project area ranging from 5,994 m<sup>2</sup> to 1.671 hectares, adjacent to Outer Harbor and Techport Australia.

The site is well located for a range of industrial uses including logistics, which could benefit from the strong freight linkages that support the Outer Harbor shipping terminal and/or are heavily dependent on the import/export services offered in the locality.

The project also contains approximately 11 hectares of adjacent land which can be made available for large floor-plate enterprises and/or developed as subsequent stages, and Renewal SA also holds a further 50 hectares which can also be incorporated into the project.

**Project commenced:** 2011 by Defence SA and transferred to Renewal SA in March 2012

**Forecast project completion:** 2021

### **Progress 2015–16:**

- Maintained sales and marketing strategy for industrial allotments.
- Reviewed future freight transport options for the estate.

### **Targets 2016-17:**

- Secure access approvals for B-double (or larger) vehicles
- Achieve budgeted sales revenue.

## *Wingfield Cast Metals Precinct*

The Wingfield Cast Metals Precinct was originally developed to support South Australia's foundry sector as part of an overall industry support package for that industry. With slower than anticipated uptake for land by the target industry, Renewal SA has facilitated a decelerated development program.

With the development program completed and evidence that the cast metals sector was unlikely to require dedicated new land into the future, Renewal SA facilitated rezoning of the land to support a wider range of industries to ensure that the site can be utilised to facilitate employment outcomes and economic activity for the area.

Renewal SA holds a number of industrial allotments ranging from 1.734 hectares to 2.685 hectares which are available for purchase within the development.

**Project commenced:** 2004

**Forecast project completion:** 2018

### **Progress 2015–16:**

- Achieved a rezoning of the land for general industry purposes.
- Secured access approvals for B-double (and larger) vehicles.
- Open market re-release of industrial allotments.
- Completed sale of 1 allotment to Collins Transport.

### **Targets 2016–17:**

- Achieve budgeted sales revenue.

## *Gillman Land*

Excluding the East Grand Trunkway Estate, Renewal SA's Gillman land comprises some 500 hectares of future industrial land spanning the suburbs of Dry Creek, Gillman and Port Adelaide.

The Gillman land holding notably includes the former Dean Rifle Range and land to the west of Grand Trunkway, which has been designated for an expansion of the Port-related industrial activity located to its south, closer to centre of Port Adelaide.

The area was the subject of the Gillman master plan which, when it was completed in June 2014, highlighted the important role the area will play into the future to meet the State's employment and economic output targets.

The Gillman site is also home to Renewal SA's soil bank, a trial soil recycling facility to produce reusable soil.

**Project commenced:** 2010

**Forecast project completion:** 2030+

### **Progress 2015–16:**

- Successfully managed stakeholders and Renewal SA tenants.
- Successfully resolved legal challenges associated with the Lipson Industrial Estate.

- Secured a rezoning of the Gillman land to facilitate future industrial/employment outcomes.
- Facilitated industrial development adjacent to Renewal SA's holdings.
- Secured operational approvals for the soil bank and commenced accepting soils.

**Targets 2016–17:**

- Continue to successfully manage stakeholders and Renewal SA tenants.
- Resolve outstanding matters arising from the compulsory acquisition of the former Dean Rifle Range.
- Continue to successfully operate the soil bank and manage outcomes from the trial.

## Our People

Our focus this year has been on creating the right environment for our people to grow, focusing on four key areas of building capability across the organisation; creating a talent pipeline, delivering a better service for our customers; and promoting a safe, healthy and respectful workplace. Some of our achievements included:

- Implementation of a dedicated health and wellbeing program offering physical health checks and mental health awareness seminars to provide our people with the knowledge and skills needed to address mental health and resilience in the workplace
- Launch of the inaugural *Inspiring Future Awards* recognising our people's commitment to achieving a positive and high performing, values-based workplace
- Completion of a 5 year workforce strategy identifying key and critical skills
- An internal Learning and Development Calendar, aligned to our 5 year workforce strategy which ensures all staff have access to development opportunities that build capability now and for the future
- A new Induction and Onboarding Program
- A new Partnering for Performance Program that reinforces the importance of values and behaviours while reinforcing our strategic plan
- Commencement of our journey to become a White Ribbon accredited organisation, which has so far included the launch of a White Ribbon Awareness Program in our workplace.

Note: further human resources information is available from the Commissioner for Public Sector Employment: [www.publicsector.sa.gov.au](http://www.publicsector.sa.gov.au).

## Workforce Diversity

*Table 3: Age and Gender Profile*

Age Range	Male	Female	Total	% of Total	2014 Workforce Benchmark
15-19				0%	5.5%
20-24	2	2	4	1%	9.7%
25-29	8	13	21	6%	11.2%
30-34	8	23	31	9%	10.7%
35-39	18	27	45	13%	9.6%
40-44	32	36	68	20%	11.4%
45-49	25	27	52	15%	11.1%
50-54	20	20	40	12%	11.4%
55-59	11	18	29	8%	9.1%
60-64	23	14	37	11%	6.7%
65+	13	3	16	5%	3.6%
<b>TOTAL</b>	160	183	343	100%	<b>100.0%</b>

Table 4: Disability – Profile on employees with disability

Male	Female	Total	% of Agency
7	3	10	2.62%

Table 5: Disability – Profile on types of disability

Disability	Male	Female	Total	% of Agency
Disability Requiring Workplace Adaptation	0	1	1	0.29%
Physical	3	1	4	1.17%
Intellectual	1	0	1	0.29%
Sensory	2	1	3	0.87%
Psychological/ Psychiatric	1	0	1	0.29%

Table 6: Executives by gender, classification and status

	Ongoing		Term Tenured		Term Untenured		Other (Casual)		Total				
Class	M	F	M	F	M	F	M	F	M	%	F	%	Total
Total	0	0	0	0	5	1	0	0	5	83	1	17	100

Table 7: Leave – Average days per full time equivalent employee

Leave Type	2012-13	2013-14	2014-15	2015-16
Sick Leave	5.6	5.2	14.03	6.79
Family Carer's Leave	0.7	1.1	0.11	0.14
Special Leave With Pay	0.8	0.7	1.1	0.77

## Partnering for Performance

Table 8: Individual Performance Reviews

Employees with ...	% Total Workforce
A review within the past 6 months	82%
A review older than 6 months	4%
No review	14%

Table 9: Leadership and Management Training Expenditure

Training and Development	Total Cost	% of Total Salary Expenditure
Total training and development expenditure	\$223 728	0.64%
Total leadership and management development expenditure	\$20 219	0.77%

## *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 2015–16, we had 2 graduates through the Department of Communities and Social Inclusion graduate program as well as a trainee.

Renewal SA is keen to deliver within our four guiding strategic principles—one of which is encouraging and supporting more people to work in South Australia. We aim to do this by providing employment opportunities and will be introducing the Renewal SA graduate program. The aim of the program is to attract, develop and retain high potential employees to be the future leaders or future technical experts of Renewal SA ensuring we have with key and critical capability to ensure future success.

Renewal SA has improved its processes for the employment of persons with disability and developed a Disability Access and Inclusion Plan that was implemented in 2015–16.

## Health and Wellbeing

*Table 10: Work Health and Safety Prosecutions, Notices and Corrective Action taken*

Number of notifiable incidents pursuant to WHS Act Part 3	0
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices)	0
Number of prosecutions pursuant to WHS Act Part 2 Division 5	0
Number of enforceable undertakings pursuant to WHS Act Part 11	0

*Table 11: Work Health and Safety Performance (Building Safety Excellence Targets)*

Total new workplace injury claims	4
Significant injuries—where lost time exceeds one working week (expressed as frequency rate per 1000 FTE)	4
Significant musculoskeletal injuries—where lost time exceeds one working week (expressed as frequency rate per 1000 FTE)	3
Significant psychological injuries—where lost time exceeds one working week (expressed as frequency rate per 1000 FTE)	1

*Table 12: Agency gross workers compensation expenditure for 2015-16 compared with 2014-15*

<b>Expenditure</b>	<b>2015–16 (\$)</b>	<b>2014–15 (\$)</b>	<b>Variation (\$) + (-)</b>	<b>% Change + (-)</b>
Income Maintenance	134 509	4 162	130 346	3132
Lump Sum Settlements	0	140 000	(140 000)	(100)
Medicals & Hospital combined	8 106	7 097	1 009	14.3
Investigations	26 576	2 149	24 427	1137
Other	4 562	3 338	1 224	36.7
<b>Total Claim Expenditure</b>	<b>173 752</b>	<b>156 746</b>	<b>17006</b>	<b>10.9</b>

Note: The above table provides a summary of claims expenditure, excluding injury management cost. The high income maintenance recorded relates to 2 claims that were initially rejected in the previous financial year, but later accepted and captured in this financial year.

## **PART 2 – Other Public Sector Reporting**

### **Disability Access and Inclusion**

Renewal SA is committed to mainstreaming disability and inclusion of minorities in the workplace. Our disability and inclusion strategy has achieved the following:

1. The Disability Action and Inclusion Plan for the agency is complete.
2. A reasonable adjustment procedure was incorporated in our People and Culture policy framework.
3. We have collaborated with disability service providers to facilitate the attraction of candidates with disabilities.
4. A special leave provision was included in our People and Culture policy framework to allow employees with disabilities additional leave for managing their disability.
5. White Ribbon Accreditation: Renewal SA is in the process of obtaining White Ribbon accreditation and has established a workgroup to facilitate the implementation of the accreditation criteria. It is anticipated that accreditation will be achieved in December 2016.

### **Urban Design Charter**

Renewal SA integrates urban design objectives into business processes in both operational practice and project outcomes.

Renewal SA applies urban design principles to all new and existing projects.

Renewal SA employs people with discipline expertise to advise on appropriate urban design principles including two organisational leadership roles that oversee all asset transactions and lead design and innovation strategies.

Renewal SA projects take into consideration the best use of public realm and several projects directly facilitate or create public space.

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.

### **Sustainability**

Renewal SA is committed to providing a more sustainable future for South Australians through leading and facilitating the development of our city, suburbs and regions.

Our journey towards using sustainability as a driving mechanism to foster successful development is important to us, especially as we tackle complex urban and regional planning issues such as changing demographic trends, environmental limits, economic changes, housing supply and affordability, and transport and infrastructure demands. Good design of built form across all of our residential, commercial and industrial projects is facilitating the regeneration of our communities to meet future community needs. Infill development within existing suburbs will help to create more affordable housing choices, and communities that are more pedestrian and bike friendly.

Renewal SA has a Sustainability Policy that provides a framework for a consistent understanding and approach to delivering sustainable places and communities and outcomes that reflect Renewal SA's charter and wider government policies.



The policy ensures 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 delivery of sustainable places and communities; future-proofing our places; community access, lifestyle and liveability; and respect for local, cultural and environmental elements.

Renewal SA's focus for future sustainability is:

- Sustainable places and communities
- Future proofing our places
- Community access, lifestyle and liveability
- Local cultural and environmental respect.

## **Freedom of Information Statement**

The following information is published pursuant to section 9 of the *Freedom of Information Act 1991*.

The Freedom of Information 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.

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

A comprehensive description of Renewal SA's structure and functions can be found at [www.renewalsa.sa.gov.au](http://www.renewalsa.sa.gov.au) 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
- Financial records pertaining to Renewal SA and its affairs.

Any enquiries about access to documents listed within this document, 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 Freedom of Information Act, applications for access to documents must:

- be made in writing
- specify that the application is made under the 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 Freedom of Information Act should be forwarded to:**

Freedom of Information Officer  
Renewal SA GPO Box 698  
Adelaide SA 5001

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

## **Whistleblowers Protection Act**

*Table 13: Whistleblowers*

Number of responsible officers designated for the purposes of the <i>Whistleblowers Protection Act 1993</i> for 2015–2016	2
Number of occasions on which public interest information was disclosed to a responsible officer during the 2015–2016 financial year	0

## **Public Complaints**

Renewal SA places a significant emphasis on community engagement in the delivery of projects for the State. During 2015–16, Renewal SA commenced the development of a more formal complaint management system and data collection process to capture, analyse and record complaints from the public. The system will be finalised and implemented in 2016–17.

Renewal SA collects public enquiries received via our website and telephone calls made to reception. All enquiries (which could have included complaints) made by the public are referred to the correct person and promptly responded to and resolved where possible.

Responses to enquiries can lead to resolving issues at local construction sites, liaising with community members in relation to specific projects that may impact them and informing the Minister and key partners.

*Table 14: Public enquiries received 2015–16*

Received between July to Dec 2015	Received between Jan to Jun 2016	Total recorded enquiries
164	103	267

## **PART 3 – Financial Performance**

### **Overview of Financial Performance**

#### *Operating Result before Losses from Non-Current Assets*

Renewal SA's operating result before losses from changes in the value of non-current assets has improved significantly since the last financial year. For the year ended 30 June 2016, the organisation incurred a loss of \$10.363 million compared to a loss of \$26.108 million in 2014-15, this is an improvement of \$15.745 million.

This improved outcome is attributed to an ongoing and continued focus on cost efficiencies which has resulted in a reduction in operating expenditure of 24% in 2014-15 and a further reduction in 2015-16 of almost 5% for contractors, consultants, property expenses and other operating expenses.

The other key operating driver for the improved results is an improvement in gross profit on sales of \$28.742 million for 2015-16. This was \$14.187 million greater than 2014-15. This was due to higher sales revenue for the year of \$9.330 million, a significant component of which related to land sales with higher profit margins.

In reviewing the operating results it should be noted that Employee Benefits Expenses were \$6.249 million greater than last financial year. This is primarily due to the full year effect of staff transferred from the Department of Communities and Social Inclusion to support and service the South Australian Housing Trust (SAHT). In 2014-15, these costs were incurred for 5 months only. These costs are recoverable from SAHT and the amounts recovered during the financial year contributed to the increase of \$7.071 million in Other Revenues compared to 2014-15.

#### *Comprehensive Result*

Since the establishment of Renewal SA in early 2012, the South Australian real estate market has been a challenging environment for property developers including Renewal SA. Dwelling starts and investment in new industrial facilities throughout this period has been significantly below the most recent peak seen in 2009-10.

Despite these challenges, sales and gross profit from projects such as Woodville West, Playford Alive and Bowden have increased slightly relative to the previous year.

The comprehensive result reflects the operating result inclusive of the net movement in asset values. The comprehensive result for 2015-16 was a loss of \$153.152 million compared to a loss of \$122.830 million for 2014-15. This results from losses due to changes in the value of non-current assets of \$142.790 million in 2015-16 compared to \$96.722 million in 2014-15.

During 2015-16, Renewal SA undertook a comprehensive review of several major projects which resulted in a reassessment of its delivery plans to take into account the prevailing challenging market conditions and the extent to which these conditions are expected to continue into the future.

These modified delivery plans ensure future project related expenditure is contained within expected future revenues. While the reset delivery plans are expected to result in a positive net cash flow in future years, it was necessary to recognise valuation losses in the form of write downs for a number of projects. For these projects the expected future net cash flow, albeit positive, are insufficient to fully recover past asset carrying values.

## Financial Position

As at 30 June 2016, Renewal SA's net assets were \$21.949 million, a decrease of \$25.351 million since 30 June 2015. Significant balance sheet movements over the past 12 months include:

- Inventories decreased by \$114.170 million over the reporting period due to asset valuation losses of \$137.209 million and cost of sales of \$28.869 million. These were offset by net development expenditure totalling \$52.353 million.
- Cash and Cash Equivalents increased by \$100.775 million primarily due to an equity contribution of \$135 million from the SA Government being received during 2015-16 which will, in part, be used to fund the acquisition of a portfolio of TAFE assets during 2016-17.

In assessing Renewal SA's financial outcomes, it is important to also consider the economic benefits arising from the major projects that will accrue to the State that are not captured or reflected in Renewal SA's financial statements. For example:-

- **The Tonsley project** has resulted 21 companies on site in addition to over 30 other enterprises in the "Co-HAB". To date 868 jobs have been created and the project will have delivered 6300 jobs by its completion. The local economy has benefited from the 8500 students on site and on completion will benefit from an additional 1200 to 1500 residents.
- **Bowden** to date has produced 215 dwellings and is estimated to deliver 2400 dwellings over the life of the project. The local economy has benefited from the current 375 residents which is expected to grow to 3500 residents on completion.
- **Playford Alive** has to date resulted in 174 new public dwellings and 281 public houses have been renovated. It has also attracted a GP Super Clinic, the Peachy Place Living Skills Centre and has established the new Playford Town Centre which boasts a major supermarket and 18 specialty retail stores.

## Outlook

While Renewal SA has reported an increase in revenue from sales, the impact of subdued property market conditions for the markets in which Renewal SA operates will continue to influence the profitability of Renewal SA. As reported last year, the northern greenfield land segment of the property market continues to be soft, reflecting low levels of consumer demand and a large supply of available land in that location.

Renewal SA's urban renewal activities which support the *30-Year Plan for Greater Adelaide* require large up-front capital investment to transform former industrial sites into mixed-use developments incorporating high density residential living with new public realm and infrastructure. These high cost projects will continue to impact on Renewal SA's profitability.

The industrial land market also remains challenging with limited sales of developed industrial lots reflecting a low level of business investment in new facilities in the face of difficult local economic conditions.

As mentioned previously, the comprehensive review of Renewal SA's assets and major projects during 2015-16 has resulted in a re-evaluation of delivery plans and it is expected that will result in a positive future net cash flow. This, in addition to the ongoing divestment program for other assets, is expected to have a positive impact on operating results going forward.

In addition, it is anticipated that in the next financial year the SA Government will announce its

intention to transfer a portfolio of TAFE properties currently held by Department of State Development to Renewal SA during 2016–17. These assets, with an approximate value of \$650 million will be financed through a mix of debt and equity and will also provide Renewal SA with an additional commercial rental income stream.

These measures combined are expected to result in the continuation of the current positive trend in improved financial outcomes.

## Contractual Management

Renewal SA is required to disclose procurement contracts on the SA Tenders and Contracts website. This information can be accessed at [www.tenders.sa.gov.au](http://www.tenders.sa.gov.au).

## Fraud

There were no instances of alleged fraud identified during the 2015-16 financial year. Renewal SA has a Fraud and Corruption: Prevention, Detection and Response Policy applying to both staff and suppliers and facilitates fraud awareness training in order to control and prevent fraudulent behaviour.

## Consultants

*Table 15: Consultants engaged in 2015–16*

Consultant	Purpose	Number	Total cost (\$)
<b>Value below \$10 000</b>	Various	23	\$102 737
<b>Value \$10 000 and above</b>	As below	22	\$1 371 943
Alexander and Symonds Pty Ltd Services, Tonsley	Consultancy Services Provision of Cadastral Surveying		
Apex Communication Technologies Pty Ltd	Provision of ICT Design, Install and Technical Consultancy Services at Tonsley		
CQ Partners Pty Ltd	Provision of Advisory Services - Tonsley Main Assembly Building Solar Project		
David McArdle Consulting	General Property Advice		
Davis and Davis Architects Pty Ltd	Tonsley Master Plan Review		
Deloitte Touche Tohmatsu	Financial Assessment Old Royal Adelaide Hospital RFP Evaluation		
Ekistics Planning and Design	Provision of planning services for Greater Edinburgh Parks		
Ernst & Young	Affordable Housing Strategy Review		
Esanti Pty Ltd	Project Management & Consultancy Services at Tonsley		
Goyder Institute for Water Research - CSIRO	Identification of a bulk water supply to reticulate recycled water to northern Adelaide housing estates		
Hudson Howells	Small Venues Study and Market Research Bowden		
Kathryn Gallina Consulting	HR Policy Framework		
Kelvin Trimper Consulting	Our Learning Consultancy – Workshop and Stakeholder Engagement		
Lindsay Strategic Advisory	Delivery of ICT Advisory and Project Management Support Services - Tonsley		

Lucid Consulting Engineers (SA) Pty Ltd	NABERS and CBD Accredited Assessor 2 Second Avenue Mawson Lakes
Martins Brand House	Wayfinding Review & Concept Design for Tonsley
McGees (SA) Pty Ltd	Technology Park Mawson Lakes Residential Land Release 1
Project for Public Spaces Inc	Place making Consulting Service - Training
SGS Economics and Planning Pty Ltd	Economic Analysis – Existing and Future Improvement
SJB Urban Pty Ltd	Bowden Mixed-Use / Retail Urban Design Guidelines
WSP Buildings Pty Ltd	Royal Adelaide Hospital Relocation and Site Reuse

## Overseas Travel

*Table 16: Overseas travel in 2015–16*

<b>Name of employee(s)</b>	<b>Destination</b>	<b>Reason for travel</b>	<b>Total Cost (\$)</b>
Sam Dighton	Singapore	Meeting with future investors to promote Renewal SA's work in relation to the Old RAH Site	\$5 266.51
Sam Dighton	Singapore, Kuala Lumpur and Thailand	Department of State Development South East Asia Business Mission led by the Premier	\$5 885.92
Mark Devine	Singapore and Kuala Lumpur	Department of State Development South East Asia Business Mission led by the Premier	\$2 827.91

## Financial Statements

Financial statements are included in the following pages.

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Income</b>			
Revenue from sales	3	57 611	48 281
Less: cost of sales	3	28 869	33 726
<b>Gross profit from sales</b>		<b>28 742</b>	<b>14 555</b>
Share of net profit/(loss) in joint ventures	4	3 198	2 906
Revenues from Commonwealth and SA Government	5	9 403	11 105
Interest revenues	6	935	969
Property income	7	25 912	26 193
Other revenues	8	17 964	10 893
<b>Total Other Income</b>		<b>57 412</b>	<b>52 066</b>
Net gain from administrative restructures	37	637	-
<b>Total Income</b>		<b>86 791</b>	<b>66 621</b>
<b>Expenses</b>			
Employee benefits expenses	10	31 571	25 322
Operating expenditure	13	48 645	51 018
Borrowing costs	14	16 413	14 938
Depreciation and amortisation	21	491	501
Net loss from changes in value of non-current assets	4,19,20	142 790	96 722
Net loss from disposal of non-current assets	9	33	950
<b>Total Expenses</b>		<b>239 943</b>	<b>189 451</b>
<b>Profit/Loss Before Income Tax Equivalent</b>		<b>( 153 152)</b>	<b>( 122 830)</b>
Income Tax Equivalent		-	-
<b>Profit/Loss After Income Tax Equivalent</b>		<b>( 153 152)</b>	<b>( 122 830)</b>
<b>Total Comprehensive Result</b>		<b>( 153 152)</b>	<b>( 122 830)</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 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Current Assets</b>			
Cash and cash equivalents	35	117 307	16 532
Receivables	18	14 487	17 584
Inventories	19	72 264	86 432
Work in progress	22	94	1 084
Investment in joint ventures	4	3 410	6 116
<b>Total Current Assets</b>		<b>207 562</b>	<b>127 748</b>
<b>Non-Current Assets</b>			
Receivables	18	6 607	6 018
Inventories	19	233 961	333 963
Investment properties	20	146 580	135 003
Property, plant and equipment	21	2 416	2 916
Investment in joint ventures	4	349	469
<b>Total Non-Current Assets</b>		<b>389 913</b>	<b>478 369</b>
<b>Total Assets</b>		<b>597 475</b>	<b>606 117</b>
<b>Current Liabilities</b>			
Payables	24	15 517	15 661
Unearned income	27	3 121	5 925
Borrowings	25	115 894	190 760
Provisions	28	20 657	49
Employee benefits	29	4 426	3 671
Other liabilities	30	480	293
<b>Total Current Liabilities</b>		<b>160 095</b>	<b>216 359</b>
<b>Non-Current Liabilities</b>			
Payables	24	554	548
Unearned income	27	5 877	7 236
Borrowings	25	402 750	328 394
Provisions	28	251	153
Employee benefits	29	5 999	6 127
<b>Total Non-Current Liabilities</b>		<b>415 431</b>	<b>342 458</b>
<b>Total Liabilities</b>		<b>575 526</b>	<b>558 817</b>
<b>Net Assets</b>		<b>21 949</b>	<b>47 300</b>
<b>Equity</b>			
Contributed Capital		242 939	107 939
Retained Earnings		( 220 990)	( 60 639)
<b>Total Equity</b>		<b>21 949</b>	<b>47 300</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Unrecognised contractual commitments - operating leases	31		
Unrecognised contractual commitments - capital expenditure	32		
Contingent liabilities	33		

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



## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2016

	Note Ref	Contributed Capital '\$000	Retained Earnings '\$000	Total '\$000
Balance at 30 June 2014		107 939	62 191	170 130
Profit after income tax equivalent for 2014-15		-	( 122 830)	( 122 830)
<b>Total comprehensive result for 2014-15</b>		-	( 122 830)	( 122 830)
<b>Balance as at 30 June 2015</b>		107 939	( 60 639)	47 300
Profit after income tax equivalent for 2015-16		-	( 153 152)	( 153 152)
<b>Total comprehensive result for 2015-16</b>		-	( 153 152)	( 153 152)
Transactions with the SA Government in their capacity as owners:				
Equity Contribution*		135 000	-	
Dividends paid	17	-	( 7 199)	( 7 199)
<b>Balance as at 30 June 2016</b>		242 939	( 220 990)	21 949

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

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

\*Renewal SA received an equity contribution from the SA Government totalling \$135 million during 2015-16 which will in part be used to fund the acquisition of a portfolio of Department for State Development assets during 2016-17. This acquisition is also mentioned in Note 39 – Events after the Reporting Period.

## STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
<b>Cash flows from Operating Activities</b>			
<b>Cash Inflows</b>			
Receipts from sales		63 244	57 405
Receipts from SA Government		30 614	20 827
Interest received		382	446
Receipts from mortgage debtors (principal and interest)		538	22 423
Receipts from tenants (rent and recoveries)		20 872	25 690
Recoveries and sundry receipts		26 849	6 274
Funds held in trust		5	7
Receipts for paid parental leave scheme		83	8
GST recovered from the ATO		535	3 590
<b>Cash generated from operations</b>		<b>143 122</b>	<b>136 670</b>
<b>Cash Outflows</b>			
Payments for land purchase and development		( 48 070)	( 81 697)
Land tax paid		( 20 648)	( 22 522)
Interest paid		( 22 834)	( 24 001)
Payments to suppliers		( 34 662)	( 41 811)
Payments for employee benefits payments		( 33 912)	( 23 027)
Payments for paid parental leave scheme		( 75)	( 5)
<b>Cash used in operations</b>		<b>( 160 201)</b>	<b>( 193 063)</b>
<b>Net Cash provided by/(used in) Operating Activities</b>	34	<b>( 17 079)</b>	<b>( 56 393)</b>
<b>Cash flows from Investing Activities</b>			
<b>Cash Inflows</b>			
Distributions of profit by joint ventures		6 024	-
Capital repayments by joint ventures		-	2 200
Proceeds from the sale of investment properties		-	9 000
<b>Cash generated from investing activities</b>		<b>6 024</b>	<b>11 200</b>
<b>Cash Outflows</b>			
Purchase of property, plant and equipment and investment property		( 35)	( 155)
Payments for Work in Progress		( 15 418)	( 1 084)
<b>Cash used in investing activities</b>		<b>( 15 453)</b>	<b>( 1 239)</b>
<b>Net Cash provided by/(used in) Investing Activities</b>		<b>( 9 429)</b>	<b>9 961</b>
<b>Cash flows from Financing Activities</b>			
<b>Cash Inflows</b>			
Capital contributions received from the SA Government		135 000	-
Proceeds from borrowings		17 000	86 300
<b>Cash generated from financing activities</b>		<b>152 000</b>	<b>86 300</b>
<b>Cash Outflows</b>			
Repayment of borrowings		( 17 518)	( 39 621)
Dividends paid to SA Government		( 7 199)	-
<b>Cash used in financing activities</b>		<b>( 24 717)</b>	<b>( 39 621)</b>
<b>Net Cash provided by/(used in) Financing Activities</b>		<b>127 283</b>	<b>46 679</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>100 775</b>	<b>247</b>
Cash at the Beginning of the Financial Year		16 532	16 285
<b>Cash at the End of the Financial Year</b>	35	<b>117 307</b>	<b>16 532</b>

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



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## Note 1 Objectives of the Urban Renewal Authority

The Urban Renewal Authority (trading as Renewal SA) is a statutory corporation established under the *Urban Renewal Act 1995* (the Act). In accordance with the Act, 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 contained in the Act include;

- The development of residential, commercial and industrial land in the public interest, particularly for urban renewal purposes
- The facilitation of public and private sector investment, undertaking development activities which are attractive to potential investors and participating in the development of the State
- Managing the orderly development of areas through the management and release of land
- Holding land and other property to be made available as appropriate for commercial, industrial, residential or other purposes

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) Contribute to key strategic priorities of the SA 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.
- (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.



## Note 2 Summary of Significant Accounting Policies

### 2.1 Statement of Compliance

These financial statements have been prepared 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 relevant Australian Accounting Standards and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Renewal SA has applied Australian Accounting Standards that are applicable to for-profit entities, as Renewal SA is a for-profit entity.

Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by Renewal SA for the reporting period ended 30 June 2016.

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.

Renewal SA did not voluntarily change any of its accounting policies during 2015-16.

### 2.2 Basis of Preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes.
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- 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 these financial statements:
  - 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. A threshold of \$100 000 for separate identification of these items applies;
  - b) expenses incurred as a result of engaging consultants;
  - c) employee targeted voluntary separation package information;
  - 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 the entity to those employees; and
  - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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 have been revalued.

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

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented.

### 2.3 Comparative information

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.



## 2.4 Rounding

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

## 2.5 Taxation

In accordance with *Treasurer's Instruction 22 Tax Equivalent Payments*, Renewal SA is required to pay to the SA 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 26).

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 and assets 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
- receivables and payables, which are stated with the amount of GST included.

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

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

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

## 2.6 Events after the end of the reporting period

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

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

## 2.7 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 sale

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 is completed 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 12 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.

#### *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 debtor receivables, and other interest received.

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

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 5). 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 from the Commonwealth Government to implement a number of reforms in the social housing sector. The reforms include increasing the supply of social housing dwellings through construction of environmentally sustainable dwellings and locating social housing closer to transport, facilities and employment opportunities.

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 5).

#### *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.

#### *Gain from disposal of non-current assets and investments*

Income from the disposal of non-current assets and investments is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount.

#### *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 8).

## **2.8 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 expenses include all costs related to employment including wages and salaries, non-monetary benefits 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 inventories held for sale are expensed as cost of sales 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.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Land and investment properties are not depreciated.

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

Class of Asset	Depreciation Method	Useful Life (Years)
Leasehold improvements	Straight Line	Life of lease
Plant and equipment	Straight Line	5 - 10 years
Furniture and fittings	Straight Line	5 - 10 years
Computer equipment	Straight Line	5 years

#### *Borrowing costs*

Borrowing costs include interest expense and guarantee fees. In accordance with *Accounting Policy Framework II General Purpose Financial Statements Framework* and *AASB 123 Borrowing Costs*, borrowing costs attributable to the construction of a qualifying asset are capitalised. All other borrowing costs are expensed when incurred.

#### *Resources provided free of charge*

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value and in the expense line items to which they relate.

### **2.9 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 12 months. Assets and liabilities that are to be 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 12 months and more than 12 months, Renewal SA has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

## 2.10 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.

### *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.

### *Receivables*

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals, measured at historical cost.

Receivables arise in the normal course of selling goods and services to the public and other SA Government agencies. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of 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.

### *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 19). Net realisable value is determined using the estimated sales proceeds less costs incurred in producing, marketing and selling to customers. Net realisable value (NRV) is determined on each individual asset/project by independent valuation or via an internal cash flow valuation.

The amount of any inventory write-down to NRV 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 sale

Land held for sale is carried at the lower of cost or NRV. Costs comprise all direct material acquisition, development and holding costs offset by deferred Government grants relating to these costs. NRV 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 at balance date and writes off inventory where the NRV is less than the carrying amount. The NRV for land holdings at risk of being carried in excess of NRV was determined by an independent valuation of its market value less selling costs.

All land inventory is classified as a non-current asset unless its value is anticipated to be realised through sale within 12 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.

#### Development Projects

Development Projects are large projects that require significant capital investment in order to realise revenue over an extended period of time. Development Projects are carried at the lower of cost or NRV. Costs comprise all direct material acquisition, development and holding costs offset by deferred Government grants relating to these costs. NRV 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 at balance date and writes off inventory where the NRV is less than the carrying amount. The NRV for land



holdings at risk of being carried in excess of net realisable value was determined by an internal cash flow valuation based on the current delivery strategy for each project.

In determining the NRV via an internal valuation, the expected net cash flows from the development and sale of land, buildings and improvements in the ordinary course of business are discounted to their present values using a risk-adjusted discount rate. The rate is assessed annually having regard to appropriate risk factors.

The ordinary course of business delivery method and assumptions for each project could change due to market conditions or a change in policy or project strategy which could change the NRV. Where the NRV of a project is below the current inventory value, the difference is recognised as write down of inventory and an expense in the Comprehensive Operating Statement.

All development projects are classified as a non-current asset unless its value is anticipated to be realised through sale within 12 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.

#### *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 profit/(loss) in joint ventures. Details of Renewal SA's interests in joint ventures is shown in note 4.

#### *Work in progress*

Expenditure associated with the construction of investment properties held for operational purposes is capitalised as work in progress as incurred (refer note 22). 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 investment properties.

#### *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 2016.

#### 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 after allowing for 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 (refer note 2.8).



Where non-current assets are acquired at no, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the non-current assets are acquired as part of a restructuring of administrative arrangements then the non-current assets are recognised at the book value recorded by the transferor, immediately prior to transfer.

#### 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. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds its recoverable amount is recorded as an impairment loss.

#### *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 and 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 within the next five years.

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

Refer to notes 20, 21 and 23 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.

### **2.11 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.

#### *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.



Employee benefits on-costs include payroll tax, Return to Work SA levies and superannuation contributions in respect of 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.

#### *Borrowings/Financial liabilities*

Renewal SA measures financial liabilities including borrowings/debt at historical cost. Financial liabilities that are due to mature within 12 months after the reporting date have been classified as current liabilities. All other financial liabilities are classified as non-current.

#### *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 Statement of Comprehensive Income 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.

#### *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.

#### Salaries and wages, annual leave, skills and experience retention leave and sick leave

Liabilities for salaries and wages is 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 12 months and is 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 over SA Government entities. 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.



#### *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.

#### *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 embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June provided by a consulting actuary engaged through the Office of the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

Renewal SA is responsible for the payment of workers compensation claims.

#### *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.

### **2.12 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 31 and 32).

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 33).

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.

### **2.13 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.

### **2.14 Financial risk management**

Renewal SA is exposed to a variety of financial risks, i.e. market risk, credit risk and liquidity risk (refer note 36).

Renewal SA maintains risk management policies and practices 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 (deposits with the Treasurer 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.



### Note 3 Revenue from Sales 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:

	2016	2015
	\$'000	\$'000
Land sales to:		
Joint ventures	10 673	11 858
Entities within the SA Government	6 484	9 070
Other - sales to general public and developers	40 454	27 353
<b>Total Sales Revenue</b>	<b>57 611</b>	<b>48 281</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:

	\$'000	\$'000
Cost of sales associated with:		
Joint ventures	1 150	596
Entities within the SA Government	2 202	9 681
Other - sales to general public and developers	25 517	23 449
<b>Total Cost of Sales</b>	<b>28 869</b>	<b>33 726</b>

### Note 4 Joint Ventures

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 for all Joint Ventures	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Revenues	14 154	15 737	14 154	15 737
Expenses	( 10 950)	( 12 946)	( 10 956)	( 12 831)
<b>Profit from ordinary activities</b>	<b>3 204</b>	<b>2 791</b>	<b>3 198</b>	<b>2 906</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	6 555	5 764	6 585	5 879
Profit for the reporting period	3 204	2 791	3 198	2 906
Distribution of profit	( 6 000)	( 2 000)	( 6 024)	( 2 200)
<b>Total carrying amount of investment in joint ventures</b>	<b>3 759</b>	<b>6 555</b>	<b>3 759</b>	<b>6 585</b>

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

Current assets:

Cash	3 247	4 483	3 247	4 825
Receivables	695	598	695	610
Inventories	3 323	5 030	3 314	5 226
Financial assets	-	-	-	197
Deferred tax asset	-	-	-	157
	<b>7 265</b>	<b>10 111</b>	<b>7 256</b>	<b>11 015</b>



Non current assets:

Property, plant and equipment	349	469	349	469
	349	469	349	469
<b>Total Assets</b>	<b>7 614</b>	<b>10 580</b>	<b>7 605</b>	<b>11 484</b>

Current liabilities:

Creditors and other payables	3 855	4 025	3 846	4 439
Financial liabilities	-	-	-	226
Tax liabilities	-	-	-	64
	3 855	4 025	3 846	4 729
<b>Total liabilities</b>	<b>3 855</b>	<b>4 025</b>	<b>3 846</b>	<b>4 729</b>
<b>Net assets</b>	<b>3 759</b>	<b>6 555</b>	<b>3 759</b>	<b>6 755</b>
Impairment	-	-	-	( 170)
<b>Net assets after impairment</b>	<b>3 759</b>	<b>6 555</b>	<b>3 759</b>	<b>6 585</b>

The net assets is split as follows:

Current	3 410	6 086	3 410	6 116
Non current	349	469	349	469
	3 759	6 555	3 759	6 585

### 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. 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.

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.

### 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. A final disbursement was received in June 2016 and the joint venture is now terminated.

### 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). Under the PAWR Marina Joint Venture, marina berths were offered under leasehold arrangements, with Renewal SA retaining ownership of the inner harbour (subjacent land).

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. One of the conditions precedent, being the grant of under leases to Renewal SA of the 19 vacant marina berths in the 2 marinas has occurred. The dissolution of the PAWR Marina Joint Venture is anticipated to be finalised during the next financial year.

#### Note 5 Revenues from Commonwealth and SA Government

	2016	2015
	\$'000	\$'000
<i>Revenues from Commonwealth and SA Government is summarised as follows:</i>		
Community service obligations from SA Government	24 405	20 827
Funding from Commonwealth Government	960	4 772
Other SA Government revenues	5 249	256
<b>Gross revenues from Commonwealth and SA Government</b>	<b>30 614</b>	<b>25 855</b>
Less: Deferred community service obligations from SA Government for inventories development costs	( 21 211)	( 14 750)
<b>Total Revenues from Commonwealth and SA Government</b>	<b>9 403</b>	<b>11 105</b>

#### Note 6 Interest Revenues

	2016	2015
	\$'000	\$'000
Mortgage debtor interest	-	506
Interest from operating accounts	397	463
Other Interest	538	-
<b>Total Interest Revenues</b>	<b>935</b>	<b>969</b>

#### Note 7 Property Income

	2016	2015
	\$'000	\$'000
Rental income	18 170	17 953
Recoveries	7 673	8 027
Other property income	69	213
<b>Total Property Income</b>	<b>25 912</b>	<b>26 193</b>

#### Note 8 Other Revenues

	2016	2015
	\$'000	\$'000
Consulting revenue	4 004	4 301
Employee Services*	10 759	4 700
Recoveries	586	1 543
Other revenues	2 615	349
<b>Total Other Revenues</b>	<b>17 964</b>	<b>10 893</b>

\* Represents the recovery of costs for the provision of employee related services to the SAHT

#### Note 9 Net Loss/Gain from Disposal of Assets

	2016	2015
	\$'000	\$'000
Plant and equipment:		
Proceeds from disposal	-	-
Less net book value of assets disposed	( 33)	-
<b>Net Loss from disposal of plant and equipment</b>	<b>( 33)</b>	<b>-</b>
Investment properties:		
Proceeds from disposal	-	9 000
Less net book value of assets disposed	-	( 9 950)
<b>Net Gain from disposal of completed assets</b>	<b>-</b>	<b>( 950)</b>
<b>Total Net Loss/Gain from Disposal of Assets</b>	<b>( 33)</b>	<b>( 950)</b>



### Note 10 Employee Benefits Expenses

	2016	2015
	\$'000	\$'000
Salaries and wages	25 684	22 014
Long service leave	1 263	564
Annual leave	2 289	1 929
Skills and experience retention leave	114	71
Employment on-costs - superannuation	2 822	2 329
Employment on-costs - other	1 704	1 345
Board and committee fees	275	228
Other employee related expenses	563	317
<b>Gross employee benefits expense</b>	<b>34 714</b>	<b>28 797</b>
Less: Employee benefits capitalised to inventories	( 3 143)	( 3 475)
<b>Total Employee Benefits Expenses</b>	<b>31 571</b>	<b>25 322</b>

### Targeted Voluntary Separation Packages (TVSPs)

Amount paid to staff		
TVSPs	728	-
Annual Leave, Retention Leave and long service leave paid to those employees	525	-
<b>Net Cost to Renewal SA</b>	<b>1 253</b>	<b>-</b>

Number of employees who received a TVSP during the reporting period was: 9 -

### Remuneration of Employees

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

	2016 No	2015 No
\$141 500 to \$145 000^	-	1
\$145 001 to \$155 000	8	4
\$155 001 to \$165 000	7	10
\$165 001 to \$175 000	8	9
\$175 001 to \$185 000*	-	4
\$185 001 to \$195 000	2	1
\$195 001 to \$205 000	2	2
\$205 001 to \$215 000	2	-
\$225 001 to \$235 000	1	-
\$235 001 to \$245 000	1	-
\$245 001 to \$255 000*	1	1
\$255 001 to \$265 000	1	1
\$265 001 to \$275 000	1	1
\$275 001 to \$285 000*	3	-
\$295 001 to \$305 000	-	1
\$305 001 to \$315 000	1	-
\$325 001 to \$335 000*	-	1
\$335 001 to \$345 000	-	1
\$345 001 to \$355 000*	1	-
\$395 001 to \$405 000	1	-
\$415 001 to \$425 000*	-	1
<b>Total number of employees</b>	<b>40</b>	<b>38</b>

^This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2014-15

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$7.987 million (\$7.342 million).

\* The table above also includes the termination component where the employee meets the \$145 001 (\$141 500) threshold on normal remuneration. In 2015-16, two employees (2015: four) included in the table received termination payments.

## Note 11 (a) Key Management Personnel

### Board members

The following persons held the position of governing board member during the financial year:

Hon B J Pike, Presiding Member  
P A Baker  
R L Boorman  
H M Fulcher  
G Knight  
D McArdle (commenced August 2015)  
T Groom (commenced August 2015)

### Key management personnel compensation

Key Management Personnel of Renewal SA includes members of the Board and the senior management team (including the Chief Executive) who have responsibility for the strategic direction and management of Renewal SA.

Key management personnel compensation for the period ended 30 June 2016 and 2015 is set out below.

	2016 \$'000	2015 \$'000
Salaries and other short-term employee benefits	1 662	2 137
Post-employment benefits	171	269
Termination benefits	-	1 465
<b>Total employee benefits</b>	<b>1 833</b>	<b>3 871</b>

### Remuneration of governing board members

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

	2016 No	2015 No
\$1 to \$9 999	-	1
\$20 000 to \$29 999	-	1
\$30 000 to \$39 999	6	3
\$70 000 to \$79 999	1	1
<b>Total number of governing board members</b>	<b>7</b>	<b>6</b>

Total remuneration received and receivable by all governing board members for the period they held office was \$0.297 million (2015: \$0.228 million) which includes superannuation contributions.

\* 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.

## Note 11 (b) Remuneration of committee members

### Remuneration of committee members

Committee members during the financial year were:

#### Playford North Urban Renewal Project Steering Committee

J Blaess  
M Buchan  
P Fagan Schmidt  
M Hemmerling



S Kennedy  
G Martin  
P Reardon  
L Stevens  
R Veitch

The Playford North Urban Renewal Project Steering Committee disbanded in December 2014

Renewal SA also has an Audit Committee that consists of members from the Board however no members of this committee receive additional remuneration.

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

	2016 No	2015 No
Nil*	-	8
\$1 to \$9 999	-	1
\$20 000 to \$29 999	-	-
<b>Total number of committee members</b>	<b>-</b>	<b>9</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 nil (2015: \$6,000).

\* 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.

## Note 12 Related Party Disclosure

### Directors

Details of the Directors of Renewal SA appointed in accordance with the *Urban Renewal Act (1995)* are set out in Note 11 (a).

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 Chair of Uniting Care Victoria/Tasmania, Western Health, Australian College of Educators and a Board Member of Uniting Care NSW/ACT

Mr P A Baker was Chairman of the Adelaide Convention Bureau, Non-Executive Director of Flinders Ports Holdings and a Non-Executive Director of Port Hedland International Airport Group of companies.

Mr R L Boorman was a Director of Bob Boorman and Associates, Director of Atomix Pty Ltd, Director of Haslop Pty Ltd and Board Member of Bowls SA.

Ms H M Fulcher was a member of the Board of Uniting Care Wesley Port Adelaide.

Mr G R Knight was a Commissioner of the Essential Services Commission of South Australia.

Mr T Groom is the Deputy Presiding Member of the Parole Board.

Mr D J McArdle was a member of the Board of Turner Securities Ltd.

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.

### Note 13 Operating Expenditure

	2016	2015
	\$'000	\$'000
Property expenditure	15 563	15 707
Land tax	20 648	22 522
Contractors and consultants	3 312	3 527
Accommodation costs	1 387	1 791
Administration and other expenditure	11 605	13 306
<b>Gross supplies and service expenditure</b>	<b>52 515</b>	<b>56 853</b>
Less: Land tax capitalised to inventories	( 3 870)	( 5 835)
<b>Total Operating Expenditure</b>	<b>48 645</b>	<b>51 018</b>

#### External Consultants

The number and dollar amount of consultancies paid/payable (included in operating expenditure) that fell within the following bands:

	2016 Number	2016 \$'000	2015 Number	2015 \$'000
Below \$10 000	43	185	67	215
Above \$10 000	19	588	38	1 220
Total paid/payable to the consultants engaged	62	773	105	1 435

### Note 14 Borrowing Costs

	2016	2015
	\$'000	\$'000
Borrowing costs on Premises SA Scheme loans	813	1 319
Borrowing costs other loans	13 475	13 424
Borrowing costs overdraft	126	1 156
Guarantee fees on Premises SA Scheme loans	394	341
Guarantee fees other loans	7 932	6 903
Guarantee fees overdraft	83	679
<b>Gross borrowing costs</b>	<b>22 823</b>	<b>23 822</b>
Less: Borrowing costs capitalised to inventories	( 6 410)	( 8 884)
<b>Total Finance Costs</b>	<b>16 413</b>	<b>14 938</b>

Renewal SA does not capitalise borrowing costs unless they are directly attributable to the acquisition, construction or production of a qualifying asset.

### Note 15 Auditors Remuneration

	2016	2015
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the financial statements audit	207	218
<b>Total Audit Fees</b>	<b>207</b>	<b>218</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 13).

### Note 16 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 30.0%) be applied to the profit for the reporting period.

Renewal SA made a financial loss for the years ended 30 June 2016 and 2015, therefore no income tax equivalent is payable in either reporting periods.

#### Note 17 Dividends paid to SA Government

	2016	2015
	\$'000	\$'000
Dividends	7 199	-
<b>Total Dividends paid to SA Government</b>	<b>7 199</b>	<b>-</b>

Pursuant to the *Urban Renewal Act 1995*, Renewal SA must make a recommendation to the Minister before the end of each year regarding the payment of a dividend for that financial year. Due to the loss before income tax equivalent in 2015-16, Renewal SA did not pay an annual dividend for this financial year. Renewal SA is required to make special dividend payments associated with the Adelaide Station and Environs Redevelopment (ASER) site. In 2015-16 the Minister approved a special dividend payment of \$7.199 million in relation to the 2015-16 financial year and two prior years of ASER special dividends.

#### Note 18 Receivables

	2016	2015
	\$'000	\$'000
<b>Current</b>		
Trade and other receivables	9 391	13 599
Operating lease receivables	5 428	4 760
Employee related services recoverable	1 714	1 884
Provision for doubtful debts	( 2 674)	( 2 931)
Prepayments	628	272
<b>Total Current Receivables</b>	<b>14 487</b>	<b>17 584</b>
<b>Non-Current</b>		
Operating lease receivables	4 190	3 316
Employee related services recoverable	2 417	2 702
<b>Total Non-Current Receivables</b>	<b>6 607</b>	<b>6 018</b>
<b>Total Receivables</b>	<b>21 094</b>	<b>23 602</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 13 for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2016	2015
	\$'000	\$'000
Carrying amount at the beginning of the period	2 931	1 668
Increase in the allowance	376	1 704
Decrease in the allowance	( 633)	( 441)
<b>Carrying amount at the end of the period</b>	<b>2 674</b>	<b>2 931</b>
<i>Bad debts written off:</i>		
Trade debtors	669	709
<i>Transfer to provision for doubtful debts:</i>		
Trade debtors	( 257)	1 263
<b>Total bad and doubtful debts expense</b>	<b>412</b>	<b>1 972</b>

#### 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.

#### Categorisation and maturity analysis of financial instruments

Refer to table in note 36

#### Ageing analysis of financial assets

Refer to table in note 36

#### Risk exposure information:

Refer to table in note 36

### Note 19 Inventories

	2016	2015
	\$'000	\$'000
<b>Current</b>		
Land held for sale	33 533	62 053
Development projects	38 731	24 379
<b>Total Current Inventories</b>	<b>72 264</b>	<b>86 432</b>
<b>Non-Current</b>		
Land held for sale	190 396	155 933
Development projects	43 565	178 030
<b>Total Non-Current Inventories</b>	<b>233 961</b>	<b>333 963</b>
<b>Total Inventories</b>	<b>306 225</b>	<b>420 395</b>
<b>Movements in carrying amounts:</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	420 395	455 183
Land purchases	21 505	355
Development costs capitalised	52 353	87 258
Community service obligations for development costs	( 21 211)	( 14 750)
Cost of sales	( 28 869)	( 33 726)
Transfer to Investments (see Note 20)	( 739)	-
Inventory write down	( 137 209)	( 75 226)
Reversal of inventories write down	-	1 301
<b>Carrying amount at the end of the period</b>	<b>306 225</b>	<b>420 395</b>

Inventories were reviewed at 30 June 2016 to ensure they are carried at the lower of cost and net realisable value (NRV).

Renewal SA has reassessed its delivery plans for several major projects to take into account the prevailing challenging market conditions and the extent to which these conditions are expected to continue into the future. This review has resulted in a reduction of the future expected revenues from these projects. In response, Renewal SA has modified its delivery plans in some projects to ensure future capital and operational expenditures are contained within expected revenues. While this strategy is anticipated to result in a positive net cash flow in future years, it is insufficient to fully recover past carrying value for a number of projects.

As a result of this review inventory was written down by \$137.209 million (2015: \$75.226 million) and nil write-down reversals were recognised (2015: \$1.301 million) during the financial year.



## Note 20 Investment properties

	2016	2015
	\$'000	\$'000
<b>Freehold land at fair value:</b>		
Independent valuation	73 554	76 067
<b>Total Freehold land at fair value</b>	<b>73 554</b>	<b>76 067</b>
<b>Buildings at fair value:</b>		
Independent valuation	73 026	58 936
<b>Total Buildings at fair value</b>	<b>73 026</b>	<b>58 936</b>
<b>Total Investment Properties</b>	<b>146 580</b>	<b>135 003</b>
<b>Movements in carrying amounts</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Freehold land at fair value:</i>		
Carrying amount at the beginning of the period	76 067	89 892
Transfer from Inventory (see Note 19)	739	-
Disposals	-	( 3 536)
Net loss on fair value adjustments	( 3 252)	( 10 289)
<b>Carrying amount at the end of the period</b>	<b>73 554</b>	<b>76 067</b>
<i>Buildings at fair value:</i>		
Carrying amount at the beginning of the period	58 936	77 727
Additions	11	131
Transfer from Work in Progress (see Note 22)	16 408	-
Disposals	-	( 6 414)
Net loss on fair value adjustments	( 2 329)	( 12 508)
<b>Carrying amount at the end of the period</b>	<b>73 026</b>	<b>58 936</b>
<b>Total carrying amount at the end of the period</b>	<b>146 580</b>	<b>135 003</b>
<b>Amounts Recognised in the Statement of Comprehensive Income</b>		
Property Income (refer to note 7)	13 578	13 663
Direct operating expenses arising from investment properties that generated rental income (refer note 13)	( 4 731)	( 18 986)
Direct operating expenses arising from investment properties that did not generate rental income (refer note 13)	( 61)	( 680)
<b>Total amount recognised in the Statement of Comprehensive Income</b>	<b>8 786</b>	<b>( 6 003)</b>

### Valuation Basis

An independent valuation of all Renewal SA's investment properties was conducted as at 30 June 2016. Valuations of all investment properties were undertaken by qualified Certified Practising 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 either the direct comparison, discounted cash flows, summation or capitalisation of net income approach.

## Note 21 Property, Plant and Equipment

	2016	2015
	\$'000	\$'000
<b>Leasehold Improvements</b>		
At cost (deemed fair value)	3 162	3 162
Accumulated amortisation	( 1 433)	( 1 096)
<b>Total Leasehold Improvements</b>	<b>1 729</b>	<b>2 066</b>
<b>Plant and Equipment</b>		
At cost (deemed fair value)	1 137	1 322
Accumulated depreciation	( 450)	( 472)
<b>Total Plant and Equipment</b>	<b>687</b>	<b>850</b>
Total property, plant and equipment at cost (deemed fair value)	4 299	4 484
Total accumulated depreciation	( 1 883)	( 1 568)
<b>Total Property, Plant and Equipment</b>	<b>2 416</b>	<b>2 916</b>

### Carrying amount of Leasehold Improvements and Plant and Equipment

The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3, of the fair value hierarchy, 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 or Plant and Equipment at 30 June 2016.

Plant and equipment includes \$0.100m (2015: \$0.270m) of fully depreciated assets still in use.

<b>Movements in carrying amounts</b>	2016	2015
	\$'000	\$'000
<i>Leasehold Improvements:</i>		
Carrying amount at the beginning of the period	2 066	2 393
Additions	-	10
Amortisation	( 337)	( 337)
<b>Carrying amount at the end of the period</b>	<b>1 729</b>	<b>2 066</b>
<i>Plant and Equipment:</i>		
Carrying amount at the beginning of the period	850	990
Additions	24	24
Disposals	( 33)	-
Depreciation	( 154)	( 164)
<b>Carrying amount at the end of the period</b>	<b>687</b>	<b>850</b>
<b>Total Property, Plant and Equipment</b>	<b>2 416</b>	<b>2 916</b>

## Note 22 Work in Progress

	2016	2015
	\$'000	\$'000
Construction projects in progress	94	1 084
<b>Total Work in Progress</b>	<b>94</b>	<b>1 084</b>
<b>Movements in carrying amounts:</b>		
Carrying amount at the beginning of the period	1 084	-
Development costs capitalised	15 418	1 084
Transfers to Investment Properties	( 16 408)	-
<b>Carrying amount at the end of the period</b>	<b>94</b>	<b>1 084</b>



## Note 23 Fair Value Measurement

### Fair Value Hierarchy

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 as follows:

Fair Value Measurements at 30 June 2016	2016 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurement</b>			
Investment properties (Note 20)	146 580	146 580	-
Leasehold improvements (Note 21)	1 729	-	1 729
Plant and equipment (Note 21)	687	-	687
<b>Total recurring fair value measurements</b>	<b>148 996</b>	<b>146 580</b>	<b>2 416</b>

Fair Value Measurements at 30 June 2015	2015 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurement</b>			
Investment properties (Note 20)	135 003	135 003	-
Leasehold improvements (Note 21)	2 066	-	2 066
Plant and equipment (Note 21)	850	-	850
<b>Total recurring fair value measurements</b>	<b>137 919</b>	<b>135 003</b>	<b>2 916</b>

Renewal SA's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2016 and 2015, Renewal SA had no valuations categorised into level 1 and there were no transfers of assets between level 1 and 2 fair value hierarchy levels during the financial year.

### Valuation techniques and inputs

Refer to notes 20 and 21 for valuation techniques and inputs used to derive level 2 and 3 fair values. During 2015 and 2016 there were no changes in valuation techniques during the financial year. 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. The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

### Reconciliation of Level 3 recurring fair value measurements as at 30 June 2016

	Leasehold Improvements \$'000	Plant & Equipment \$'000
<b>Opening balance at the beginning of the period</b>	2 066	850
Acquisitions	-	24
Disposals		( 33)
Total gains (losses) for the period recognised in net result:		
Depreciation and Amortisation expenses	( 337)	( 154)
<b>Carrying amount at the end of the period</b>	<b>1 729</b>	<b>687</b>

**Reconciliation of Level 3 recurring fair value measurements as at 30 June 2015**

	<b>Leasehold Improvements</b>	<b>Plant &amp; Equipment</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance at the beginning of the period</b>	2 393	990
Acquisitions	10	24
Total gains (losses) for the period recognised in net result:		
Depreciation and Amortisation expenses	( 337)	( 164)
<b>Carrying amount at the end of the period</b>	<b>2 066</b>	<b>850</b>

**Note 24 Payables**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade creditors	7 090	7 777
Sundry creditors and accrued expenses	5 861	6 320
GST Payable	1 937	470
Parental Leave Scheme	2	-
Employment on costs	627	1 094
<b>Total Current Payables</b>	<b>15 517</b>	<b>15 661</b>
<b>Non-Current</b>		
Employment on costs	554	548
<b>Total Non-Current Payables</b>	<b>554</b>	<b>548</b>
<b>Total Payables</b>	<b>16 071</b>	<b>16 209</b>

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2015 rate (37.0%) to 40% and the average factor for the calculation of employer superannuation costs on-cost has also changed from the 2015 rate (10.3%) to 10.2%. These rates are used in the employment on-cost calculation. The net financial effect of the change in the current financial year is an increase in the employment on-cost and employee benefits expense of \$0.237m.

**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 benefits 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.

**Categorisation of financial instruments and maturity analysis of payables:**

Refer to table in note 36

**Risk exposure information:**

Refer to table in note 36



## Note 25 Borrowings

	2016	2015
	\$'000	\$'000
<b>Current</b>		
Loans - South Australian Government Financing Authority (a)	12 744	12 710
Loans - South Australian Government Financing Authority (b)	103 150	178 050
<b>Total Current Borrowings</b>	<b>115 894</b>	<b>190 760</b>
<b>Non-Current</b>		
Loans - South Australian Government Financing Authority (a)	7 599	8 143
Loans - South Australian Government Financing Authority (b)	395 151	320 251
<b>Total Non-Current Borrowings</b>	<b>402 750</b>	<b>328 394</b>
<b>Total Borrowings</b>	<b>518 644</b>	<b>519 154</b>

(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 Scheme.

(b) Comprises borrowings from SAFA in respect of other activities of Renewal SA.

Borrowings are recognised at cost and have fixed maturity dates. The interest rate is determined by the Treasurer. The average rate of interest capitalised in the reporting period was 4.32% in 2016 (4.86% in 2015).

### Categorisation of financial instruments and maturity analysis of borrowings:

Refer to table in note 36

### Risk exposure information:

Refer to note 36

### Defaults and breaches

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

## Note 26 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 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 30.0%) be applied to the profit for the reporting period.

Renewal SA made a financial loss for the years ended 30 June 2016 and 2015, therefore no income tax equivalent is payable in either reporting periods.

## Note 27 Unearned Income

	2016	2015
	\$'000	\$'000
<b>Current</b>		
Unearned Income	3 121	5 925
<b>Total Current Unearned Income</b>	<b>3 121</b>	<b>5 925</b>
<b>Non-Current</b>		
Unearned Income	5 877	7 236
<b>Total Non-Current Unearned Income</b>	<b>5 877</b>	<b>7 236</b>
<b>Total Unearned Income</b>	<b>8 998</b>	<b>13 161</b>

Includes rental income of \$7.419 million (2015: \$9.029 million) and revenues from Commonwealth and SA Government of \$1.579 million (2015: \$4.130 million) received in advance.



## Note 28 Provision

	2016	2015
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>
Provision for land acquisition costs	20 525	-
Provision for workers compensation	132	49
<b>Total Current Provisions</b>	<b>20 657</b>	<b>49</b>
<b>Non-Current</b>		
Provision for workers compensation	251	153
<b>Total Non-Current Provisions</b>	<b>251</b>	<b>153</b>
<b>Total Provisions</b>	<b>20 908</b>	<b>202</b>
<b>Movements in carrying amounts</b>	<b>2016</b>	<b>2015</b>
<i>Provision for workers compensation</i>	<i>\$'000</i>	<i>\$'000</i>
Carrying amount at the beginning of the period	202	-
Additional provisions recognised	296	406
Reductions arising from payments	( 115)	( 204)
<b>Carrying amount at the end of the period</b>	<b>383</b>	<b>202</b>
<i>Provision for land acquisition costs</i>		
Carrying amount at the beginning of the period	-	-
Additional provisions recognised	20 525	-
<b>Carrying amount at the end of the period</b>	<b>20 525</b>	<b>-</b>
<b>Total Provisions</b>	<b>20 908</b>	<b>202</b>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on actuarial assessment performed by the Office for the Public Sector (a division of the Department of Premier and Cabinet).

## Note 29 Employee Benefits

	2016	2015
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>
Accrued wages and salaries	456	260
Annual leave	2 546	2 316
Long service leave	1 294	969
Skills and experience retention leave	130	126
<b>Total Current Employee Benefits</b>	<b>4 426</b>	<b>3 671</b>
<b>Non-Current</b>		
Long service leave	5 999	6 127
<b>Total Non-Current Employee Benefits</b>	<b>5 999</b>	<b>6 127</b>
<b>Total Employee Benefits</b>	<b>10 425</b>	<b>9 798</b>

AASB119 *Employee Benefits* contains the calculation methodology for long service liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave liability. AASB119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service liability. The yield on long term Commonwealth Government bonds has decreased from 2015 (3%) to 2016 (2%).

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 an increase in the long service leave liability of \$0.327m and employee benefits expense of \$0.488m. The impact on future periods is

impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service liability and 3% annual leave and skills, experience and retention leave liability.

### Note 30 Other Liabilities

	2016	2015
	\$'000	\$'000
<b>Current</b>		
Funds held in trust	298	293
Security Deposits	182	-
<b>Total Current Other Liabilities</b>	<b>480</b>	<b>293</b>

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 racecourse upon achievement of key deliverables related to affordable housing and the development of open spaces.

### Note 31 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:	2016	2015
	\$'000	\$'000
Due within one year	9 391	10 006
Due later than one year not longer than five years	30 806	19 084
Due later than five years	47 707	17 238
<b>Total operating lease receivables</b>	<b>87 904</b>	<b>46 328</b>

#### Operating lease payables:

Non-cancellable operating leases contracted for at balance date but not provided for in the accounts, net of GST:	2016	2015
	\$'000	\$'000
Payable within one year	1 299	1 213
Payable later than one year not longer than five years	4 490	4 858
Payable later than five years	-	669
<b>Total operating lease payables</b>	<b>5 789</b>	<b>6 740</b>

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.

### Note 32 Unrecognised Contractual Commitments - Capital Expenditure

#### Capital expenditure commitments:

At reporting date Renewal SA had capital expenditure commitments contracted for but not recognised as liabilities in the financial report, as follows:

	2016	2015
	\$'000	\$'000
Payable within one year	27 226	13 984
Payable later than one year not longer than five years	9 506	3 318
Payable later than five years	4 839	15 190
<b>Total capital expenditure commitments:</b>	<b>41 571</b>	<b>32 492</b>



## Note 33 Contingent Liabilities

### Commonwealth Grant Funding

The South Australian Housing Trust received \$9.5 million grant funding from the Commonwealth government as part of an affordable housing scheme for properties developed under the Woodville West project. This project was transferred to Renewal SA in 2011-12. The South Australian Housing Trust applied \$5.098 million of this funding prior to the transfer to Renewal SA and in 2015-16 passed \$4.402 million onto Renewal SA. There are discussions taking place with the Commonwealth to confirm the formal acquittal of these funds, the outcome of which may require part or all of the funds to be returned. At balance date Renewal SA has recognised \$4.402 million of this funding as a payable. The payment of this and a further amount of \$5.098 million is contingent on the outcome of the discussions which include the consideration of proposals which may not involve the repayment of these funds.

## Note 34 Cash Flow Reconciliation

	2016 \$'000	2015 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Statement of Cash Flows	117 307	16 532
Statement of Financial Position	117 307	16 532
<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	( 153 152)	( 122 830)
	( 153 152)	( 122 830)
<b>Add/Less non cash items</b>		
Inventories write down	137 209	75 226
Net gain from administrative restructure	637	-
Depreciation and amortisation	491	501
Net loss on disposal of plant and equipment	33	-
Provision for doubtful debts	( 257)	1 263
Transfers to investment properties	( 739)	-
Share of net profits of joint ventures	( 3 198)	( 2 906)
Provision adjustment	( 20 821)	( 406)
Net gain on disposal of investment property	-	950
Reversal of inventories write-down	-	( 1 301)
Investment property net loss on fair value adjustments	5 581	22 797
	118 936	96 124
<b>Changes in Assets / Liabilities</b>		
(Increase)/Decrease in mortgage debtor receivables	-	21 812
(Increase)/Decrease in other receivables	3 129	( 13 853)
(Increase)/Decrease in prepayments	( 356)	( 238)
(Increase)/Decrease in inventories	( 23 676)	( 39 139)
Increase/(Decrease) in payables	( 138)	( 5 173)
Increase/(Decrease) in unearned income	( 4 163)	1 003
Increase/(Decrease) in provisions	41 527	608
Increase/(Decrease) in employee benefits	627	5 286
Increase/(Decrease) in other liabilities	187	7
	17 137	( 29 687)
<b>Net cash provided by/(used in) Operating Activities</b>	<b>( 17 079)</b>	<b>( 56 393)</b>

## Note 35 Cash and Cash Equivalents

	2016	2015
	\$'000	\$'000
Current		
Deposits with the Treasurer	114 952	14 574
Short-term deposits with SAFA	172	168
Cash held in Cheltenham trust account	298	293
Cash at bank and on hand	1 885	1 497
<b>Total Cash and Cash Equivalents</b>	<b>117 307</b>	<b>16 532</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. These deposits 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 at call and with the Treasurer, and cash held in the Cheltenham Trust Account, earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

## Note 36 Financial Instruments Disclosure/Financial Risk Management

### 36.1 Financial risk management

Renewal SA's risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

Renewal SA is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

### 36.2 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.

Refer to note 36.2 for the carrying amounts of each of the following categories of financial assets and liabilities: loan and receivables; financial liabilities measured at cost; and held-to-maturity investments.

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 2.10 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, 18 and 24).
- 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 25).



### 36.3 Categorisation and maturity analysis of financial assets and liabilities

	Note	Carrying Amount \$'000	2016 Contractual Maturities			Fair Value \$'000
			< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
<b>2016</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	35	117 307	117 307	-	-	117 307
Loans and receivables:						
Receivables (a) (b)	18	19 008	14 818	651	3 539	18 485
Allowance for doubtful debts	18	( 2 674)	( 2 674)	-	-	( 2 674)
<b>Total Financial assets</b>		<b>133 641</b>	<b>129 451</b>	<b>651</b>	<b>3 539</b>	<b>133 118</b>
<b>Financial liabilities:</b>						
Financial liabilities at cost:						
Payables (a)	24	12 743	12 743	-	-	12 743
Borrowings	25	518 644	115 894	402 750	-	500 703
<b>Total Financial liabilities</b>		<b>531 387</b>	<b>128 637</b>	<b>402 750</b>	<b>-</b>	<b>513 446</b>
<b>Net Financial Assets/(Liabilities)</b>		<b>( 397 746)</b>	<b>814</b>	<b>( 402 099)</b>	<b>3 539</b>	<b>( 380 328)</b>

	Note	Carrying Amount \$'000	2015 Contractual Maturities			Fair Value \$'000
			< 1 year \$'000	1-5 years \$'000	> 5 years \$'000	
<b>2015</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	35	16 532	16 532	-	-	16 532
Loans and receivables:						
Receivables (a) (b)	18	21 673	18 357	3 316	-	21 673
Allowance for doubtful debts	18	( 2 931)	( 2 931)	-	-	( 2 931)
<b>Total Financial assets</b>		<b>35 274</b>	<b>31 958</b>	<b>3 316</b>	<b>-</b>	<b>35 274</b>
<b>Financial liabilities:</b>						
Financial liabilities at cost:						
Payables (a)	24	13 899	13 899	-	-	13 899
Borrowings	25	519 154	190 760	285 142	43 252	495 386
<b>Total Financial liabilities</b>		<b>533 053</b>	<b>204 659</b>	<b>285 142</b>	<b>43 252</b>	<b>509 285</b>
<b>Net Financial Assets/(Liabilities)</b>		<b>( 497 779)</b>	<b>( 172 701)</b>	<b>( 281 826)</b>	<b>( 43 252)</b>	<b>( 474 011)</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 levies, tax equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(b) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 18 as receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. 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.

### 36.4 Liquidity risk

Liquidity risk arises from the possibility that 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 carrying amount of financial liabilities recorded in the table of Note 36.3 represents Renewal SA's maximum exposure to financial liabilities.

### 36.5 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 36.3 represents Renewal SA's maximum exposure to credit risk.

Renewal SA manages its credit risk and 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. No collateral is held as security and no credit enhancements relate to financial assets held by Renewal SA.

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 18 for information on the allowance for impairment in relation to receivables.

### 36.6 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	Carrying Amount \$'000
<b>2016</b>				
Not impaired:				
Receivables	430	756	1 089	2 275
Impaired:				
Receivables	-	33	2 604	2 637
<b>Receivables at 30 June 2016</b>	<b>430</b>	<b>789</b>	<b>3 693</b>	<b>4 912</b>
<b>2015</b>				
Not impaired:				
Receivables	469	176	478	1 123
Impaired:				
Receivables	111	115	2 255	2 481
<b>Receivables at 30 June 2015</b>	<b>580</b>	<b>291</b>	<b>2 733</b>	<b>3 604</b>

### 36.7 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.

### 36.8 Sensitivity analysis

A sensitivity analysis has been undertaken for the interest rate risk of Renewal SA and it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial over a 5 year period. The impact of property price movements on the financial results is impractical to estimate as the analysis would be overly assumptive.

## Note 37 Administrative Restructures

### 2016

#### *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 Housing and Urban Development, with the concurrence of the Treasurer, gazetted on 28 April 2016 the transfer of assets from the South Australian Housing Trust to Renewal SA effective 21 April 2016.

Renewal SA recognised the following income upon the transfer of these assets from the South Australian Housing Trust:	2016 \$'000
Net gain from administrative restructure	637
<b>Net Result</b>	<b>637</b>

Renewal SA recognised the assets transferred from the South Australian Housing Trust in the Statements of Financial Position as follows:	2016 \$'000
Inventories	637
<b>Total Assets Transferred</b>	<b>637</b>

### 2015

#### *Transfer of employees from the Department for Communities and Social Inclusion*

Under the Public Sector (Reorganisation of Public Sector Operations) Notice 2015, from 5 February 2015 the Department for Communities and Social Inclusion transferred specified employees only to Renewal SA. Assets and liabilities relating to these employees were transferred into Renewal SA as at 31 January 2015.

Revenue and expenses for the transferred employees for 2014-15:	DCSI Jul - Jan 2015 \$'000	URA Feb - Jun 2015 \$'000	Total 2015 \$'000
<b>Income</b>			
Recoveries	6 151	4 692	10 843
<b>Total Income</b>	<b>6 151</b>	<b>4 692</b>	<b>10 843</b>
<b>Expenses</b>			
Employee Benefits Expenses	6 151	4 692	10 843
<b>Total Expenses</b>	<b>6 151</b>	<b>4 692</b>	<b>10 843</b>
<b>Profit/(loss) before income tax equivalent</b>	<b>-</b>	<b>-</b>	<b>-</b>

Assets and liabilities transferred in as at 31 January 2015:	2015 \$'000
<b>Current Assets</b>	
Receivables	1 036
<b>Total Current Assets</b>	<b>1 036</b>
<b>Non-Current Assets</b>	
Receivables	3 126
<b>Total Non-Current Assets</b>	<b>3 126</b>
<b>Total Assets</b>	<b>4 162</b>
<b>Current Liabilities</b>	
Payables	143
Employee benefits	893
<b>Total Current Liabilities</b>	<b>1 036</b>



#### Non-Current Liabilities

Payables	283
Employee benefits	2 843
<b>Total Non-Current Liabilities</b>	<b>3 126</b>
<b>Total Liabilities</b>	<b>4 162</b>
<b>Net Assets Transferred</b>	<b>-</b>

#### Note 38 Transactions with SA Government

Note	SA Government		Non-SA Government		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>INCOME</b>						
3 Revenue from sales	6 484	9 070	51 127	39 211	57 611	48 281
3 Less: cost of sales	( 2 202)	( 9 681)	( 26 667)	( 24 045)	( 28 869)	( 33 726)
Gross profit	4 282	( 611)	24 460	15 166	28 742	14 555
4 Share of net profit/(loss) in joint ventures	-	-	3 198	2 906	3 198	2 906
5 Revenues from Commonwealth and SA Government	9 403	6 333	-	4 772	9 403	11 105
6 Interest revenues	382	457	553	512	935	969
7 Property income	8 415	8 543	17 497	17 650	25 912	26 193
8 Other revenues	15 660	9 170	2 304	1 723	17 964	10 893
37 Net gain from administrative restructures	637	-	-	-	637	-
<b>TOTAL INCOME</b>	<b>38 779</b>	<b>23 892</b>	<b>48 012</b>	<b>42 729</b>	<b>86 791</b>	<b>66 621</b>
<b>EXPENSES</b>						
10 Employee benefits expenses	1 447	1 218	30 124	24 104	31 571	25 322
13 Operating expenditure	23 765	25 950	24 880	25 068	48 645	51 018
14 Borrowing costs	16 413	14 938	-	-	16 413	14 938
21 Depreciation and amortisation	-	-	491	501	491	501
4 Impairment loss	-	-	142 790	96 722	142 790	96 722
9 Net loss from disposals	-	-	33	950	33	950
<b>TOTAL EXPENSES</b>	<b>41 625</b>	<b>42 106</b>	<b>198 318</b>	<b>147 345</b>	<b>239 943</b>	<b>189 451</b>
<b>FINANCIAL ASSETS</b>						
18 Receivables	7 331	17 398	11 677	9 135	19 008	26 533
18 Allowance for doubtful debts	-	-	( 2 674)	( 2 931)	( 2 674)	( 2 931)
<b>TOTAL FINANCIAL ASSETS</b>	<b>7 331</b>	<b>17 398</b>	<b>9 003</b>	<b>6 204</b>	<b>16 334</b>	<b>23 602</b>
<b>FINANCIAL LIABILITIES</b>						
24 Payables	2 346	7 358	10 397	8 851	12 743	16 209
25 Borrowings	518 644	519 154	-	-	518 644	519 154
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>520 990</b>	<b>526 512</b>	<b>10 397</b>	<b>8 851</b>	<b>531 387</b>	<b>535 363</b>

#### Note 39 Events after the Reporting Period

As part of the 2016-17 State budget process in July, the SA Government announced its intention to transfer to Renewal SA the TAFE SA assets currently owned by the Department of State Development (DSD). The assets are expected to be acquired during 2016-2017 and will be financed through a mix of debt and equity. The acquisition price will be in accordance with agreed market valuations between DSD and Renewal SA.

## CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

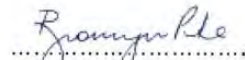
- Attached general purpose financial statements for the Urban Renewal Authority (trading as Renewal SA):
  - are in accordance with the accounts and records of the Urban Renewal Authority; and
  - comply with relevant Treasurer's Instructions; and
  - comply with relevant Australian Accounting Standards; and
  - present a true and fair view of the financial position of the Urban Renewal Authority as at 30 June 2016 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.

Signed in accordance with a resolution of the Board members.



J F HANLON  
CHIEF EXECUTIVE

15 September 2016



HCN B J PIKE  
PRESIDING MEMBER

14 September 2016



D DE LUCA  
GENERAL MANAGER,  
CORPORATE SERVICES

19 September 2016





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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*, I have audited the accompanying financial report of the Urban Renewal Authority for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- 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 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 evaluating the overall presentation of the financial report.

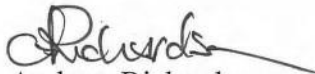


I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the Urban Renewal Authority's website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

## **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 2016, 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.



Andrew Richardson

**Auditor-General**

22 September 2016