

Adelaide City Council

Annual Report 2012–13



Acknowledgement to Country

Adelaide City Council acknowledges the traditional Country of the Kaurna People of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kaurna People living today.

Welcome to Adelaide City Council's Annual Report for 2012–13

We produce an Annual Report for our community and stakeholders to let them know where we're investing funds and resources. Adelaide City Council provides a broad range of community services and infrastructure for residents that support the wellbeing and prosperity of our community.

Council is committed to transparent reporting and accountability to the community and the Annual Report 2012–13 is the primary means of advising people of Council's performance during this financial year.

The Adelaide City Council Annual Report 2012–13 has been produced in compliance with The Local Government Act 1999 and provides readers with an excellent source of information about Adelaide.

There are two parts to this Annual Report. The first part reports on how Council is progressing towards the vision for Adelaide and provides information about the governance frameworks that are in place to ensure the Corporation of the City of Adelaide is adequately resourced for the employees to work as one team for the city.

Adelaide City Council engaged with the community through the Picture Adelaide project during 2011 and 2012 to agree on shared goals for the city. The results were used to inform the vision and actions in the City of Adelaide Strategic Plan 2012–16, One City, Many Places.

The structure of the first part of this annual report is based around the six strategic outcomes that Council and the community agreed were important to achieve the vision for Adelaide:

- » **City of Great Places**
- » **Accessible City**
- » **Creative City**
- » **Liveable City**
- » **Prosperous City**
- » **Environmentally Sustainable City**

Part 2 of the Adelaide City Council Annual Report 2012–13 provides the audited financial statements for Adelaide City Council and Council's subsidiaries - Adelaide Central Market Authority, Adelaide Park Lands Authority and Rundle Mall Management Authority. Adelaide City Council has an equity interest in both Waste Care SA and Council Solutions Regional Authority and their annual reports and audited financial statements are also included in this document.

A flip-book version of Adelaide City Council's Annual Report 2012–13 is available to view, download or print at www.adelaidecitycouncil.com

Think before you print.

To request a printed copy, or to provide feedback to Adelaide City Council, please contact the Customer Centre at 25 Pirie Street Adelaide on phone 8203 7203 or email city@adelaidecitycouncil.com. The Customer Centre hours are: Monday to Friday, 8.30 am to 5.30 pm.



Your Say Adelaide is another way to share your thoughts, feelings and ideas on a range of Council projects and activities. Your feedback will ultimately inform and influence the decisions made by Council.

Registration is optional but as a registered member of Your Say Adelaide you will receive the full experience of Council's online engagement site and the range of feedback tools offered. You will also receive a monthly newsletter that informs you of our engagement activities.



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Lord Mayor's Message

It's been a big year for Adelaide!



Adelaide is developing a reputation as one of the great small cities of the world, by redefining how we engage and empower our community, with significant investments in infrastructure, through supporting business, by enabling creativity and innovation, and through ensuring we grow in a financially and environmentally sustainable way.

During 2012–13, Council launched the Rundle Mall Redevelopment to ensure it remains the heart of shopping in South Australia. After extensive underground works, Stages 1 and 2 was opened to the public in time for Christmas trading in November 2013, revealing a wide, attractive boulevard with new pavers, double the number of trees, extra seating, and clear sight lines across the Mall. Construction will recommence in early 2014 to complete Stages 3 through to 5, extending from Gawler Place to Pulteney Street.

At the same time, Council began the redevelopment of Victoria Square/ Tarntanyangga. Stage 1 will see the construction of a large event space in the northern half of the square and a reconfigured central roadway to improve traffic flow, which can be closed for major events. A water feature and play space for children and families, as well as plenty of seating, shade and plantings will also be installed. Importantly, Victoria Square/ Tarntanyangga will be activated with a year-long program of events, to ensure the whole community has an opportunity to experience our central square.

The brand new City Library in Rundle Mall is also on track for completion in early 2014. This high-tech library will provide more meeting rooms, multifunction event spaces, better browsing access, bigger floor space, a relocated digital hub and a new history hub. With a focus on the future, this facility will continue to provide high quality, community-focused, tech-savvy services for years to come.

Council and our development partner, Hindmarsh Property Pty Ltd, have been working on the ERGO apartment project in Sturt Street. This is a unique affordable housing development that integrates excellence in design with sustainable living to provide quality homes for the increasing amount of people seeking an inner-city life.

We've also been working cooperatively with the South Australian Government on the Adelaide Oval Redevelopment and the surrounding Riverbank Precinct, to ensure we maximise the benefits for residents and visitors, as well as to protect our precious Park Lands.

There is a lot happening in Adelaide and the world is taking notice. In addition to consistently being voted one of the most liveable cities, Adelaide has also been receiving international acclaim for its burgeoning vibrancy – an agenda being strongly driven by Council.

Looking forward, Council is developing a Placemaking Strategy to guide how we engage with and empower our community, develop unique districts in partnership with our stakeholders, and become a best practice organisation through better governance.



We want to co-create great places with people, in a vibrant city, where more people want to spend more time – One City, Many Places.

Adelaide City Council has achieved a tremendous amount this financial year and it is due to the consistent, exemplary work of a dedicated team, working in partnership with business, government and the community. I encourage you to learn more about the work we do and engage with us wherever possible.

Stephen Yarwood

Lord Mayor

Elected Members of Council



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City Profile

10,860
dwellings

118,200
city workers

estimated resident population
21,600 people

5,662
tertiary students

international students spent
\$700 million

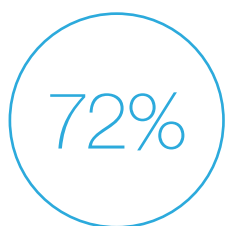
228,670
daily visitors

Fast Facts

The following numbers provide a snapshot of Adelaide City Council's programs and services for 2012–13:

\$450,000

Community development grants allocated



Reduction since 2006/2007 in the corporation's water use

715

Installations new of pedestrian and street lights

360,000

Trees maintained within Streets and Park Lands

\$150,000

Sports and recreation grants for the community

263,300

Face to face, phone and email interactions with our customers

185 km

Of roads and footpaths cleaned daily

535,880

Annual Visits to Council libraries

6,000

Average monthly visits to the Your Say Adelaide website

1,143

Development Applications processed during the year

8.5million

Estimated 2012 visitors to the Central Markets



Council Volunteers

21,350

Rateable properties

9,960

Tonnes of rubbish and recycling collected

714,000

Annual Visits to the North Adelaide Aquatic Centre

23million

Estimated visitors to Rundle Mall

Adelaide: One City, Many Places

City Vision



Adelaide is the dynamic heart of the state's pursuits in business and commerce, arts and culture, retail, education and innovation.

The people of Adelaide are proud of their cleverly designed city in a park, its cultural boulevards, its gridded streets and heritage buildings sitting easily between the hills and the sea.

Stunning contemporary architecture is home to a growing number of residents, businesses and creative enterprises. Outstanding design, heritage character and artwork are hallmarks of its bustling streets and squares enjoyed by many, day and night. Adelaide is a city of great places for people that are perfect for living and enjoying community life. We have great places for businesses to start up and to grow and great places for knowledge and creativity to flourish.

People love living here, from students to young people relishing an affordable lifestyle close to universities, live music, shops and cheap eats to families who enjoy the short walk or cycle to markets, community gardens, schools and childcare. The city's range of housing meets the needs of those looking for affordable units to lovingly restored heritage homes or converted warehouses. People of all cultures, incomes and ages form a strong community in this welcoming city.



City businesses and organisations thrive in our forward thinking city. We have a start-up state of mind that supports new businesses and attracts investment. It's easy to do business and build networks as we provide free city-wide wi-fi networks and high speed internet and we have the benefit of talented and creative people graduating from our highly regarded universities.

People increase their fitness in the city's parks and squares and city workers often stay in the city in the evenings to enjoy the many great venues, restaurants and events Adelaide has to offer.

Culture and creativity are at the heart of our city where passionate debates are held in public and private places and great ideas flourish with the support of Adelaide City Council initiatives and services. Public Art can be seen all over Adelaide in the parks, squares, streets and on the side of buildings. Venues such as galleries, theatres and function halls are always humming with the energy of events and festivals that are supported by Council throughout the year.

“ Outdoor dining is enjoyed by residents and visitors in well-lit streets that are clean, safe and attractive places to enjoy a meal.

Quirky shops, street vendors and mobile food trucks help activate our laneways, streets and public spaces with performances and music that generates a wonderful atmosphere.

Our city of great places is safe and easy to get around on foot, on a bike and on efficient public transport or even better – in an electric car that can be re-charged at city stations.



We have an international reputation as a 'green' city and recycled water supports our parks and gardens with efficient and clean energy providing power for the city.

Our walkways and public spaces are shaded by beautiful trees and our Park Lands cradle the city bringing the natural world right to the door of city residents and workers while water ways support wildlife and provide an attractive backdrop for recreational activities around our beautiful city.



Priorities

Adelaide City Council has established priority areas for action over the four years from July 2012 to June 2016 (the life of the Strategic Plan) in order to ensure the Corporation is working towards achieving the shared vision for Adelaide of *One City, Many Places*.

Council established ten priority areas for action and they are aligned to six agreed outcomes. The characteristics we would like the city to have 30 years from now are: *City of Great Places; Accessible City; Creative City; Liveable City; Prosperous City; and Environmentally Sustainable City*.

This Annual Report outlines the progress that has been made during the past financial year by Adelaide City Council towards achieving these six outcomes and also reports on the key actions and objectives that were included in the City of Adelaide 2012–13 Business Plan.

The main priorities were agreed by Council in the context of their alignment with South Australia's Strategic Plan and the 30-Year Plan for Greater Adelaide and the results of the Council's biggest ever community consultation process – Picture Adelaide – which captured the desires and the needs of the people who make Adelaide one of the best cities in the world – residents, business owners, community members, city workers and visitors from overseas, interstate and around South Australia.

Key priorities during 2012–13 were to pursue the **first stage of the Rundle Mall Masterplan and begin the redevelopment of the northern and central areas of Victoria Square/ Tarntanyangga while also preparing to upgrade Tampawardli (Park 24) for use as a premier events space.**

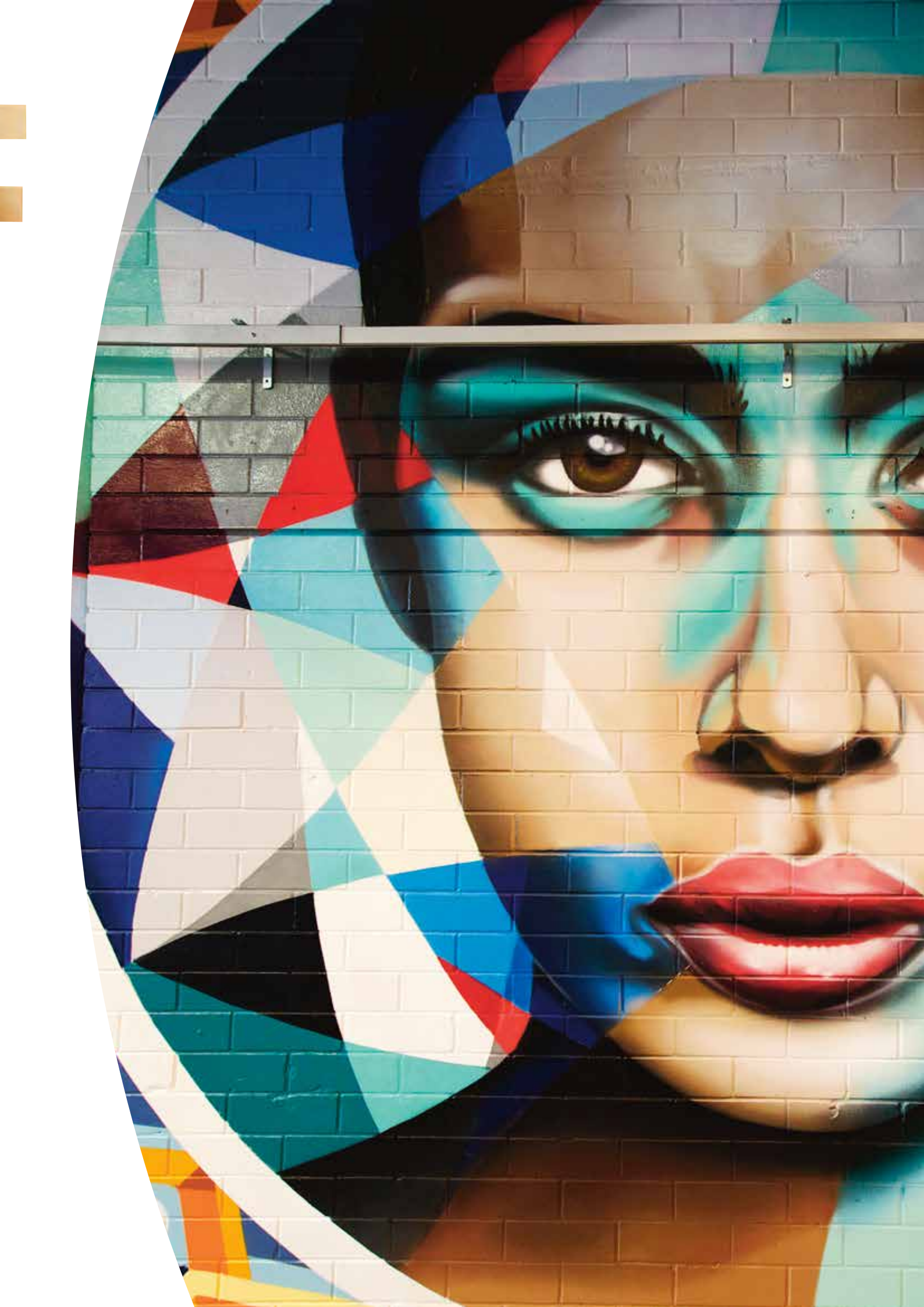
The \$1 million City Activation Project and the related initiatives such as collaboration with community members and businesses to bring vibrancy to city laneways, streets and public spaces and support

Public Art installations around Adelaide was another key priority for Adelaide City Council during the financial year.

Pedestrians and cyclists, environmental sustainability, heritage and historic character conservation as well as city growth and collaboration were all high priorities for Adelaide City Council during 2012–13.



The following pages provide more details about the programs, initiatives and services that Council has delivered during the year and how the people who work as one team in the Corporation of the City of Adelaide help to make a positive impact on this beautiful city.



Outcome 1: City of Great Places



A city of outstanding buildings and beautiful places, sustainably designed for people with attractive parks, streets and public spaces, distinctive heritage buildings and environmentally sustainable Park Lands.

During 2012–13, Adelaide City Council delivered programs, services and initiatives and designed, planned and built places for people to enjoy, treasure and use in our great city.

Rundle Mall Redevelopment (Stage 1 of Rundle Mall Masterplan)

Council has begun pursuing the Rundle Mall Masterplan objectives including upgrade of the Mall's paving, lighting, seating and tree planting and this project will be completed by the end of the 2014–15 financial year. Section 1 from King William Street to Gawler Place was under development from February 2013 with underground works being undertaken around the clock. An official Ground Breaking Ceremony was held on 18 February 2013 where the Lord Mayor, Stephen Yarwood lifted the first paver and the design architects, HASSELL, led a guided walk along the Mall to explain the plans for the first stage of the Rundle Mall Masterplan.

Victoria Square/ Tarntanyangga Stage 1 Upgrade

Stage 1 of the upgrade of the northern and central areas of Victoria Square/Tarntanyangga includes a new lawn event area that can be used as an outdoor amphitheatre on occasions, high quality paving in the central roadway to allow for easy transformation into a plaza for large events and parades when necessary, a new water play feature at the northern end of the Square, construction and installation of gardens, landscaping and urban furniture along with plantings of new shady trees. An official Ground Breaking Ceremony was held on 4 March 2013 where the Lord Mayor, Stephen Yarwood lifted the first paver and the landscape designers, Taylor Cullity Lethlean (TCL), spoke to attendees about how this first stage of the Victoria Square Masterplan will regenerate the whole area.



Outcome 1: City of Great Places

Upgrade of Tampawardli (Park 24)

Plans for the upgrade of Tampawardli (Park 24) to allow for major events were approved by Council and levelling and installation of services were initiated during 2012–13. This is part of Council's \$1 million Activation Project that is delivering upgrades and innovative initiatives to re-invigorate some of the city's streets, parks, buildings and public spaces. There are more details about the city activation initiatives that are being supported by Council through this project in the Creative City section of this document.



Bonython Park Upgrade

The City of Adelaide Prize is a category within the prestigious South Australian Architecture Awards Program and it recognises innovative built projects that enhance the public's experience of the City of Adelaide. Adelaide City Council again sponsored this award in 2013 and the winner of the City of Adelaide Prize was **'Bonython Park Upgrade' by WAX Design Pty Ltd and Ric Mcconaghy**. 'Bonython Park Upgrade' is an outstanding all abilities play space, described by the awards jury as: "...a carefully considered user-focused community activity hub, a destination that offers both exciting times for children of all abilities and a respite for parents." Meanwhile the successful Fringe Festival venue, 'The Depot' by Grieve Gillett Pty Ltd won the People's Choice Award.



Sturt Street Affordable Housing

Adelaide City Council and its development partner, Hindmarsh Property Pty Ltd, have been working on the ERGO apartment project in Sturt Street during 2012-13

This is a unique affordable housing development that integrates excellence in design with sustainable living to provide quality homes for the increasing amount of people seeking an inner-city life.





Capital Works Major Projects

In 2012–13, Adelaide City Council funded the following capital works major projects:

Project Name	Approved Budget	Target Completion	Project Details
Victoria Park / Pakapakanthi Central Gardens	\$1,700,000	June 2013	Landscaping of Central Gardens.
Tampawardli (Park 24) Major Events Space	\$900,000	Nov 2013	Commence construction of the Tampawardli (Park 24) Major Event Space
Victoria Park/ Pakapakanthi Criterium Track	\$600,000	Feb 2013	Construction of a Criterium Track
Victoria Park / Pakapakanthi Grandstand Facility	\$755,000	Jun 2013	Conservation works, toilets, lifts at the heritage grandstand
“Go Green” Lighting Stage 3	\$450,000	Jun 2013	Replace old lighting fittings for more efficient LED fittings
Adelaide Park Lands Trail Stage 7	\$400,000	Aug 2013	Completion of the Park Lands Trail through Kangatilla (Park 4) and Ngampa Yarta (Park 5) as part of the 24 km trail
Traffic Signal infrastructure	\$525,000	Jun 2013	Upgrade of traffic signals around the city
Central Market Fire Safety	\$1,000,000	Dec 2013	Upgrade of fire system to comply with standards
Sturt Street Affordable Housing	\$12,000,000	Jun 2013	Construction of ERGO Apartments in Sturt Street
CCTV Digital Upgrade Stage 3	\$175,000	Jun 2013	Upgrade the CCTV network equipment
City Safety and Lighting	\$200,000	Jun 2013	Improve lighting in streets regarded as a safety risk or in need of upgrading
Resurface roadways	\$2,293,000	Jun 2013	Resurfacing of various roads
Replace footpath	\$2,200,000	Jun 2013	Replace footpaths at various locations



Outcome 1: City of Great Places

Urban Design Framework

Adelaide City Council is in the process of developing a framework for designing streetscapes, Park Lands, paving and surfacing for roads, paths and laneways around the city and fixtures in public spaces. The State Government is supporting this project and it will be progressed throughout 2013-14.

Structure Planning and Development Plan Amendments

The Capital City Development Plan Amendment (DPA) was completed during the year and the City Centre Heritage DPA (Part 1) was also finalised. The Residential and Main Street DPA – Draft DPA was endorsed by Council for consultation and being considered by the Minister. The Structure Plan was endorsed by Council in June 2013 and submitted to the Minister for approval.

Main Street Building Improvement Scheme

During 2012–13, all of the promotional and project identification activities associated with the Main Street Building Improvement Scheme (MIS) were completed and in June 2013, Council endorsed five projects under its Main-street Historic Facade Improvement Scheme to proceed to Stage 2 which involves detailed investigations and formal applications.

Heritage and Historic Character Conservation

Adelaide City Council provides incentives for the conservation of heritage buildings and made progress on the Capital City Heritage (Part 1) Development Plan Amendment during the year. In addition, Council pursued the listing of additional heritage buildings in the city and also in residential areas and commenced a pilot Heritage Activation Scheme.

A City of Great Buildings Initiative

Throughout May 2013, Adelaide City Council asked Adelaide residents, workers, students and visitors to nominate and vote for their most admired buildings in Adelaide's Central Business District, North Adelaide or the Park Lands. The result was an overwhelming response of 192 buildings submitted and 5,372 votes cast. This list encourages people to see, explore and discover Adelaide's beautiful buildings as submitted and voted by its people.





Outcome 1: City of Great Places

City Pride through Community Engagement

Active community engagement initiatives were completed through a number of forums including: the main street precinct groups, community gardens and waste recovery pilots, reducing bins on high density residential streets like Garden East Apartments, Whitmore Square Affordable Apartments and UNO Apartments (Housing SA). Regular audits of the public realm were undertaken along with members of the community and precinct group members.



Adelaide Park Lands Authority

During the 2012–13 financial year, the Adelaide Park Lands Authority (APLA) dealt with a range of issues relating to its core responsibility of providing advice to Council and the State Government on strategic Park Lands matters.

APLA provided advice in relation to a number of matters relating to Adelaide Oval including a Landscape Master Plan, tree management issues and the provision of Licence to the Minister for Transport and Infrastructure.

APLA provided feedback on a master plan for the redevelopment of the Park Lands opposite Bowden; on the finalisation of Council's remaining Community Land Management Plans; and on the leasing of various Park Lands properties, including portions of Karrawirra (Park 12) and Warnpangga (Park 10) to the University of Adelaide. APLA also supported a proposal to call for expressions of interest from the community to use the Heritage Grandstand, the former Bookmakers League Building and the wooden kiosk buildings in the north-eastern corner of Victoria Park.

APLA is a subsidiary of Adelaide City Council and the annual report and audited financial statements included in Part 2 of this document contain further detail on the Authority's achievements.



Planning Applications

New planning lodgements for the last five financial years:

Financial Year	Number of applications	Value of applications
2012–13	1,143	\$590 million
2011–12	1,068	\$1.15 billion
2010–11	1,135	\$1.7 billion (incl. \$1 billion new Royal Adelaide Hospital)
2009–10	1,053	\$290 million
2008–09	1,072	\$494 million

Outcome 1: City of Great Places

Parklet Program

Parklets are small public parks, which are created when members of the public re-imagine an already existing (and usually underused) parking space and use temporary materials to create a quality urban space that can be used by all members of the public.

The space must serve a purpose or create visual interest to the community, while enhancing the overall appearance of the street. This purpose can be provided through creating outdoor space for nearby cafés and restaurants, bike racks, planter boxes, benches, landscaping and other services. The essential defining element of a parklet is that they represent public space that is open and accessible to all. The first parklet under Council's Parklet Program was installed in March 2013 on Gawler Place. Architecturally designed and fully funded by local business 'Foods for Life', the new parklet offers pedestrians the opportunity to step off one of Adelaide's busiest streets.

Place 2012

Place 2012 was a spring festival of art, architecture and design. This was a joint initiative between Adelaide City Council, the Integrated Design Commission, Arts SA, the Australian Institute of Architects, Community Arts Network, the Australian Institute of Landscape Architects and the Design Institute of Australia. The festival aimed to create a broad conversation about the value of great places and as part of Place 2012, Adelaide City Council played host to a photographic competition and exhibition inviting the community to share their unique view of the city we live in and the many great places within it. The finalists to 'Snap your City', selected from more than 300 entries, were exhibited in the Place 2012 outdoor gallery in Hindmarsh Square in December 2012. This unique exhibition space, created from a converted shipping container and complete with a roof top garden, was designed to engage new audiences with contemporary art showcasing the synergy between art, design and the surrounding environment.

The outdoor gallery space, complete with roof-top garden and chalk wall, challenges the norms of a traditional gallery and aims to engage new audiences showcasing the links between art, architecture, design and physical surrounds.



"Everyone has a different way of seeing the city they live in, and this competition has been about encouraging members of the public to share their personal perspectives of what the city means to them,"
said Lord Mayor Stephen Yarwood.

"My personal favourite presented an image that combined many of the elements I love about the city; it's a city worker stopping for a bite to eat at a food truck in Victoria Square. Shot in black and white, it looks like it could be a corner of Europe, but at the same time it says so much about what's special about Adelaide."





A city of well-connected places that's easy to get around where streets are for people with cyclists and pedestrians taking priority and there is a readily available public transport system.

In November 2012, Adelaide City Council adopted Smart Move: The City of Adelaide's Transport and Movement Strategy, which sets directions for creating great streets and places for people; and making the city safer and easier to access for all users.

Following this, implementation of the Smart Move strategies began with projects to improve facilities for people to ride and walk to/from and within the city, as well as facilitating improved public transport and promoting other sustainable travel options.

Outcome 2: Accessible City

Free Connector Bus Service Improvements

Improvements have been made to the Adelaide Connector service to ensure schedule reliability. Investigations on the introduction of a higher frequency service were undertaken and presented to Council. The proposed upgrade included a new route, increased frequency, extended operating hours and the purchase of 2 new buses planned for 2013–14.

Bicycle Action Plan

Council's Bicycle Action Plan 2011–13 has increased cycling in the city by improving the bicycle network and facilities, as well as promoting cycling as a legitimate mode of transport. Council's Bicycle Action Plan received \$2 million of funding for projects in 2012–13, including infrastructure projects as well as education and travel behaviour change initiatives and the Adelaide City Bikes scheme.

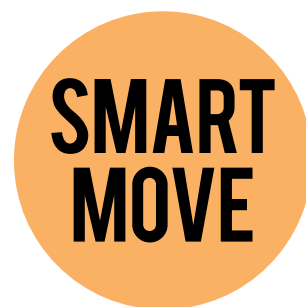
Council collaborated with key stakeholders to complete a number of infrastructure projects including enhanced bike lanes on sections of Pirie Street and Rundle Street, new bike lanes on Anzac Highway, a new section of shared use path in Park 19 that will form the southern section of the Frome Street Bikeway, a new bike crossing of West Terrace at Franklin Street and the installation of bike boxes and other improvements for cyclists at five intersections. The design and consultation process for a kerb-side separated bike lane along Frome Street and concept designs for the remainder of Pirie Street and Waymouth Street were also underway during 2012–13.

Bike parking was improved in the city with the installation of more than 40 bike rails on footpaths, secure bike parking in four UParks and two new bike parking nodes (on Rundle Street and Pirie Street).

Smart Move

Smart Move promotion and education campaigns focused on the Tour de Work competition, Cycle Instead (during Clipsal) and the Get On Your Bike promotion campaigns which were all successfully completed. As part of the city-wide travel behaviour change program to encourage sustainable travel choices the Smarter Travel @ Work survey at the Women's and Children's Hospital was undertaken with a number of key actions and initiatives determined in collaboration with State Government. A carpooling scheme for the city was also jointly launched with the State Government.

The Adelaide City Bikes Scheme has been extended so there are now more locations to borrow from and more bikes to use to ride around the city.



Outcome 2: Accessible City

Road safety and amenity initiatives

A raft of traffic management and road safety initiatives and amenity improvements were installed throughout the city, with investigations carried out into future projects. Some of the installations include:

- » Pedestrian Countdown timers at three traffic signalised intersections
- » Traffic signal infrastructure improvements at two locations as part of the Black Spot Program
- » Kerb protuberance on Melbourne Street to improve pedestrian access across the road
- » 40km/h speed limit – initial planning was carried out for the installation of the 40km/h speed limit on Hutt Street and streets to the east as part of a 6 month trial

Public Transport

Council has worked with the State Government on a number of public transport initiatives including the delivery of bus lanes on Grenfell Street, Currie Street, East Terrace, West Terrace and Anzac Highway and the preliminary planning of a possible future tram extension/city tram loop. Council also worked with the State Government to assist with the replacement bus services required for the Rail Revitalisation project and also bus priority measures during major construction projects, such as Victoria Square.

Car parking

Council provides convenient access to all city destinations with off-street parking in UPark stations. Improved smart technology payment options for on-street parking have been introduced to a number of ticket machines during the year. In addition, electric vehicle charging stations have been installed in locations around the city.



Improved pedestrian priority traffic signals

Work on the systematic review of traffic signals city-wide was put on hold, with funding transferred to allow for completion of the On-Street Parking Specifications project. As additional funding was not received in 2013/14 to undertake a systematic review of this project, incremental adjustment of traffic signals to reduce pedestrian waiting times will continue as part of the traffic signal working group until a comprehensive assessment is funded.

Pedestrian improvements

The traffic signal cycle lengths have been reduced at many intersections around the city, resulting in reduced waiting times for pedestrians wishing to cross at those sites. This work has also been complemented by increasing the “green” walk times a number of intersections, with further improvements to be made on an on-going basis.

Council collaborated closely with the State Government to install a zebra crossing on Pirie Street, which has given priority to the 4,500 pedestrians crossing at this point, linking the strategic route to Rundle Mall and Victoria Square.



Outcome 3: Creative City



Art, culture and creative industries thrive, street art abounds, festivals and events occur throughout the year and vibrant streets and public places are part of daily life. New and creative ideas are developed, reinforcing our history of innovation, quality quirky cafes, restaurants, bars, vendors, venues and activities enrich the life of the city.

During 2012–13, Adelaide City Council collaborated with the community and businesses to support activation projects and innovative events and enterprises that attract more people to our vibrant city. Council supported the city's thriving art, culture and creative communities through the Annual Public Art Program, co-ordination and facilitation of events and festivals and through developing innovative ideas and providing funding and support for new programs.

\$1 million City Activation Project

Adelaide City Council endorsed the allocation of \$1 million to the Vibrant City program to support the expansion of events and activities throughout the year including **Splash Adelaide**. City Activation outcomes aligned with, and were guided by, the major capital works projects and city planning directions that are shaping the city. There are several components of City Activation and one is Splash Adelaide which focuses on community generated ideas and initiatives, short term activation and programmed activities. The Activation component delivers new and expanded programmed activities throughout the city that have longer term financial sustainability, engage with the precincts and inform change to policy and business.

The **Bike Art Trail** commissioned and installed eleven sculptural bike artworks in various locations around the central business district and North Adelaide.



Oi You! – the inaugural street art event produced in partnership with the Adelaide City Council, State Government and Adelaide Festival Centre and in collaboration with curator George Shaw. The festival included an exhibition of original Bansky prints and received overwhelming public interest from Adelaide residents, luring hundreds outside and into laneways for walking tours, film screenings and art giveaways. The festival initiated a series of large-scale public murals painted throughout the CBD by acclaimed artists like Rone, Sydney's Beastman, Store, Kab 101, Jayson Fox, Order 55, Gary Seaman, Matt Stuckey, Vans The Omega, Lister and Fredrock.



The **Inflatable Ball in Trades Hall Lane** was a quirky installation to activate an under-utilised laneway and create a more interesting and welcoming streetscape for pedestrians.

The **Lunar New Year Street Party** was held on Saturday 16 February 2013. The event was coordinated by Chinatown Adelaide South Australia (CASA). Adelaide City Council funded CASA \$50,000 as part of City Activation to support the expansion of the event from an annual celebration in Moonta Street into a street party in both Moonta Street and Gouger Street from 12 pm to 10 pm. The event attracted approximately 7,000 people across the day and consisted of 60 street stalls and entertainment ranging from traditional to contemporary performances. Entertainment also included lion dances, firecrackers and performances by George & Noriko from Australia's Got Talent. The event also created a large outdoor restaurant in Gouger Street and attendees received giveaways from local participating businesses and restaurants.







Outcome 3: Creative City

Creative Endeavours and Partnerships



During 2012–13, Adelaide City Council through the \$1 million City Activation Project, enabled creative endeavours and talent to thrive and partnerships to allow and encourage growth in the city.

Guidelines for the continuation of **mobile food vending** beyond the pilot program were developed and presented for public consultation from 18th February to 10th March 2013. The guidelines were endorsed by Council on 14th May 2013 and are due to come into effect on 1st August 2013 with a maximum of 40 permits to be issued.

Adelaide City Council provided The **Mill Dance Studio and Performance Hub** with seed funding of \$10,000 to assist with the set up costs of a hub space at 154 Angus Street, Adelaide. The Mill is designed to be a multi-disciplinary creative hub for young and emerging cultural practitioners and entrepreneurs and responds to the need in Adelaide for more suitable and affordable venues to make and present work. Its core goal is to be a cutting edge professional space that provides Adelaide's artists with an incubation environment and connections to wider industries, as well as forging connections between other arts spaces in Adelaide that may have been underutilised, providing administration for these spaces and facilitating use of spaces across Adelaide.

Adelaide City Council partnered with Renew Adelaide and Festivals Adelaide to present initiatives that enliven the city and encourage growth.

An endeavour that was supported through the partnership with Renew Adelaide during the year was **Tuxedo Cat**. This activation allowed for talent to thrive and promoted creative new enterprises in the city.

Adelaide City Council gave seed Adelaide funding of \$10,000 to **Soundpond** to assist with the set up costs for its new premises at UPark on Rundle. On Sunday 3 February 2013, the venue was used for an innovative new activation event. Soundpond, an Adelaide on line interactive radio station, celebrated its third birthday on Level 8 of the Rundle Street UPark. The event had market stalls, six artists doing a mural on the eastern wall, DJs and a licensed bar. Adelaide City Council supported this idea and enabled change to the physical environment to make it a success.

Outcome 3: Creative City

Highlights of Splash Adelaide

Splash Adelaide gives people a way to try out their entrepreneurial ideas without investing huge amounts of time and money. Adelaide City Council has been amazed at the breadth, scope and popularity of some of the ideas that people can come up with to enliven our streets.

“ Splash Adelaide is a joint campaign by the Adelaide City Council and State Government that aims to bring our city streets and laneways to life.

There have been two hugely successful rounds of Splash Adelaide and in 2012–13 there were 90 applications received and Council partnered with State Government, cultural institutions, precinct groups, local businesses and entrepreneurs and visionaries to set up 65 events all over Adelaide. Sixteen events were held more than once such as the Adelaide Night Market and Fork on the Road.

The following events were highlights of Splash Adelaide during 2012–13: East End Summer Fridays, Imagination Playground, Fork on the Road, Tunnels Art Exhibition, Waymouth Street Parties and Adelaide Night Market.



The **Adelaide Night Market** project was launched under Splash Adelaide and it was initiated and organised by an individual in the community. The Sunday evening market on North Terrace ran weekly from December 2012 to March 2013, then fortnightly from April to June 2013. The organiser aims to continue the market annually from October to May and provide gradual support to the stall-holders to enable them to take over the running of market operations.

Waymouth Street Parties were initiated by Adelaide City Council and coincided with the opening night of the Fringe Street Theatre Festival. Due to the success of the first event held in March 2012, three more parties were created in collaboration with the Waymouth Street traders in February and March 2013. The street was closed to traffic on three Friday nights and nine traders showcased their unique offerings and independent artists and performers help people get into the spirit of the Fringe. The events attracted approximately 3,000 people and supported creativity, economic growth and community wellbeing.

The **Tunnels Art Exhibition** was an innovative use of the disused tunnels underneath the former Treasury Building in the city is an example of the activation projects supported by Adelaide City Council during 2012–13. Council wants to make it as easy as possible for the community and businesses to create great places from previously underused spaces where people can get together to enjoy food, entertainment and other activities.

The introduction of Fork on The Road which is an event concept that promoted the many mobile Food Vendors trading within our city. There were seven Fork on the Road events and they attracted an average of 5,000 attendees to each event. Each Fork on the Road event supported an average of 30 mobile food vendors.

The **Imagination Playground** is a breakthrough play space concept conceived and designed by architect David Rothwell that turns any space into a play space. Children use giant blocks to create objects like animals, rocket ships, and robots and three of these playgrounds were purchased by Adelaide City Council. One of the Imagination Playgrounds is at the Adelaide Aquatic Centre with the other two are used by Splash Adelaide.

The second season of **East End Summer Fridays**, coordinated by the East End Coordination group, and supported by Splash Adelaide through the provision of \$33,000 to facilitate approximately 14 events over the summer months in Adelaide. East End Summer Fridays were a weekly street event consisting of food stalls, local produce and products, live music, games and entertainment. This year's funding assisted East End Coordination group in facilitating these events and to reach a point where less funding is required in 2013–14 and the Coordination Group can sustain these events without further financial support from Council.

Enterprise Adelaide provided a 'one-stop shop' to assist a number of businesses supported by Splash Adelaide with business advice, information, referrals and guidance through regulatory processes



Outcome 3: Creative City

“Adelaide City Council facilitated close to 700 public and private events that attracted approximately 2 million people to the Park Lands and outdoor public spaces across the city in 2012–13.

Licensed outdoor dining

Two incentives were made available to enhance your Outdoor Dining areas and improve accessibility for people with a disability as part of Splash Adelaide. Adelaide City Council has an ongoing commitment to making Adelaide more accessible for people with mobility challenges (including those with wheelchairs, vision-impairment and older people). Council offered financial incentives for venues to make their outdoor dining more access friendly. Venues were encouraged to take advantage of the incentives by purchasing wheelchair accessible tables or printing bigger menus, install different lighting or simply upgrade current seating arrangements.

Events in the City

These events ranged from private events such as wedding ceremonies and Christmas parties to major events such as Soundwave, Cirque du Soleil, Tour Down Under, Adelaide Fringe, Carols by Candlelight and the Adelaide Festival.

Adelaide City Council, together with the Department of Premier and Cabinet, welcomed home our **London 2012 Olympic and Paralympic athletes in a civic reception** held in the Town Hall and a public celebration in Rundle Mall.

The Lord Mayor's Christmas Tree Lighting was held in Victoria Square/Tarntanyangga. Trees and furniture in Victoria Square/Tarntanyangga were yarn bombed with items that had been knitted and donated by the community as part of the Christmas yarn bombing project. This included a beautiful knitted dress that adorned Queen Victoria. Music and dance performances entertained a crowd of over 3,000 people, with the evening culminating in the lighting of the Christmas tree.

Council's New Year's Eve

Celebrations were once again held in Elder Park with the historic rotunda showcased in colourful light creating a beautiful back drop for the event stage. Over 25,000 people witnessed the spectacular fireworks launched from barges on the Torrens at the family friendly time of 9 pm and then again at midnight to ring in the New Year.

Adelaide's New Year's Eve event showcased over 25 South Australian musicians and live music was also presented over five nights on the Balcony of the Adelaide Town Hall during the Fringe Festival in 2013.

During the year Council also partnered with various organisations to deliver major events including the **Credit Union Christmas Pageant** and the **ANZAC Day Commemoration**.

Council committed to providing funding support to Martin Elbourne as a Thinker in Residence who is also receiving support from Arts SA to undertake research and present findings on a **Live Music Action Strategy**.





Rundle Lantern

The Rundle Lantern is a unique canvas that uses computer controlled LEDs to illuminate 748 square panels to deliver a platform for digital art. Constructed around the Rundle Street UPark, its purpose is to enrich, invigorate and enliven the intersection of Rundle Street and Pulteney Street.

In 2012–13, we experienced one of the most notable updates to the Rundle Lantern since its original launch – an exciting new development which enables you to send simple specific Tweet animations to the Lantern and see them lit up on screen. It is a collaboration between Adelaide City Council and Fusion, combining a creative idea on social engagement with technical innovation. It will brighten that area of the city in the evenings and offer real-time engagement for the community.

Public Art

This strategic plan provides Council with a framework for the city's annual public art commissioning program and prioritises artworks for certain areas of the city to take advantage of capital works projects and major developments such as the Rundle Mall and Victoria Square/Tarntanyangga upgrades.

The following Public Art Projects were completed during 2012–13:

- » The 2013 City of Adelaide Award was presented to Jenna Pippett and artworks were acquired by Hailey Lane as part of the Helpmann Academy Graduate Exhibition
- » Major Commission in partnership with the Institute for Photonics and Advanced Sensing (IPAS):
- » 'Sensing with Light' led by artist John Tonkin (continues to be developed through three preliminary stages of concept and design development)
- » Rundle Street Integrated Public Art Masterplan (IPAM), design development of community sculptural mural for Bent Street relating to Aboriginal place connection and plants (in progress)
- » Special project funding for temporary hire of artworks – sculpture in Pilgrim Place: 'Meganaut Ultra (fragment)' by Roy Ananda 2012; sculpture at Dequetteville Terrace: 'Tree' by Craige Andrae 2012

Memorials

- » The Aboriginal and Torres Strait Islander War Memorial at the Torrens Parade Ground Gardens was completed
- » RAAF War Memorial at Torrens Parade Ground Gardens was granted Council approval and installed

The development and implementation of the 2012–2016 Public Art Action Plan saw \$174,000 of Arts and Cultural Grants endorsed and distributed. Public Art continues to deliver projects like the Bent Street Mural and Sensing with Light, and manage Public Art assets like the Blyth Street Light Boxes and Mural Art and Sculpture Hire programs.

Public Art grants for 12 projects including temporary installations, soundscapes, murals and digital works for the Rundle Projector and the Rundle Lantern have been realised or are in progress.

Outcome 3: Creative City

Sponsorship Program

Council provided over \$1.6 million in sponsorship funding to support 31 events including OzAsia Festival, the Australian International 3 Day Event and Australian University Games. These events brought over 3 million people into the city and generated an estimated economic benefit in excess of \$190 million.

2012 Scouts Rally SA	\$1.5k
2012 SALA Festival	\$20k
2012 Adelaide International Guitar Festival	\$5k
2012 Eid al Fitr	\$2.75k
2012 OzAsia Festival	\$20k
2012 Malaysian Carnival	\$7.5k
2012 Australian University Games	\$35k
2012 Christmas Pageant Trail (80th Anniversary)	\$22k
2012 CheeseFest	\$13k
2012 Eid ul Udha	\$2.75k
2012 Transitions International Film Festival	\$1.5k
8th Korean Culture and Food Festival	\$7.5k
2012 Christmas Pageant	\$75k
2012 Feast Festival	\$30k
2012 Australian International 3 Day Event	\$55k
2012 Carols by Candlelight	\$50k
2013 World Tennis Challenge and Be Active Challenge	\$10k
2012 Laziza Mediterranean Festival	\$7k
2013 Australia Day	\$165k
2013 Tour Down Under	\$210k
2013 Symphony Under the Stars	\$30k
2013 Adelaide Fringe	\$265k
2013 Adelaide Festival	\$450k
2013 Womadelaide	\$35k
2013 African Festival	\$6.5k
2013 Indian Mela	\$7k
2013 Indofest	\$10k
Jam Factory's 40th Anniversary	\$1.5k
2013 Open House Adelaide	\$10k
2013 Come Out Festival	\$35k
2013 Adelaide Cabaret Festival	\$25k



Outcome 4: Liveable City



People of all ages, cultures and means actively participate in the life of the city while a diverse residential population supports a thriving city with neighbourhoods, streets and public spaces that are safe and welcoming places that promote social interaction. There are sustainable and diverse housing choices within walking distance of jobs, education, shops, services, health care, parks, entertainment and diverse recreation options.

During 2012–13, Adelaide City Council supported wellbeing through community development and recreation and sport grants, noise management incentives and support services through community centres, libraries, community gardens and an active calendar of community events.



ERGO Apartments in Sturt Street

This is a unique affordable housing development that integrates excellence in design with sustainable living to provide quality homes for those seeking an inner-city life. A key aspect of the design is the 'permeable' nature of the site which will allow residents to traverse and enjoy the site by way of footpaths and landscaped areas. The development will contribute to a vibrant neighbourhood in the south west corner of the city by allowing residents to be within walking distance of their jobs, educational facilities, shops, services, health care, parks and entertainment. Stage 1 construction of 73 apartments and one commercial tenancy was 50% complete in June 2013.

Digital Hub

As part of Council's objective to improve community literacy in information and communication technology, a new digital hub was installed at the Grote Street Library. The Digital Hub provides access to learning, services and ideas and will be further enhanced in 2013–14 with the new City Library being delivered by Council.

Community Centres

During 2012–13 Adelaide City Council's Community Centres provided a range of opportunities that connect people with their local neighbourhood by organising events such as Neighbour Day in Garden East and a community seating and garden initiative in Hocking Court.



Inside Adelaide printed and online magazine

Produced both in the print and online realms, Inside Adelaide, enabled Adelaide City Council to shine a light on the fantastic work being achieved in collaboration with the city community and stakeholders. Four issues of the print version were published, each time being distributed to over 13,000 city residents, businesses and key touch points, both Council owned and independent. The online version of Inside Adelaide published 65 stories, attracting 19,781 visits and 13,468 unique visitors to the website and holding a strong presence on the City of Adelaide social media accounts.

Already Home city living marketing campaign

Already Home continued to market the city as a vibrant and liveable destination, publishing 35 stories from 24 different Adelaide residents, recording 18,048 visits and hosting 12,533 unique visitors. The Already Home social media communities also grew significantly, attaining 1,470 new Twitter followers for a total of 2,352, and 355 new Facebook page likes for a total of 1,666.





Outcome 4: Liveable City

Community Gardens

Council supports community gardens in the city and there are a number of community gardening initiatives happening in the city that residents can become involved in. The Box Factory Community Centre at 59 Regent Street Adelaide has table gardens available for community use while the Tynte Community Garden behind the North Adelaide Post Office has unique raised garden beds for community use.

Home and Community Care (HACC) Program

Adelaide City Council delivered programs and services that are inclusive of the needs of isolated and marginalised groups and we were compliant in all areas which led to a successful audit of the Home and Community Care (HACC) Program. Community Centres delivered learning initiatives that maximised participation in community life such as the Buddy program for isolated residents.

Food Health and Safety

Adelaide City Council delivers a service to the community by implementing environmental health and food safety inspections to ensure high standards of cleanliness and quality are met by all food businesses.

'Be Active in the City'

Adelaide City Council offers a recreation and fitness program in city squares and parks and this is promoted to residents and city workers.

North Adelaide Golf Course

New initiatives to increase the awareness of the offering that Adelaide City Council has for recreational and sporting activities such as golf were delivered in the form of fun idea such as Supa Golf which caters for kids and people who are new to golf with oversized colourful golf clubs and golf balls and an amended set of rules.

Adelaide Aquatic Centre

The facilities at the Adelaide Aquatic Centre have been undergoing large scale improvements for some years now and throughout that time the service offerings at the Centre have been continuing and many people have enjoyed swimming, diving, children's parties and working out at the gym. The staff at the Adelaide Aquatic Centre are committed to providing excellent customer service and professional sport and aquatic lessons and development.

Adelaide City Council Emergency Plan 2012–2016

Approved by Council on 16 April 2013, the Adelaide City Council Emergency Plan 2012–2016 defines the future development of emergency management for Adelaide City Council. The Plan guides resourcing and planning improvements for Council's emergency management role in the city over the period 2012–2016. Six projects have been identified for completion to improve Council's readiness for a major emergency. To ensure a best practice model for emergency planning and emergency preparedness is in place, we partnered with experts in emergency management to create the Adelaide City Council Emergency Plan 2012–2016.

Your Say Adelaide website

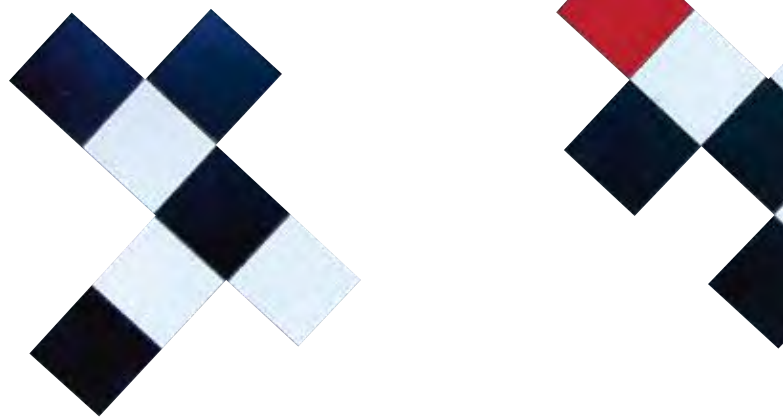
Council utilised the Your Say Adelaide website to engage the community on a wide range of decisions and city projects. Currently the site attracts over 6,000 unique visits each month.

Reconciliation Committee and Action Plan

Initiatives such as the development of the Aboriginal Employment Action Plan and the NAIDOC week celebrations were implemented by Council as part of the aim to strengthen reconciliation practices. A new protocol for 'Welcome to Country' and 'Acknowledgement of Country' was developed and a new Reconciliation Action Plan will be developed in 2013–14.

Your Say
Adelaide





Outcome 5: Prosperous City



The city has a clear competitive offering that attracts investment and talent and a supportive business environment that assists city businesses and their workforces to thrive and prosper. Innovative and entrepreneurial businesses collaborate to underpin a diverse economy and a city with a reputation for quality education and research.

During 2012-13, Adelaide City Council's 'one-stop-shop' for small business - **Enterprise Adelaide** - worked with retail businesses, potential start-ups and existing city businesses by providing information, advice, case management and referrals.



City Growth Initiatives

A targeted investment attraction program for the retail sector is underway. The South Australian Government is working with us to promote Adelaide as a location for retail investment for major European retail chains. Collateral has been developed and distributed to key stakeholders and a distribution channel developed with the commercial retail industry in Adelaide. Engagement with property owners in the Rundle Mall precinct continues in order to explore opportunities for co-contribution to activation projects that complement the redevelopment project.

Adelaide City Council supported the Rundle Mall Management Authority (RMMA) and the Adelaide Central Market Authority (ACMA) in the promotion and activation of retail offerings and visitation to those busy precincts. Go to Part 2 of this document to find more information about the performance of these two wholly owned Council subsidiaries in promoting retail offerings and attracting investment and vibrancy in Adelaide.

Council is developing a strategy for the retail sector in the city, in partnership with RMMA and South Australian Tourism Commission (SATC) and this strategy is scheduled for completion in December 2013. Adelaide is developing an emerging creative and innovative entrepreneurial community. Adelaide City Council has engaged with the community to co create initiatives to develop, encourage and support entrepreneurs. Throughout the year Adelaide City Council supported the internationally.



Council continues to develop and manage opportunities for sector growth through relationships and partnerships with education providers, government agencies, peak bodies, and commercial groups.

A key example comes in the relationship with Education Adelaide to support the promotion of Adelaide as a study destination, enhance the student experience of the city and facilitate the development and management of education infrastructure, including student housing.

Enterprise Adelaide

In order to facilitate business capability and growth of city businesses, Adelaide City Council's Enterprise Adelaide, a '**one-stop-shop**' for small business support and advice, delivered a Digital Enterprise Program workshop series to 80 people. The program will continue in 2013-14 and individual one-to-one mentoring sessions have commenced with good participation rates and positive responses. Thirty businesses commenced the Skills for the City Program developed and delivered by TAFE SA awarding Certificate IV in Small Business upon completion. An Economic Forum was arranged in partnership with Commonwealth Bank with 114 people attending and providing positive feedback.

Outcome 5: Prosperous City



New model for precinct groups

Adelaide City Council developed and delivered a new model for model for governance and funding of precinct groups to enable better economic outcomes and more vibrant places by a process of engagement and co-creation with precinct groups. This new model was considered in the context of Council's evolving placemaking concept and implementation processes. During 2013–14, engagement will occur between Council and representatives of precincts in order to initiate implementation of the new model which is based on a place-led approach to precinct development.

Visitor Information Service

Adelaide City Council continued to provide a service to visitors to the city by having an information service in Rundle Mall and at the Central Market. This is an important and valuable free service that supports retailers, tourism operators and the economy of the state of South Australia. Volunteers provide information and assist visitors and they are supported by Council employees.

'Connect Adelaide' Digital Strategy

Council showed its commitment to improving digital literacy and access to digital technology by the community and businesses by expanding the coverage and speed of the city's public Wi-Fi network.

“ Council's “Connect Adelaide” strategy saw the introduction of a digital enterprise training and advice program for city businesses to maximise opportunities enabled by the National Broadband Network and provided new and improved on-line services for enhanced customer service.





Outcome 6: Environmentally Sustainable City



A city that continues to adapt to climate change and uses water and energy efficiently, natural resources wisely, reduces waste and has ecological systems and habitats that thrive and enrich the city.

During the year Adelaide City Council continued to lead by example in implementing energy saving initiatives and recycling activities in our work places. Council's action plans were produced using an evidence-based approach to analyse trends and establish targets and priorities in the areas of climate change and environmental sustainability and they deal with energy management, water security, climate change adaptation, waste management, biodiversity and water quality.

During 2012–13, Council focussed on reaching energy and water efficiency targets, increased recycling and building the capacity of the city's people and places. We sought innovative ways to seek efficiencies in resource use to deliver financial returns.

Environmental sustainability and climate change adaptation

During 2012–13, Adelaide City Council worked with the community to find placemaking solutions that consider environmental sustainability and climate change. Adelaide City Council conducted energy audits at the East End apartments to assist with identifying energy efficiency measures for consideration by the Strata Building Management Committees.

Energy efficient lighting

Council completed the installation of more LED lights to replace current lighting at London Road Works Depot and Adelaide Town Hall.

Partnerships with South Australian Government

During the year some existing marketing collateral on how to save energy was translated into five languages other than English and work is in progress to finalise a series of images around energy use and efficiency.

Home and Community Care Home Energy Efficiency Project

A total of 13 city residents participated in the Home and Community Care Home Energy Efficiency Project to both improve comfort and reduce energy. In partnership with the South Australian Government, a series of images around energy use and efficiency were completed.

Energy and Carbon Emissions

Council has a target to reduce energy use by 15% by 2015 and for annual carbon emissions to not exceed 14,000 tonnes CO₂-equivalent. Council's 2011/12 energy and emissions inventory found energy use continued to decline and emissions were below the threshold. The carbon price from 1 July 2012 contributed to a large one-off price increase and prices are expected to increase during the next two years due to a number of factors. Investment by Council in energy efficiency projects is needed to manage costs and meet targets.

The City of Adelaide's community emissions inventory found that although energy use had changed little, overall a 7% decrease in city carbon emissions had occurred since 2006/07. This reflects various policy settings, particularly the connection of more than 20% renewable electricity to the State's grid.

Growth targets in the State Government's 30-Year Plan for Greater Adelaide will potentially lead to increases in energy use and carbon emissions. The challenge is to ensure a low carbon energy supply that is secure and sufficient for the city's growth.

The CitySwitch initiative continued to provide assistance to city office tenants through the NABERS Energy Rebate Scheme. Approximately 50% of city emissions are from commercial buildings and to address this, Australian best practice for office tenants is CitySwitch, a national initiative of the Council of Capital City Lord Mayors and 17 % of Adelaide's floor area is already participating which is a high relative figure. Discussions are underway to potentially offer funding models to encourage energy efficient retrofits of office buildings.

Transport is the source of 47% of city emissions and Council is working on initiatives to ensure transport-related emissions are considered in transport planning. While residential emissions are only a small percentage (3%), increasing electricity costs are a risk to the city's growth prospects and Council will work to build capability in managing these escalating costs and will provide incentives for the adoptions of renewable energy technology.



Outcome 6: Environmentally Sustainable City

Waste collection service solutions for high density living

Council works with apartment communities to develop a waste management and recycling system that meets community wishes, meets Council's waste management obligations and delivers improved recycling outcomes. This project involved extensive consultation to determine shared objectives, trials and audits of changed waste service, involvement of residents in trials and development of solutions and active buy-in from Strata Committees, real estate management and businesses.

Recycling

Adelaide City Council Community Centres are assisting with implementing positive changes in our communities and offering free services such as mobile phone recycling, green bins for kitchen caddy bags, garden compost, community gardens and fresh herbs and vegetables. There is also a home energy kit available for local residents to borrow and take home and do an energy audit.



Hazardous Waste

Adelaide City Council offers a free service to residents to dispose safely of the household chemicals such as aerosol cans, floor polishes, oven cleaners, bathroom cleaners, nail polish, paint stripper, solvent-based glues, varnish, fertiliser, pesticides, rat poison, batteries, motor oil and other chemicals that are not able to be disposed of in rubbish bins.

Collaboration

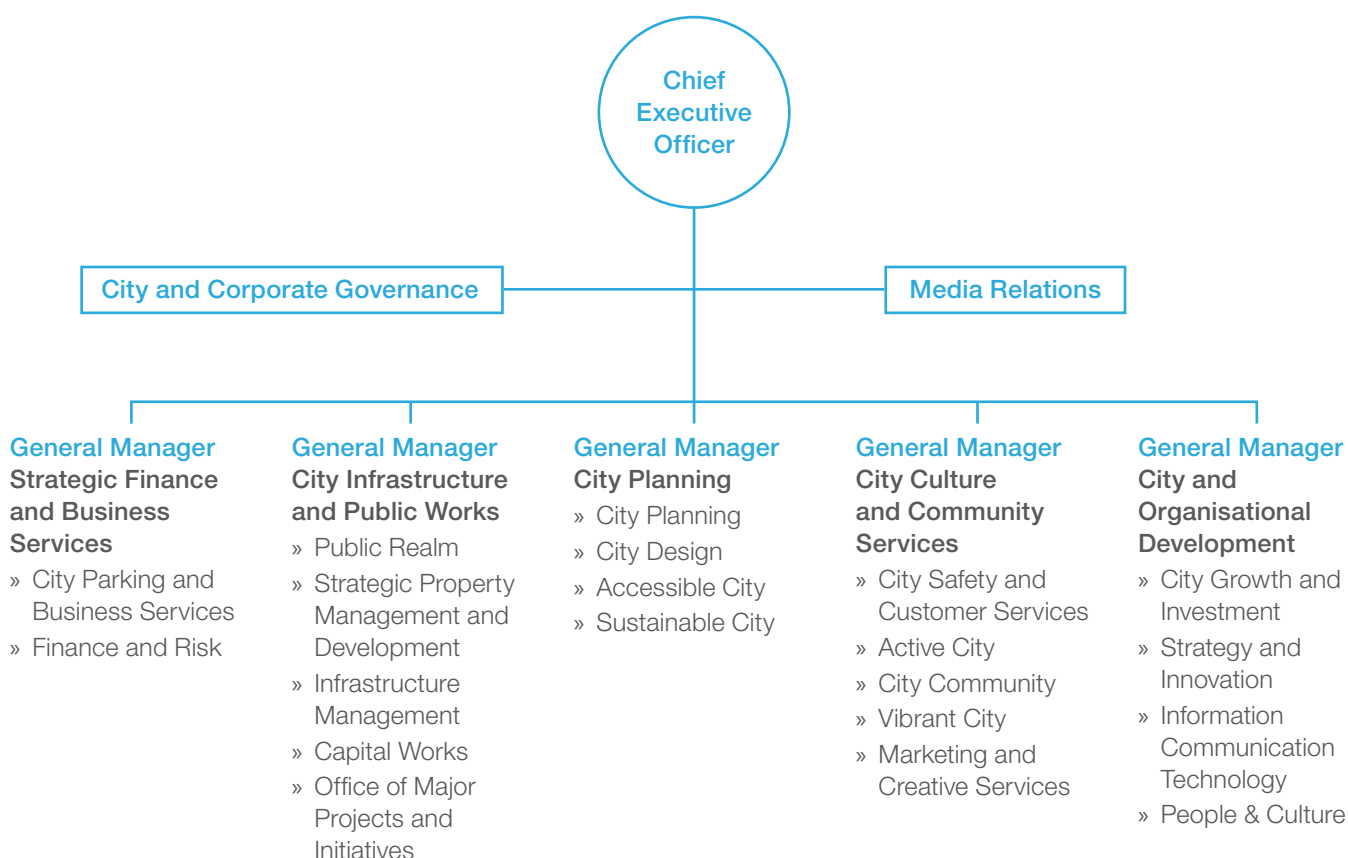
We worked with inner rim Councils towards a consolidated and coordinated approach with the goal of achieving common goals and efficient services. Adelaide City Council partnered and shared resources to deliver a successful Household Hazardous Waste Collection Day with City of Unley, City of Mitcham and Zero Waste SA as well as e-waste collection services and disposal while partnering with Solo Resource Recovery, Tech Collect (National Approved Provider) and City of Charles Sturt.



One City, One Team

Our Organisational Structure

Our organisational structure is designed to facilitate the delivery of our six strategic outcomes and is made up of five Portfolios within which associated Programs sit. The structure has evolved over the last twelve months to better support the outcomes of both the Strategic and Corporation Plans and is represented in the diagram below.



Our Leadership Group

Our Executive Leadership Group (ELG) is made up of the Chief Executive Officer (CEO) and five General Managers. Our ELG is responsible for leading and developing Council and Corporate programs, as well as building organisational capability and culture required to achieve our strategic outcomes.

As at 30 June 2013, the following six people held Senior Executive Officer positions with Council:

Name	Position Title
Peter Smith	Chief Executive Officer
Jane Booth	GM City & Organisational Development
Sandy Verschoor	GM City Culture & Community Services
David Chick	Acting GM City Planning & Development
Neil Brown	GM City Infrastructure & Public Works
Mike Philippou	Acting GM Strategic Finance & Business Services

Remuneration packages for Senior Executive Officers ranged from \$228,277 per annum to \$385,000 per annum and were inclusive of 9% compulsory superannuation.

All packages include the option of a motor vehicle for unrestricted private use and an allowance for membership fees for two relevant professional associations. All Senior Executive Officers are allocated \$2,000 per annum for their professional development.

Our Employees

At Adelaide City Council we have a diverse range of employees representing the community we serve. As well as spanning a wide age range, and many cultural backgrounds, we have a clear gender balance across our workforce and are confident the variety of flexible work arrangements offered to our people support the retention of key talent.



We have a dedicated group of volunteers who provide invaluable support to the city, our communities and the Corporation.

In addition to flexible working arrangements, our employees also benefit from a value-based culture and a supportive, friendly work environment. There are numerous opportunities for our employees to contribute to the community and there are a diverse range of roles where community engagement is paramount.

Council offers many opportunities for career progression as well as support for further training and development, including tertiary study assistance.

Family-friendly conditions prevail and healthy lifestyle programs are offered to employees. Access to a 24/7 Employee Assistance Program is available to those who need it.

Competitive remuneration packages are offered and Income Protection is also available. Adelaide City Council has an active social club which contributes to the wellbeing of employees.

SAFETY CONSCIOUS

The Council acknowledges its duty of care to all people who may present at our workplaces and recognises the importance of developing and maintaining a safety culture based on a collaborative system of continuous work, health and safety (WHS) improvements.

Over the last 12 months we have developed our Work Health and Safety and Injury Management (WHS & IM) System which focuses on addressing:-

1. Culture and Health and Wellbeing;
2. Continuous improvement; and
3. Compliance Programs.

Safety Symposium 2012

In 2012, we were faced with two significant WHS milestones, namely an audit by WorkCover against our Performance Standards for Self Insurers, and the harmonisation of the new Work Health and Safety Act and Regulations 2012. The Safety Symposium was held to assist the organisation to prepare for these events and ensured all of our Leaders were informed about the audit and their WHS roles and responsibilities.

As a result of the 2012 WorkCover Audit, we developed a three year action plan designed to focus on areas that required improvement, highlighted by the audit, in preparation for the next full WorkCover evaluation cycle and to ensure our conformance and compliance.



Our Workplace

Health and Wellbeing

This year saw the implementation of a revitalised Health and Wellbeing Program, named energize by our people, to assist employees with developing and maintaining a healthy lifestyle.

The Health & Wellbeing Program comprises individual programs and initiatives including health assessments, skin cancer screening, health coaching, online programs and flu vaccinations. Over 550 of our employees have participated in one or more of the programs this year.

Organisational Culture and Effectiveness

We continue to work hard towards creating a constructive, high performing culture at Adelaide City Council – a work environment where our people feel valued and supported. Building a constructive culture will help us achieve our Corporation's vision of "One City, One Team".

This year our employees participated in two important surveys, Your Voice and Human Synergistics Organisational Culture Inventory (OCI) and Organisational Effectiveness Inventory (OEI), both helped us understand more effectively how we are progressing towards our preferred culture.

The results from the OCI and OEI further highlighted that:

- » Our employees have an emerging sense of the shared vision for Adelaide City Council, and;
- » Many of our employees see a future for themselves at Adelaide City Council.

Our Leadership Development

These survey results also highlighted the need to improve collaboration and communication across the organisation.

In addition, two-thirds (64%) of our employees had their say via the Your Voice Survey. Of these employees :

- » 84% told us that they feel proud to work at Adelaide City Council, and;
- » 75% believe strongly in the Council's Strategic and Corporation Plan

They also gave us feedback around opportunities for improvement across the organisation, including how we collaborate and share information, and action plans have since been developed across all teams to ensure we capitalize on these opportunities. This will be a key focus of the next 12 months as we continue with our journey towards "One City, One team".



We recognise that our leaders have a significant part to in shaping our culture. We have undertaken a number of initiatives to support the development of new and existing leaders within our organisation.

One of the most significant leadership initiatives is the Human Synergistics Life Styles Inventory (LSI), a leadership development diagnostic tool which provides insights and understanding of leadership styles and their effectiveness. By the end of FY 2013, 56% of leaders had undertaken the Life Styles Inventory and our commitment is ongoing with the remainder of our leaders participating in FY 2014. As additional support, our leaders are provided with follow-up coaching and mentoring.

Emerging Leaders

The Emerging Leader Program is a professional development opportunity focused specifically on leadership in Local Government. The Program aims to develop people who will lead Local Government in South Australia in the future and utilises the resources of the Local Government sector to provide practical experiences of leadership and focussed training. This is an intensive program and each year Adelaide City Council award a much coveted sponsorship – this year saw two employees receive sponsorship.

LGMA Challenge

The LGMA Australasian Management Challenge is Australia and New Zealand's premier forum for current and emerging local government leaders aimed at delivering personal, team and organisational professional development.

This year we entered a team of 6 employees from across the Corporation and were proud to be recognised as one of the top 3 entries for a paper discussing 'How can your council develop connections, networks and leaders'.

A member of the team also had the opportunity to further discuss their findings at the 2013 LGMA National Congress and Business Expo held in Hobart in May 2013.

Our Employee Development

At Adelaide City Council we are committed to providing ongoing personal and professional development in order to meet individual development needs as well as encouraging employees to pursue their own learning and development goals.

As part of this commitment this year Adelaide City Council partnered with Maxima and offered 3 Scholarship Opportunities in a Diploma of Frontline Management. This has been a great opportunity for participants to collaborate across the council network, share their experiences and apply their learning along the way.

Orientation

We continue to improve our orientation program to provide all new employees, volunteers and work experience students with a robust and value adding introduction to Adelaide City Council. The program provides participants with an increased understanding and awareness of the policies, procedures, history, reward and recognition programs, compliance information, technical systems and benefits of working within the Adelaide City Council. The program focuses on giving all new starters at Adelaide City Council a conceptual understanding of the Council and its daily functions as well as underpinning this with knowledge specific to their role and technical and practical aspects to assist in the on-boarding experience.

Reward and Recognition

At Adelaide City Council we recognise and reward positive behaviours and when employees go above and beyond their normal responsibilities or duties and continue to explore ways to acknowledge established skills and experience and transfer them to new emerging talent. We have recognised and rewarded our people at Adelaide City Council this year through:

Blue Awards

Also known as the Employee of the Year Award is an end of year celebration for all employees and volunteers to acknowledge their achievements across a range of categories. This year we saw the following categories being celebrated:

- | | |
|---------------------------------------|-----------------------------|
| » Emerging Leader Award | » CEO Leadership Award |
| » Employee of the Year Award | » Volunteer of the Year |
| » Advancing Women in Local Government | » One Team Award |
| » Innovation Award | » Customer Commitment Award |
| » Integrity Award | » Collaboration Award |

Employee of the Month

The Employee of the Month is awarded within portfolios to someone who has been nominated by peers or Managers for a significant achievement or exhibiting positive behaviour.

Service Awards

Monthly morning teas with the CEO are held for employees celebrating 15, 20, 25 years (or more), who also receive a certificate and gift.



City Governance

Council's Decision-making Structure

Pursuant to section 41 of the *Local Government Act 1999*, Council may establish committees to:

- » assist it in the performance of its functions
- » inquire into, and report on, matters within the ambit of its responsibilities
- » provide advice
- » exercise, perform or discharge delegated powers, functions or duties

Council

Leadership and Legislative Responsibility

Council's Core Advisory Committees

» City Planning and Development Committee	» City Culture and Community Services Committee
» City Infrastructure and Public Works Committee	» Finance and Corporate Governance Committee

Other Council Committees

» Audit Committee	» Reconciliation Committee
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Panel

» Development Assessment Panel (DAP)

Subsidiaries

» Adelaide Park Lands Authority (APLA)	» Rundle Mall Management Authority (RMMA)
» Adelaide Central Market Authority (ACMA)	

Associated entities

» Waste Care SA (WCSA)	» Council Solutions Regional Authority (CSRA)
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The administrative arm of Council, known as the Corporation, also has various internal working groups to inform its decision-making. All meetings for the purpose of decision-making of the Council or a committee are open to the public unless the meeting decides to exclude the public based on the relevant sections of the *Local Government Act 1999*.

Documentation for each meeting (agenda with reports/attachments and minutes) can be accessed on Council's website (adelaidecitycouncil.com). Hard copies of the agendas (with reports and attachments) are made available to the public at the Customer Centre and in the meeting rooms before the meetings.

Hard copies of the minutes are available from the Customer Centre within five days of the meeting, without charge. Council met fortnightly commencing at 6.00 pm and its four core advisory committees met on a monthly basis and the Development Assessment Panel met fortnightly on Mondays starting at 5.30 pm. Council is the main decision-making body.



CITY OF ADELAIDE

Council and Council Meetings

Public forum

In addition to requests to be heard as a deputation, a meeting of Council provides an opportunity for the Lord Mayor and Councillors to hear members of the public in a formal setting in relation to issues in which the Council has a direct interest or responsibility. Guidelines and a registration form for the public forum are available on Council's website (adelaidecitycouncil.com).

Role of Council and Council Meetings

Adelaide City Council is established to provide for the government and management of the Adelaide City Council area at the local level and, in particular to act as a representative, informed and responsible decision-maker in the interests of its community; provide and coordinate various public services and facilities; develop its community and resources in a socially just and ecologically sustainable

manner; encourage and develop initiatives within its community for improving the quality of life of the community; represent the interests of its community to the wider community; and exercise, perform and discharge the powers, functions and duties of local government in relation to its area.

Council Meetings

Thirty five meetings of Council were held between 1 July 2012 and 30 June 2013. The attendance record is below:

Elected Member of Council	Meetings	Attended
Lord Mayor Stephen Yarwood (Presiding Member)	35	29
Deputy Lord Mayor Michael Llewellyn-Smith AM* (Deputy Presiding Member)	35	28
Councillor David Plumridge AM**	35	31
Councillor Houssam Abiad	35	22
Councillor Susan Clearihan	35	31
Councillor Mark Hamilton	35	28
Councillor Megan Hender	35	28
Councillor Michael Henningsen	35	31
Councillor Natasha Malani	35	31
Councillor Anne Moran	35	33
Councillor Sandy Wilkinson	35	31
Councillor Anthony Williamson	35	33

*Cr Llewellyn-Smith AM became Deputy Lord Mayor on 6 December 2012 and will remain so until 31 January 2014

**Cr Plumridge AM was Deputy Lord Mayor until 5 December 2012

City Governance

Committees

These committees were formed under Section 41 of the *Local Government Act 1999* as advisory committees to Council. Council does not delegate any of its powers to the committees and accordingly, all decisions of committees constitute recommendations to Council. Meetings are operated in accordance with the provisions of the *Local Government Act 1999* and the provisions of parts 1, 2, 3 and 4, in particular, part 2 – Meetings of Councils and Key Committee contained in the Local Government (Procedures at Meetings) Regulations 2000.

Pursuant to section 90(1) of the *Local Government Act 1999*

Adelaide City Council is fully committed to the principle of open and accountable government, a commitment which recognises that on some occasions it may be necessary to restrict public access to discussions or documents. Due diligence and professional consideration are applied to ensure compliance.

In accordance with section 90(1) of the *Local Government Act 1999* (the Act), all meetings held by Council and its committees were conducted in a place open to the public. On every occasion that the provision to exclude (within section 90(2) of the Act) was exercised, the minutes of the meeting included the proceedings making the order and the grounds on which the order was made in accordance with section 90(7) of the Act.

Adelaide City Council considers that possible embarrassment or loss of confidence in the Council or a committee is irrelevant when considering whether or not to exclude the public from a meeting. On every occasion that a meeting used the provision contained in section 91(7) of the Act to order that a document or part of it be kept confidential, each order contained an instruction on the requirements, namely the duration of the order, the review date and the delegation to review/revoke, as identified in section 91(9) of the Act.



City Governance

Committees

City Planning and Development Committee

Council has established a Strategic Planning and Development Policy Committee (*S101A Development Act 1993*) which is known as the City Planning and Development Committee.

Role:

To make recommendations to Council on the overall priorities, strategies and policies related to achieving Council's Strategic Plan 2012–16 outcomes: City of Great Places; Accessible City; Prosperous City; and Environmentally Sustainable City

Functions

- » Provide advice to Council in relation to creating a city that is well designed, planned and developed while respecting the city's unique heritage and Park Lands
- » Provide advice to Council in integrating transport planning and land use planning and ensuring that transport and parking meets the needs of all visiting and moving around the city
- » Provide advice to Council that promotes and supports economic prosperity, employment and investment in the city
- » Provide advice to Council that will prepare the city for climate change and environmental sustainability

City Planning and Development Committee Attendance	Meetings	Attended
Lord Mayor Stephen Yarwood	13	10
Councillor Natasha Malani (Chair)*	13	13
Councillor David Plumridge AM (Deputy Chair) **	13	12
Deputy Lord Mayor Councillor Michael Llewellyn-Smith AM***	13	12
Councillor Houssam Abiad	13	7
Councillor Susan Clearihan	13	11
Councillor Mark Hamilton	13	8
Councillor Megan Hender	13	11
Councillor Michael Henningsen	13	12
Councillor Anne Moran	13	10
Councillor Sandy Wilkinson	13	10
Councillor Anthony Williamson	13	13

*Cr Malani was Deputy Chair for period July 2012 to December 2012 and Cr Malani is Chair for period December 2012 until the end of Council term

**Cr Plumridge AM is Deputy Chair for period December 2012 to December 2013

***Cr Llewellyn-Smith AM was Chair for period July 2012 to December 2012

Committees

City Culture and Community Services Committee

Role:

To make recommendations to Council on the overall priorities, strategies and policies related to achieving Council's Strategic Plan 2012–16 outcomes Creative City and Liveable City.

Functions

- » Provide advice to Council in ensuring the city is positioned as the State's hub for recreation, culture, artistic activities and exciting events
- » Provide advice to Council in relation to providing opportunities for the community to be active, maintain their health and participate in recreation and community sports programs
- » Provide advice to Council that will facilitate the development of a strong and productive community and promote participation, volunteering and strong community life
- » Provide advice to Council that delivers services which help people live, use or visit the city safely

City Culture and Community Services Committee Attendance	Meetings	Attended
Lord Mayor Stephen Yarwood	12	8
Councillor Megan Hender (Chair)*	12	10
Councillor Susan Clearihan (Deputy Chair)**	12	11
Councillor Houssam Abiad	12	7
Councillor Mark Hamilton	12	8
Councillor Michael Henningsen	12	11
Deputy Lord Mayor Councillor Michael Llewellyn-Smith AM	12	11
Councillor Natasha Malani	12	12
Councillor Anne Moran	12	10
Councillor David Plumridge AM	12	11
Councillor Sandy Wilkinson	12	11
Councillor Anthony Williamson	12	12

*Cr Hender was Deputy Chair for period July 2012 to December 2012 and Cr Hender is Chair for period December 2012 until the end of Council term

**Cr Clearihan was Chair for period July 2012 to December 2012 and Cr Clearihan is Deputy Chair for period December 2012 to December 2013

City Governance

Committees

City Infrastructure and Public Works Committee

Role:

To make recommendations to Council on the planning, coordination and execution of major projects, capital and public works to support overall priorities, strategies and policies related to achieving Council's Strategic Plan 2012–16 outcome: City of Great Places. It is also concerned with the Corporation Plan 2012–16 aspiration of: Professional Administrator.

Functions

- » Provide advice to Council in relation to creating a city that is well designed, planned and developed while respecting the city's unique heritage and Park Lands
- » Provide advice to Council in ensuring the public realm is clean, well presented and beautifully maintained
- » Provide advice to Council that supports cost effective and efficient delivery and management of new and existing infrastructure and assets to achieve Council's priorities

City Infrastructure and Public Works Committee Attendance	Meetings	Attended
Lord Mayor Stephen Yarwood	14	12
Councillor Michael Henningsen (Chair)*	14	13
Councillor Sandy Wilkinson (Deputy Chair) **	14	13
Councillor Houssam Abiad***	14	8
Councillor David Plumridge AM****	14	14
Deputy Lord Mayor Michael Llewellyn-Smith AM	14	10
Councillor Susan Clearihan	14	12
Councillor Mark Hamilton*****	6	3
Councillor Megan Hender	14	12
Councillor Natasha Malani	14	10
Councillor Anne Moran	14	13
Councillor Anthony Williamson	14	14

*Cr Henningsen is Chair for period December 2012 until the end of Council term

**Cr Wilkinson is Deputy Chair for period December 2012 to December 2013

***Cr Abiad was Deputy Chair for period July 2012 to December 2012

****Cr Plumridge AM was Chair for period July 2012 to December 2012

*****Cr Hamilton invoked the provision of Standing Order 11.8 and effective 5 December 2012, no longer served on the City Infrastructure and Public Works Committee and the Finance and Corporate Governance Committee

Committees

Finance and Corporate Governance Committee

Role:

To make recommendations to Council on the overall priorities, aspirations and policies related to corporate governance and finance to support the Corporation Plan 2012–16 aspirations of: Brilliant Service Provider; Trusted Partner; Professional Administrator; High Achieving Team; Best Practice Organisation.

Functions:

- » Provide advice to Council that supports effective and accountable governance for the City of Adelaide
- » Provide advice to Council to oversight those activities of Council which cut across multiple programs such as development of the Strategic
- » Plan, Business Plan and Budget and monitoring performance through the City and Council scorecards
- » Provide advice to Council that supports the achievement of greater accountability for public expenditure

Finance and Corporate Governance Committee Attendance	Meetings	Attended
Lord Mayor Stephen Yarwood	14	9
Councillor Houssam Abiad (Chair)*	14	8
Councillor Anne Moran (Deputy Chair)**	14	12
Councillor Susan Clearihan	14	12
Councillor Mark Hamilton***	7	3
Councillor Megan Hender	14	12
Councillor Michael Henningsen****	14	13
Deputy Lord Mayor Michael Llewellyn-Smith AM	14	8
Councillor Natasha Malani	14	9
David Plumridge AM	14	14
Councillor Sandy Wilkinson	14	13
Councillor Anthony Williamson	14	13

*Cr Abiad is Chair for period December 2012 until the end of Council term

**Cr Moran is Deputy Chair for period December 2012 to December 2013 and Cr Moran was Chair for period July 2012 to December 2012

***Cr Hamilton invoked the provision of Standing Order 11.8 and effective 5 December 2012, no longer served on the City Infrastructure and Public Works Committee and the Finance and Corporate Governance Committee Cr Henningsen was Deputy Chair for period July 2012 to December 2012

****Cr Henningsen was Deputy Chair for period July 2012 to December 2012

City Governance

Committees

Reconciliation Committee

The Adelaide City Council Reconciliation Committee has a membership of eleven, comprising the Lord Mayor (Ex Officio), three Council Members, three strategic agency representatives, a Kurna Nation Cultural Heritage Association Committee representative and three Aboriginal and/or Torres Strait Islander Community representatives.



The Reconciliation Committee's role is to:

- » Recommend to Council an annual Reconciliation Action Plan (schedule of reconciliation initiatives) that demonstrates Council's commitment to reconciliation
- » Provide input to policy development and strategic advice to Council across areas likely to impact on Aboriginal and Torres Strait Islander people as requested by Council or resolved by the Committee
- » Promote a positive image to the general public of Aboriginal and Torres Strait Islander people, facilitate reconciliation between the city's diverse communities and contribute to the education and awareness of the city's communities about the diversity of Aboriginal and Torres Strait Islander cultures
- » Monitor the implementation of the guiding principles of Council's Reconciliation Vision Statement across Council

The Reconciliation Committee operates in accordance with the provisions of the *Local Government Act 1999* and the provisions of Parts 1, 3 and 4 in the *Local Government (Procedures at Meetings) Regulations 2000*.



Committees

Audit Committee

The Audit Committee comprises the Lord Mayor, one Councillor and three independent representatives and has been established for the purpose of addressing legislative function; monitoring the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain; internal control and risk management systems; whistle blowing; strategic management plans and annual business plans; other Investigations; internal audit and external audit.

The Audit Committee conducts its business in accordance with the provisions of the *Local Government Act 1999* and the provisions of Parts 1, 3 and 4 in the Local Government (Procedures at Meetings) Regulations 2000.

Panel

Development Assessment Panel

The City of Adelaide Development Assessment Panel (DAP) is comprised of four Council members and five independent members, with each independent member having qualifications and expertise in one or more of the following disciplines: urban planning; architecture and/or urban design; environmental and/or heritage management; property management and/or development; planning law or environmental law and/or corporate governance; and strategic, transport, infrastructure and/or social planning.

The role of the Development Assessment Panel is to facilitate the expeditious assessment of applications made to the Council, Council established the City of Adelaide Development Assessment Panel as the relevant authority to exercise or perform its powers and functions in accordance with the *Development Act 1993*.

The Local Government Act 1999 does not apply to, or relate to, the Development Assessment Panel (including with respect to its members when acting under Section 56A or its processes or procedures). The Panel has Terms of Reference, a Code of Practice, an Instrument of Delegation and a Policy for Applying Delegations which was determined by Council and is reviewed annually by Council.

All meetings of the panel are open to the public unless the meeting decides to exclude the public having taken into account the relevant requirements of the *Development Act 1993*. Documentation for each meeting [agenda with reports/attachments and minutes] can be accessed on Council's website. Hard copy agenda [with reports/attachments] are available from the Customer Centre and in the meeting room for the Panel before the meeting. Hard copies of the minutes are available from the Customer Centre within five days of the meeting. The City of Adelaide Development Assessment Panel operates in accordance with the provisions of the *Development Act 1993*, its Terms of Reference, Code of Practice, Instrument of Delegation and a Policy for Applying Delegations.

City Governance

Adelaide Park Lands Authority

The Adelaide Park Lands Authority is a partnership project between the State Government and Adelaide City Council to protect and foster the interests of the Adelaide Park Lands as set out in the Statutory Principles of the Adelaide Park Lands Act 2005. The Authority is the principal advisor to both Council and State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands is responsible for:

- » preparing and maintaining the Adelaide Park Lands Management Strategy
- » delivering the Strategy by providing policy advice on the full range of issues involving the Park Lands
- » guiding Council and State Government agencies in management of the Park Lands
- » ensuring that appropriate specialist expertise is brought to bear in advising on Park Lands

The Authority meets monthly in the Colonel Light Room in the Adelaide Town Hall. Agendas for these public meetings can be found on Council's website and are also available in the meeting venue.

Membership of the Adelaide Park Lands Authority comprises:

- » The Lord Mayor or, if the Lord Mayor chooses not to be a member of the Authority, a person appointed by the Adelaide City Council; and
- » Four other members appointed by Council; and
- » Five members appointed by the Minister responsible for the *Adelaide Park Lands Act 2005*.

During 2012–2013 the following individuals served as members of the Authority:

The Right Honourable the Lord Mayor Stephen Yarwood (Presiding Member)

Appointment commenced 6 December 2010 with the first meeting of the current Council.

Appointed by Statute – Section 6 (1) of the Adelaide Park Lands Act 2005

Ms Mary Marsland PSM (Deputy Presiding Member)

Appointment commenced 12 February 2009 and re-appointed 13 February 2012 (expiring 12 Feb 2015)

Councillor David Plumridge AM

Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 Nov 2014)

Councillor Anne Moran

Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 Nov 2014)

Councillor Michael Henningsen

Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 Nov 2014)

Councillor Anthony Williamson

Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 Nov 2014)

The late Hon. Frank Blevins

Appointment commenced 18 February 2010 (expired 15 Feb 2013)

Ms Jane Chapman

Appointment commenced 12 February 2009 and re-appointed 13 February 2012 (expiring 12 Feb 2015)

Dr Rosemary Anne Sharp

Appointment commenced 18 February 2010 (expired 15 Feb 2013)

Ms Gunta Groves

Appointment commenced 18 February 2010 (expired 15 Feb 2013)

Hon. Ian Gilfillan

Appointed 13 February 2011 as Deputy for Gunta Groves (expired 15 Feb 2013)

City Governance

Allowances for Elected Members of Council

The Lord Mayor and Councillors received the following annual allowance from Council for performing and discharging official functions and duties.

Elected Member	Allowance
Lord Mayor Stephen Yarwood	\$127,358
Deputy Lord Mayor Dr Michael Llewellyn-Smith AM (was not Deputy Lord Mayor for entire 2012–13 Financial Year)	\$23,479
Councillor Houssam Abiad	\$18,241
Councillor Susan Clearihan	\$18,241
Councillor Mark Hamilton	\$18,241
Councillor Megan Hender	\$18,241
Councillor Dr Michael Henningsen	\$18,241
Councillor Natasha Malani	\$18,241
Councillor Anne Moran	\$18,241
Councillor David Plumridge AM (former Deputy Lord Mayor)	\$22,113
Councillor Sandy Wilkinson	\$18,241
Councillor Anthony Williamson	\$18,241

Training and Development –Elected Members of Council

Elected Member	Training and Development
Lord Mayor Stephen Yarwood	» National Urban Policy Conference » Australian Institute of Company Directors » Bike Futures Annual Conference 2012
Deputy Lord Mayor Dr Michael Llewellyn-Smith AM	» LGA Annual General Meeting and Conference » LGA National General Assembly Conference » Planning Institute – Brian Hayes QC interviews the Premier » AIUS Adelaide's Transport Future
Councillor Houssam Abiad	» Company Director Course through the Australian Institute of Directors
Councillor Susan Clearihan	» Main Street SA State Conference 2013 » AIUS "Renewal SA, New Opportunities" » AIUS Adelaide's Transport Future
Councillor Mark Hamilton	» AIUS Robyn Archer » AIUS Growing Pains
Councillor Megan Hender	» Futures Thinking and Strategy Development Conference
Councillor Dr Michael Henningsen	
Councillor Natasha Malani	» Velo-City Vienna Registration » AIUS Cassandra Tombs
Councillor Anne Moran	
Councillor David Plumridge AM	» Ben Hewett AIUS Design Review Seminar » Tim Horton AIUS Seminar
Councillor Sandy Wilkinson	» Tim Horton AIUS Seminar » AIUS Growing Adelaide Seminar » Main Street SA State Conference 2013
Australian Heritage Week Conference	» AIUS Adelaide's Transport Future
Councillor Anthony Williamson	» Main Street SA Stage Conference 2013 » AIUS "Renewal SA, New Opportunities"

City Governance

Confidentiality Provisions – Pursuant to Sections 90 and 91 of the Act

Section 90(2) of the *Local Government Act 1999* (the Act) enables a meeting of Council or a committee to determine an order that the public be excluded from attendance at so much of a meeting as is necessary to receive and discuss, or consider in confidence, any information or matter as prescribed in section 90(3) of the Act.

Number of times confidentiality provisions used:

	Section 90(2) of the Local Government Act 1999	Section 91(7) of the Local Government Act 1999
Council	67	84
City Planning and Development Committee	15	16
City Culture and Community Services Committee	9	13
City Infrastructure and Public Works Committee	6	21
Finance and Corporate Governance Committee	22	22
Audit Committee	10	11
Total	129	167

Confidentiality Provisions – Pursuant to Sections 90 and 91 of the Act

The table below identifies the number of times a given provision under **Section 90 (3)** of the *Local Government Act 1999* was utilised to exclude the public:

(a) Information, the disclosure of which, would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)	11
(b) Information, the disclosure of which (i) Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the Council and (ii) would, on balance, be contrary to the public interest	6
(c) Information, the disclosure of which would reveal a trade secret	–
(d) Commercial information of a confidential nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party and (ii) would, on balance, be contrary to the public interest	9
(e) Matters affecting the security of the Council, members or employees of the Council, or Council property, or the safety of any person	–
(f) Information, the disclosure of which, could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial	–
(g) Matters that must be considered in confidence in order to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty	–
(h) Legal advice	15
(i) Information relating to actual litigation, or litigation that the Council or Council committee believes on reasonable grounds will take place, involving the Council or an employee of the Council	2
(j) Information, the disclosure of which would (i) divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person, or (ii) on balance, be contrary to the public interest	17
(k) Tenders for the supply of goods, the provision of services or the carrying out of works	3
(m) Information relating to a proposed amendment to a Development Plan under the Development Act 1993 before a Plan Amendment Report relating to the amendment is released for public consultation under that Act	6
(n) Information relevant to the review of a determination of a Council under the Freedom of Information Act 1991	–
(b) & (d) Combination of provisions above	81
(b), (d) & (h) Combination of provisions above	5
(b), (d) & (i) Combination of provisions above	1
(b), (d) & (j) Combination of provisions above	1
(d) & (j) Combination of provisions above	2
(g), (h) & (i) Combination of provisions above	1
(h) & (i) Combination of provisions above	7

City Governance

Procurement Policies and Procedures

Council's Procurement Policy ensures that all procurement activities deliver the following key objectives:

- » providing for equitable and ethical behaviour in all procurement activities and fair treatment of suppliers
- » obtaining value for money
- » negotiated outcomes
- » ensuring probity, accountability and transparency
- » effective management of the end to end procurement lifecycle
- » identification and management of risks
- » consideration of community impact, including 'buy local' where allowed; and
- » delegated signing authority

A Procurement Policy review was completed in the 2012–13 business year. Council formally adopted the updated policy on the 23rd July 2013.

Council reserves the right to undertake open or selected tenders whenever it considers appropriate. In circumstances where Council enters into purchasing contracts other than those resulting from a tender process, Council will record the reasons for entering into those contracts and retain the records as appropriate. When Council is purchasing goods, works or services where the estimated level of expenditure is between \$50,000 and \$100,000, formal quotations will usually be obtained and where the estimated level of expenditure exceeds \$100,000 Council will usually call for formal tenders.

Council is committed to achieving value for money in the procurement of goods and services that provide benefit to the community and to supporting the economic, environmental, cultural and social life of the city.

The Procurement Policy is designed to drive processes that are consistent, transparent and cultivate a competitive environment. The processes for tenders, formal quotes and registrations of interest are built to deliver value, achieve high quality and manage the attendant risks, including sustaining appropriate standards of workplace health and safety.

The policy also seeks to advance good ethical practice and ensure an open, fair and competitive process that provides equal opportunities to participants. Other standards, codes and guidelines may be relevant to Council's tendering practices. The principles of the policy are consistent with national codes and standards.

Contract Management

A central team provides support and advice across Council to promote a high standard of contract management. This is to optimise contractor performance throughout the life of the contract and drive value for money. Certain key contracts are managed centrally and a new software system has been implemented to administer contract data and provide additional tools to improve process rigor.

The Adelaide City Council is committed to high standards of corporate governance and accountability. This statement has been prepared to provide a broad description on internal controls and risk management, contributing to the governance of Council.



City Governance

National Competition Policy

Competitive Neutrality

Principles of competitive neutrality are designed to neutralise any net competitive advantage that a government or local government agency engaged in significant business activities would otherwise have, by virtue of its control by the government or local government, over private business operating in the same market.

Adelaide City Council has a complaints mechanism in place and in 2012–13 no complaints were received with regard to Competitive Neutrality.

Significant Business Activities

In 2012–13, there has been no commencement or cessation of significant business activities controlled by Council and the competitive neutrality measure applied to each significant business activity has continued. The sale of the Wingfield Waste and Recycling Centre site will occur in the next reporting year.

Category 1 applies to business activities with annual revenue in excess of \$2 million or employing assets with a value in excess of \$20 million:

Business Activity	Type	CRP/COR/COM*	Comments
UPark	Council	COM	Providing 6,118 car parking spaces at nine multi-story car parks.
Adelaide Aquatic Centre	Council	COM	Recreation, leisure and aquatic sports facility
Adelaide Golf Links	Council	COM	Three golf courses (two 18-hole and one par 3) and clubhouse
Central Market	Subsidiary	COM	A world renowned food market with 85 stalls

Category 2 applies to all other significant business activities:

Business Activity	Type	CRP/COR/COM*	Comments
Wingfield Waste & Recycling Centre	Council	COM	Waste management for the wider Adelaide metropolitan area.
Waste Care	Regional Subsidiary	COM	Joint subsidiary of six councils to operate a transfer station for waste
Adelaide Town Hall	Council	COM	Venue hire for a range of events and functions.
Ergo (Sturt Street Housing Project)	Council	COM	A property development project of 177 apartments in partnership with Hindmarsh Development Australia.

*CRP = Cost Reflective Pricing, COR = Corporatisation, COM = Commercialisation

All Council business activities include checks for competitive neutrality. In setting fees and charges, Council has taken into account relevant Government legislation and policies, community service obligations and impact on residents, ratepayers and visitors to the City of Adelaide, efficient allocation of Council resources and funds to reflect best value practices, impact on competitors – actual and potential – and local, State and national economies and Council policies.

Risk Management Framework

The Audit Committee was established pursuant to Section 126 of the *Local Government Act 1999*, to assist the Council discharge its responsibilities. Reporting to Adelaide City Council, the Audit Committee provides advice and recommendations on matters relevant to its Terms of Reference in order to facilitate decision making by the Committee and Council in regards to financial reporting, internal control and risk management, whistle-blower protection, internal audit and external audit.

Adelaide City Council maintains an **Internal Audit function** which reports to management and the Audit Committee. The role of the Internal Auditor is to assist Council and the Chief Executive Officer meet their assurance obligations relating to the corporate governance, systems of internal controls and identifying more efficient and effective processes. The Internal Audit function is contracted to KPMG for a period of 3 years, expiring in 2015. The Internal Audit plan is reviewed and endorsed by the Audit Committee and the committee is presented with the audit findings each quarter.

Pursuant to Section 128 of the *Local Government Act 1999*, the External Auditors appointed by Council are BDO Audit Partnership (SA). To maintain the highest standards of corporate governance in relation to auditor independence, the External Auditors are excluded from providing non-audit service to Council. Non-audit services are defined as any service provided by the External Auditor under engagement with the Council outside the scope of the external audit. The Audit Committee reviews the scope and progress of the annual audit in accordance with its Terms of Reference.

Adelaide City Council manages strategic and emerging, operational, and financial risks through its Enterprise Risk Management Framework which has been developed in accordance with International Standards IEC/ISO 31000. The Enterprise Risk Management Framework was developed as a result of a comprehensive review of Adelaide City Council's Risk Management Framework commissioned by the Chief Executive Officer in 2009–10. Supporting this framework is a high level Strategic Risk & Internal Audit Group comprising of management, Internal Auditors and the members of the Audit Committee by invitation.

Council's Risk Management Framework provides for annual and ongoing risk assessments of business plans and initiatives. Risks identified through this process are managed and mitigated through the inclusion in various work plans and programs of the council for implementation throughout the financial year, including the Internal Audit function.

The framework ensures risks and internal controls are identified, assessed and properly managed and reported on, and that appropriate and effective policies and operating guidelines are in place. Such a process ensures that Council is able to achieve its strategic goals and that the Lord Mayor and Councillors fulfil their legislative roles.

City Governance

Documents Available to the Public

List of registers

List of registers required to be kept under the *Local Government Act 1999*, *Local Government (Elections) Act 1999* and the *City of Adelaide Act 1998*:

- » Members Register of Interests
- » Members Register of Allowances and Benefits
- » Officers Register of Remuneration, Salaries and Benefits (Register of Salaries)
- » Officers Register of Interests
- » Campaign Donations & Expenses Returns
- » Community Land
- » Register of Public Roads
- » By-Laws and Certified Copies

Codes of Conduct or Practice

List of Codes of Conduct or Practice required to be kept under the *Local Government Act 1999*, *Local Government (Elections) Act 1999*, *City of Adelaide Act 1998*, *Adelaide Park Lands Authority Charter and the Development Act 1993*:

- » Caretaker Policy*
- » Code of Conduct: Lord Mayor and Councillors*
- » Training and Development Policy for Council Members*
- » Code of Practice for Access to Meetings and Documents
- » Code of Practice for the Conduct of Council/ Committee meetings when the Local Government (Procedures at Meetings) Regulations 2000 are varied*
- » Employee Code of Conduct
- » Code of Conduct (Board members of the Adelaide Park Lands Authority and Adelaide Park Lands Authority Charter)
- » Code of Conduct (Development Assessment Panel)

Agendas and minutes, policies, the strategic plan, and annual reports are available from Council's website.

*Standing Orders of the Corporation of the City of Adelaide contain and address the requirements of legislation.

Freedom of Information Requests

There were 44 requests for information from 1 July 2012 to 30 June 2013 made under the Freedom of Information Act. In summary:

New Applications	43
Applications brought forward from previous year	1
Access granted in full	16
Access granted in part	19
Access refused (includes records which do not exist)	7
Transferred	0
Closed/Withdrawn	0
Undetermined at 30 June	2
Internal Review – Decision Confirmed	0
Internal Review – Decision Varied	0

Enquiries or requests for information under the Freedom of Information Act should be forwarded to:

Freedom of Information Request
Adelaide City Council, GPO Box 2252,
Adelaide SA 5000

Section 270 Reviews

During 2012–13, Council received nine applications for the review of decisions made under Section 270 of the *Local Government Act 1999*.

The details of these reviews follow:

Date	Matter	Outcome
July 2012	Direction to cease placing handbills on vehicles	Direction compliant with By-Law No 4.
October 2012	Refusal to grant discretionary rate rebate	Decision reasonable and in accordance with the Local Government Act 1999 and Council policy.
October 2012	Allocation of street numbering	Decision to issue particular street number appropriate and in accordance with Council policy.
December 2012	Reduction in number of resident parking permits for property	Correction of error in previous number of permits issued to property. Decision made in accordance with Council policy.
December 2012	Parking infringement issued due to contravention of Private Parking Areas Act.	Agreement in place with owner of private parking area and infringement issued appropriately.
February 2013	Development overseeing neighbouring property	All parties carried out action in accordance with legislation and DAP decision.
March 2013	Tender Process	All parties to tender were provided the same information and opportunities. Process was fair and equitable to all parties.
April 2013	Salt damp in garage of private property	Administration took all action it was legislatively able to.
May 2013	Non acceptance of late Expression of Interest.	Late submission did not meet any requirement for acceptance. Administration acted fairly and equitably to all parties and in accordance with EoI terms and conditions.

City Governance

Council's Representation Quota

The total representation quota is the number of electors for each Elected Member, including the Lord Mayor.

In April 2012, the total representation quota was 1:1937 and the total number of electors was 23,249 on the combined Council and State Roll.

Adelaide City Council's representation quota compares with other similar councils (using the Australian Classification of Local Governments) as set out in the table below.

The representative structure is as follows:

Lord Mayor to be elected at large and 11 Councillors elected as representative of three wards and the area as a whole. Each ward is to be represented by two Councillors and the area as a whole is to be represented by five Area Councillors.

A review of the representative structure was commenced in March 2012 and will continue until December 2013.

The community has been invited to participate in the Representation Review process and make submissions in accordance with Council's Public Communication and Consultation Policy.

Council	Number of Electors	Representation Quota
Adelaide	24,569	1:2047
Charles Sturt	75,249	1:4426
Marion	58,961	1:4535
Port Adelaide Enfield	73,157	1:4064
Salisbury	84,289	1:4958
Tea Tree Gully	70,278	1:5406
Onkaparinga	111,188	1:5294

Community Land and Council Facilities

Strategic Asset and Property Management

Adelaide City Council is required under the *Local Government Act 1999* to appropriately manage its property and infrastructure assets. Council has adopted Asset Management Plans for its major infrastructure and property assets and continues to drive towards best practice to ensure the management and maintenance of assets is efficient, responsive and driven to meet the needs of the city now and into the future. During 2012–13 the Strategic Asset and Property Management program contributed significantly to the ongoing successful management of Council property assets through some key initiatives.

Park Lands Property Strategy

Council has developed a Park Lands Property Strategy to address current tenure and building condition relating to buildings in the Park Lands that are leased to third parties. Implementation of The Park Lands Property Strategy commenced after its endorsement in January 2012. Since then the Administration has progressively entered into over 16 new lease negotiations with lessees of which 7 have been completed. The Park Lands Property Strategy aims to establish standard Lease and Licence Agreements which provide a clear and consistent approach to rental assessment and responsibility for repairs, maintenance and capital replacement. It will also support and encourage greater sharing and utilisation of Park Land properties.

Sale of 23–29 Coglin Street Adelaide

Council sold its interest in 23–29 Coglin Street to the Migrant Resource Centre of South Australia (MRCSA). The MRCSA had been a long standing tenant of Council operating a community centre as a complimentary facility to provide services to new arrivals since 2001. MRCSA purchased the property on the basis that the same range of community services continue to be provided from the Centre. Council was receptive to the proposal because it considered the new arrangements with MRCSA would strengthen Council's commitment to the provision of those community services offered by community centres as stated in the Council's Community Services Policy.

Community and Land Management Plans

Adelaide City Council is required under the *Local Government Act 1999* to prepare and implement Community Land Management Plans (CLMPs) for land owned or under its care control and management. CLMPs aim is to ensure the consistent and coherent management of community land. They identify appropriate land uses, provide clear guidance on maintenance and management, and ensure that the future needs of the community are adequately considered.

CLMPs reflect community values and wishes and result in enhancement and preservation of environmental, cultural, social and economic values; forward planning for capital works and maintenance; better decision making; anticipation of future community needs; and sustainable land uses and management practice.

As at 30 June 2013, CLMPs have been completed and endorsed for all the Adelaide Park Lands and Squares and all of Council's buildings and other land that are classified as Community Land including the North Adelaide Post Office Complex which was endorsed on 25 October 2012.

Adelaide City Council

Audited Financial Statements

for the year ended 30 June 2013



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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council's accounting and other records.

A handwritten signature in black ink, appearing to read 'P. Smith'.

Peter Smith
CHIEF EXECUTIVE OFFICER

A handwritten signature in blue ink, appearing to read 'Stephen Yarwood'.

Stephen Yarwood
LORD MAYOR

Dated the

17

day of

October 2013

Statement of Comprehensive Income

for the year ended 30 June 2013

		Consolidated	Consolidated
		2013	2012
	Notes	\$'000	\$'000
INCOME			
Rates	2	88,215	83,430
Statutory charges	2	16,889	15,921
User charges	2	60,095	54,950
Grants, subsidies and contributions	2	4,425	4,083
Investment income	2	942	1,519
Reimbursements	2	959	938
Other income	2	766	894
Net gain – joint ventures and associates	19	61	–
Total Income		172,352	161,735
EXPENSES			
Employee costs	3	58,824	55,600
Materials, contracts and other expenses	3	93,109	72,949
Depreciation, amortisation and impairment	3	31,717	28,416
Finance costs	3	255	757
Net loss – joint ventures and associates	19	85	78
Total Expenses		183,990	157,800
OPERATING SURPLUS / (DEFICIT)		(11,638)	3,935
Asset disposal and fair value adjustments	4	(6,315)	(5,340)
Amounts received specifically for new or upgraded assets	2	2,253	5,474
Physical resources received free of charge	2	–	825
NET SURPLUS / (DEFICIT)		(15,700)	4,894
Total Other Comprehensive Income		–	–
TOTAL COMPREHENSIVE INCOME		(15,700)	4,894

This Statement is to be read in conjunction with the attached Notes.

Balance Sheet

as at 30 June 2013

		Consolidated 2013 \$'000	Consolidated 2012 \$'000
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	5	11,649	17,817
Trade and other receivables	5	9,442	7,378
Inventories	5	459	370
Total Current Assets		21,550	25,565
Non-current Assets			
Assets held for sale	7	6,747	16,040
Equity accounted investments in Council businesses	6	86	109
Investment property	7	3,067	3,159
Infrastructure, property, plant and equipment	7	1,259,598	1,255,801
Total non-current assets		1,269,498	1,275,109
Total assets		1,291,048	1,300,674
LIABILITIES			
Current Liabilities			
Trade and other payables	8	27,027	17,641
Borrowings	8	1,182	4,228
Provisions	8	11,200	10,253
Total Current Liabilities		39,409	32,122
Non-current Liabilities			
Borrowings	8	2,255	2,751
Provisions	8	1,360	2,077
Total Non-current Liabilities		3,615	4,828
Total Liabilities		43,024	36,950
NET ASSETS		1,248,024	1,263,724
EQUITY			
Accumulated surplus		808,432	824,132
Asset revaluation reserve	9	439,592	439,592
TOTAL EQUITY		1,248,024	1,263,724

This Statement is to be read in conjunction with the attached Notes.

Statement of Changes in Equity

for the year ended 30 June 2013

	Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
2013	\$'000s	\$'000s	\$'000s
Balance at end of previous reporting period	824,132	439,592	1,263,724
Net surplus/(deficit) for year	(15,700)	–	(15,700)
Other comprehensive income			
Transfer to Accumulated Surplus on sale of infrastructure, property, plant and equipment	–	–	–
Balance at end of period	808,432	439,592	1,248,024
2012			
Balance at end of previous reporting period	814,560	444,270	1,258,830
Net surplus/(deficit) for year	4,894	–	4,894
Other comprehensive income			
Transfer to Accumulated Surplus on sale of infrastructure, property, plant and equipment	4,678	(4,678)	–
Balance at end of period	824,132	439,592	1,263,724

Cash Flow Statement

for the year ended 30 June 2013

		Consolidated 2013 \$'000	Consolidated 2012 \$'000
	Notes		
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		169,285	160,801
Investment receipts	2	942	1,519
Payments			
Operating payments to suppliers and employees		(116,629)	(119,337)
Finance payments		(255)	(757)
Net Cash provided by (or used in) Operating Activities		53,343	42,226
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets	2	2,253	5,474
Sale of replaced assets	4	547	868
Sale of surplus assets	4	2,200	1,190
Payments			
Expenditure on renewal / replacement of assets	7	(37,164)	(22,802)
Expenditure on new / upgraded assets	7	(23,813)	(21,347)
Net Cash provided by (or used in) Investing Activities		(55,977)	(36,617)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayments of borrowings		(3,686)	(3,475)
Net Cash provided by (or used in) Financing Activities		(3,686)	(3,475)
Net Increase (Decrease) in cash held		(6,321)	2,134
Cash and cash equivalents at beginning of period	11	17,282	15,148
Cash and cash equivalents at end of period	11	10,962	17,282

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation. The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 1 May 2011.

1.2 Principles of consolidation

The consolidated results in the financial report include all funds through which the Adelaide City Council controls resources to carry on its functions. In the process of reporting on the Adelaide City Council as a consolidated unit, all intra and inter entity balances and transactions have been eliminated. In the Council's financial statements, investments in subsidiaries are carried at cost. Adelaide Central Market Authority, Rundle Mall Management Authority and Adelaide Park Lands Authority are wholly owned subsidiaries of the Council incorporated in Australia and are included in the consolidated financial report.

1.3 Historical cost convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.4 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.5 Rounding

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

2 The local government reporting entity

Adelaide City Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at 25 Pirie Street, Adelaide. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

Expiation fees are recognised as income when control over the expiation fee is obtained. Accordingly, uncollected expiation fees are not recognised as income until payment is received. This is in recognition that Council does not have control over the assets comprising the expiation fees until payment is received or awarded to Council by the judicial system.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

4 Cash, cash equivalents and other financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

Inventories held in respect of stores and business undertakings have been valued at the lower of cost and net realisable value.

5.1 Real estate assets developments

Real Estate Assets developments have been classified as Inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost includes the cost of the acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other real estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

6 Infrastructure, property, plant and equipment and investment properties

6.1 Initial recognition

All assets are initially recognised at cost.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and

depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as infrastructure, property, plant and equipment.

6.2 Materiality

Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

6.4 Depreciation of non-current assets

Other than land and the civic collection, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture and Equipment	
Office Furniture and Equipment	3 to 10 years
Vehicles and Road-making Equipment	2 to 8 years
Other Plant and Equipment	5 to 15 years
Building and Other Structures	
Buildings – masonry	50 to 100 years
Buildings – other construction	20 to 40 years
Park Structures – masonry	50 to 100 years
Park Structures – other construction	20 to 40 years
Playground equipment	5 to 15 years
Benches, seats, etc	10 to 20 years
Infrastructure	
Sealed Roads – Surface	15 to 25 years
Sealed Roads – Structure	20 to 80 years
Bridges – Concrete	80 to 100 years
Paving and Footpaths	15 to 60 years
Kerb and Gutter	80 to 100 years
Drains	100 years
Culverts	80 years
Flood Control Structures	80 to 100 years
Reticulation Pipes – PVC	70 to 80 years
Reticulation Pipes – other	25 to 75 years
Pumps and Telemetry	15 to 25 years
Traffic Signals	30 to 50 years
Lighting and Electricals	30 years
Bus Shelters	20 years
Parking Machines	10 years
Sports Fields	0 to 20 years
Other Assets	
Library Books	4 to 7 years
Artworks	indefinite

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

6.5 Investment properties

Investment properties principally comprise buildings held for long-term rental and capital appreciation that are not occupied by the Council. Investment properties are initially recognised at cost, including transaction costs and then subsequently remeasured to fair value, based on similar assets, locations and market conditions. Annually fair value is reassessed as to its appropriateness. Movements in fair value are recognised directly to profit or loss.

Properties held for strategic purposes or where property is held to provide a social service, including those which generate cash inflows where the rental revenue is incidental to the purpose for holding the property are not classified as investment properties.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation, strategic purpose or provision of social service. The fair value at the date of change of use from investment properties to property, plant and equipment are used as deemed costs for the subsequent accounting. The existing carrying value of property, plant and equipment is used for the subsequent accounting costs of investment properties on date of change of use.

6.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.7 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods and services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments received in advance, deposits, retentions and bonds

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

9 Employee benefits

9.1 Salaries, wages and compensated absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted average discount rate 3.11 % (2012, 2.58%)

Weighted average settlement period 5 years (2012, 5 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

Council in respect of its employees supports two schemes, Local Government Superannuation Scheme and Corporation of the City of Adelaide Superannuation Plan. Both schemes are managed by Local Super.

Local Government Superannuation Scheme

This Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

The Scheme's Marketlink category receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Scheme.

The Scheme's Salary Link (Defined Benefit) Plan is a multi-employer sponsored plan. As the Scheme's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

Corporation of the City of Adelaide Scheme

The Scheme, closed to new members, supports Defined Benefit membership only. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in the income statement. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The defined benefit asset or liability recognised in the balance sheet represents the present value of the defined benefit obligation, adjusted for unrecognised past service cost, net of the fair value of the plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

10 Provisions for reinstatement, restoration, rehabilitation etc

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, and are carried at the net present value of estimated future costs. Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty.

11 Provision for carbon taxation

Council operates a landfill whose receivables are deemed to exceed 25,000 tonnes of carbon dioxide equivalent (CO₂e) emissions annually. In assessing Council's future liability to "carbon tax" regard has been had to the quantity and types of refuse received, estimated future CO₂e type gas emissions, estimates of the likely timing of such emissions, the potential offsets by collection of emitted gases and other methods, and estimates of future CO₂e permit prices. The resulting estimated liability and timing of future payments has been converted to present value using government guaranteed securities rates with similar.

12 Construction contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

13 Equity accounted council businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

14 Leases

Leases have been accounted for in accordance with Australian Accounting Standard AASB 117. In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

15 GST implications

In accordance with UIG Abstract 1031 "Accounting for the Goods and Services Tax":

- » Receivables and Creditors include GST receivable and payable.
- » Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- » Non-current assets and capital expenditures include GST net of any recoupment.
- » Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 2 – Income

	Consolidated 2013 \$'000	Consolidated 2012 \$'000
RATES REVENUES		
General rates	87,895	84,134
Less: Mandatory rebates	(3,905)	(3,791)
Less: Discretionary rebates, remissions and write offs	(322)	(280)
	83,668	80,063
Other rates		
Natural resource management levy	1,232	1,148
Rundle Mall separate levy	3,112	2,048
	4,344	3,196
Other charges		
Penalties for late payment	175	234
Legal and other costs recovered	29	–
	204	234
Less: Mandatory rebates	–	(60)
Less: Discretionary rebates, remissions and write offs	–	(3)
	88,215	83,430
STATUTORY CHARGES		
Development act fees	1,144	1,349
Animal registration fees and fines	21	21
Parking fines / expiation fees	14,675	13,540
Food inspections fees / fines	33	34
Section 7 searches	68	42
Encroachments fees	308	309
Outdoor dining fees	322	292
Temporary parking control permits	143	163
Residential parking permits	32	29
Water systems fees	55	39
Other fees, fines, penalties and expiations	88	103
	16,889	15,921

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 2 – Income (cont.)

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
USER CHARGES		
Adelaide Aquatic Centre charges	5,906	3,995
Adelaide Golf Links charges	1,785	1,936
Off-street parking	29,055	26,606
Adelaide Town Hall charges	1,154	1,083
Waste management fees	471	428
Property recovery	2,160	2,540
Property rental	7,972	7,960
Parking fees	10,009	8,989
Compost sales	440	403
Bus ticket sales	83	87
Park Lands events fees	147	143
Event fees	400	323
Rundle Mall	311	238
Library centre	79	94
Business development	90	82
Sundry	33	43
	60,095	54,950
INVESTMENT INCOME		
Interest on investments		
Local Government Finance Authority	4	22
Banks and other	744	1,335
Investment property rental income	194	162
	942	1,519

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 2 – Income (cont.)

	Consolidated 2013 \$'000	Consolidated 2012 \$'000
REIMBURSEMENTS		
for private works	727	766
other	232	172
	959	938
OTHER INCOME		
Sundry	766	894
	766	894
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts specifically for new or upgraded assets	2,253	5,474
Other grants, subsidies and contributions	4,425	4,083
	6,677	9,557
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	2,268	3,627
State government	4,140	5,894
Other	269	36
	6,677	9,557

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 2 – Income (cont.)

		Consolidated	Consolidated
		2013	2012
Notes		\$'000	\$'000
Conditions over grants and contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period			
		393	3,391
	Less: expended during the current period from revenues recognised in previous reporting periods – Infrastructure	(569)	(3,121)
	Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions – Infrastructure	256	123
	Unexpended at the close of this reporting period and held as restricted assets	80	393
	Net increase (decrease) in restricted assets in the current reporting period	(313)	(2,998)
PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
	Infrastructure	11	825
	TOTAL PHYSICAL RESOURCES RECEIVED	–	825

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 3 – Expenses

		Consolidated	Consolidated
		2013	2012
Notes		\$'000	\$'000
EMPLOYEE COSTS			
Salaries and wages		57,552	53,716
Employee leave expense		2,271	1,803
Superannuation – defined contribution plan contributions		5,087	4,471
Superannuation – defined benefit plan contributions	18	(4)	459
Superannuation – unfunded superannuation liability		169	278
Workers' compensation insurance		1,711	1,545
Income protection insurance		161	225
Less: capitalised and distributed costs		(8,123)	(6,897)
Total operating employee costs		58,824	55,600
Total Number of Employees			
(Full time equivalent at end of reporting period)		659	660
(Temporary full time equivalent at end of reporting period)		97	41
MATERIALS, CONTRACTS AND OTHER EXPENSES			
Prescribed expenses			
Auditor's remuneration			
Auditing the financial reports		41	45
Other services		16	24
Bad and doubtful debts		13	23
Carbon tax expense		28	–
Elected members' expenses		337	324
Operating lease rentals – non-cancellable leases	17	–	–
Minimum lease payments		5,779	4,778
Subtotal – prescribed expenses		6,214	5,194

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 3 – Expenses (cont.)

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
OTHER MATERIALS, CONTRACTS AND EXPENSES		
Advertising and promotion	2,886	3,136
Bank charges and cash collection	883	1,032
Catering	467	944
Cleaning	1,917	1,804
Communications	650	599
Contractors	10,022	9,961
Contractual expenses	1,430	–
Energy and water	7,935	7,218
Entertainment – council and civic events	55	39
External plant hire	889	446
Insurance	2,274	1,988
Investment property expenses	129	53
Legal expenses	1,789	2,082
Maintenance	4,423	4,532
Minor plant and equipment	489	370
NRM and other government levies	1,522	1,502
Parts, accessories and consumables	5,279	4,172
Printing, freight and postage	641	876
Professional services	6,105	6,475
Project related expenditure		
drainage and waterways	1,391	422
initiation and data collection	685	–
IT corporate system	982	–
lighting and electrical	88	3,872
park lands and squares	10,085	4,375
plant and equipment	999	–
property	5,776	2,142
roads and footpaths	3,156	162
street furniture	2,559	172
Rates and taxes	703	722
Registrations	182	177
Searches	636	583
Security	1,591	1,486
Sponsorships, contributions and donations	5,743	4,162
Subscriptions	660	549
Training and development	834	767
Waste services	958	896
Other	81	41
Subtotal – other materials, contracts and expenses	86,895	67,755
	93,109	72,949

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 3 – Expenses (cont.)

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation		
Land and buildings	9,977	8,976
Infrastructure	14,047	11,567
Equipment, furniture and fittings	3,669	5,034
Other assets	1,161	461
Impairment		
Impairment on transfer to assets held for sale	2,863	2,378
	31,717	28,416
FINANCE COSTS		
Interest on short-term borrowings	–	335
Interest on loans	255	422
	255	757

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 4 – Disposal of Assets

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	547	868
Less: Carrying amount of assets sold or disposed of	5,964	6,074
Gain (Loss) on disposal	(5,417)	(5,206)
<i>Assets surplus to requirements</i>		
Proceeds from disposal	2,200	1,190
Less: Carrying amount of assets sold or disposed of	3,098	1,324
Gain (Loss) on disposal	(898)	(134)
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	(6,315)	(5,340)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 5 – Current Assets

	Consolidated 2013 \$'000	Consolidated 2012 \$'000
CASH AND EQUIVALENT ASSETS		
Cash on hand and at bank	11,223	16,986
Deposits at call	426	831
	11,649	17,817
TRADE AND OTHER RECEIVABLES		
Rates – general and other	2,609	1,659
Accrued revenues	814	673
Debtors – general	3,622	2,635
GST recoupment	1,619	1,015
Prepayments	878	1,513
Total	9,542	7,494
Less: Allowance for doubtful debts	100	117
	9,442	7,378
INVENTORIES		
Stores and materials	230	74
Trading stock	205	222
Other	24	75
	459	370

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 6 – Non-Current Assets

		Consolidated	Consolidated
		2013	2012
	Notes	\$'000	\$'000
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
Adelaide Park Lands Authority	19	1	1
Council Solutions Regional Authority	19	61	–
Waste Care SA	19	23	108
		86	109

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 7 – Infrastructure, Property, Plant and Equipment

	2012 \$'000				2013 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Current Assets								
Assets held for sale	–	–	–	–	–	–	–	–
Non-Current Assets	–	–	–	–	–	–	–	–
TOTAL NON-CURRENT ASSETS HELD-FOR-SALE	16,040	–	–	16,040	6,747	–	–	6,747
Non-Current Assets								
Crown land	–	388,432	–	388,432	–	388,400	–	388,400
Park Lands improvements	51,328	8,218	(32,589)	26,957	51,282	11,452	(34,101)	28,633
Land	133,122	–	–	133,122	139,515	–	–	139,515
Buildings	395,188	33,936	(165,509)	263,616	393,955	41,300	(173,868)	261,387
Infrastructure	498,427	77,948	(240,397)	335,979	494,257	121,811	(254,363)	361,706
Equipment furniture and fittings	–	43,129	(24,957)	18,173	–	42,931	(27,111)	15,820
WIP	–	75,828	–	75,828	–	51,176	–	51,176
Other	11,282	5,601	(3,189)	13,693	11,282	6,033	(4,353)	12,961
TOTAL INFRASTRUCTURE, PROPERTY, PLANT ANDEQUIPMENT	1,105,387	633,093	(466,641)	1,271,840	1,097,038	663,103	(493,796)	1,266,346

Note 7 – INVESTMENT PROPERTY

Buildings and Structure	4,542	–	(1,383)	3,159	4,542	–	(1,475)	3,067
TOTAL INVESTMENT PROPERTY	4,542	–	(1,383)	3,159	4,542	–	(1,475)	3,067

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 7 – Infrastructure, Property, Plant and Equipment (cont.)

	2012	CARRYING AMOUNT MOVEMENTS DURING THE YEAR						2013
	\$'000	\$'000						\$'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment/ Expense	Transfers	CARRYING AMOUNT
		New/ Upgrade	Renewals					
Current Assets								
Assets held for sale	-	-	-	-	-	-	-	-
Non-Current Assets	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT ASSETS HELD-FOR-SALE	16,040	-	-	(3,098)	-	(2,863)	(3,332)	6,747
Non-Current Assets								
Crown land	388,432	-	-	-	-	-	(32)	388,400
Park Lands improvements	26,957	-	-	(32)	(1,526)	-	3,234	28,633
Land	133,122	-	-	-	-	-	6,393	139,515
Buildings	263,616	-	-	(1,233)	(8,359)	-	7,364	261,387
Infrastructure	335,979	-	-	(4,089)	(14,047)	-	43,863	361,706
Equipment furniture and fittings	18,173	-	-	(609)	(3,668)	-	1,925	15,820
WIP	75,828	23,813	37,164	-	-	(25,783)	(59,847)	51,176
Other	13,693	-	-	-	(1,164)	-	432	12,961
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT	1,271,840	23,813	37,164	(9,062)	(28,764)	(28,646)	-	1,266,346

Note 7 – INVESTMENT PROPERTY

Buildings and Structure	3,159	-	-	(92)	-	-	-	3,067
TOTAL INVESTMENT PROPERTY	3,159	-	-	(92)	-	-	-	3,067

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 7 – Infrastructure, Property, Plant and Equipment (cont.)

Valuation of Assets

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost for the purposes of AIFRS.

Park Lands

Park Lands, including city squares and sports fields, were internally valued at 30 June 2003 at deemed cost. All new assets acquired or constructed from the date of valuation are recorded at cost.

Park Lands Improvements

Park Lands Improvement assets were valued by Council officers at written down replacement cost during the reporting period ended 30 June 2003. All new assets acquired or constructed from the date of valuation are recorded at cost.

Land

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Land assets were valued by Maloney Field Services (Australia) Pty Ltd at current market value during the reporting period ended 30 June 2009. All new assets acquired or constructed from the date of valuation are recorded at cost.

Buildings

Buildings assets were valued by Maloney Field Services (Australia) Pty Ltd at written down current replacement cost during the reporting period ended 30 June 2009. All acquisitions made after the respective dates of valuation are recorded at cost.

Infrastructure

Infrastructure assets such as transportation, footpaths, stormwater drainage, etc. were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 2007. For assets such as significant bridges where internal expertise is not available external valuers are utilised. All acquisitions made after the respective dates of valuation are recorded at cost.

Equipment, Furniture and Fittings

Pursuant to Council's election, these assets are recognised on the cost basis.

Investment Property

The basis of valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing but no anxious parties in an arms length transaction, based on current prices in an active market for similar parties in the same location and subject to similar leases.

All investment properties are leased to tenants under long term operating leases with rentals payable monthly. Contractual obligations relating to the properties are disclosed in Note 14.

All other assets

Pursuant to Council's election, these assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk, and written out when fully depreciated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 8 – Liabilities

	Consolidated		Consolidated	
	2013		2012	
	\$'000		\$'000	
TRADE and OTHER PAYABLES	Current	Non-current	Current	Non-current
Goods and services	14,771	–	9,444	–
Payments received in advance	758	–	1,600	–
Accrued expenses – employee entitlements	1,408	–	996	–
Accrued expenses – other	6,723	–	1,993	–
Deposits, retentions and bonds	–	–	6	–
Other	3,368	–	3,602	–
	27,028	–	17,641	–
BORROWINGS				
Bank overdraft	688	–	535	–
Loans	494	2,255	3,693	2,751
	1,182	2,255	4,228	2,751

All interest bearing liabilities are secured over the future revenues of the Council.

PROVISIONS

Employee entitlements (including oncosts)	10,731	1,190	9,960	1,098
Employee entitlements – unfunded superannuation liability	7	146	7	314
Provision for taxation – carbon tax	4	24	–	–
Other	458	–	286	665
	11,200	1,360	10,253	2,077

Movements in Provisions – 2013 year only
(current and non-current)

	Future Reinstatement	Other Provision
Opening balance	–	951
Unused amounts reversed	–	(493)
Closing balance	–	458

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 9 – Reserves

ASSET REVALUATION RESERVE	1/07/2012	Net increments (decrements)	Transfers on sale	30/06/2013
	\$'000	\$'000	\$'000	\$'000
Land and buildings	183,762	–	–	183,762
Infrastructure	254,827	–	–	254,827
Other	1,003	–	–	1,003
Total Infrastructure, Property, Plant and Equipment	439,592	–	–	439,592
TOTAL	439,592	–	–	439,592

PURPOSES OF RESERVES**Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 10 – Assets Subject to Restrictions

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
CASH and FINANCIAL ASSETS		
Other unexpended amounts from other levels of Government	80	494
Other	360	337
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	440	831

The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance.

Trade and other payables	440	831
	440	831

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 11 – Reconciliation to Cash Flow Statement

		Consolidated	Consolidated
		2013	2012
Notes		\$'000	\$'000
(a) Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:			
Total cash and equivalent assets	5	11,649	17,817
Less: Short-term borrowings	8	(687)	(535)
Balances per cash flow statement		10,962	17,282

(b) Reconciliation of change in net assets to cash from operating activities

Net surplus (deficit)		(15,700)	4,894
Non-cash items in income statement			
Depreciation, amortisation and impairment		31,717	28,417
Equity movements in equity accounted investments (increase) decrease		23	78
Non-cash asset acquisitions		–	(825)
Grants for capital acquisitions treated as investing activity		(2,253)	(5,474)
Net (gain) loss on disposals		6,315	5,340
Projected related expenditure		25,783	11,989
		45,885	44,420
Add (less): changes in net current assets			
Net (increase) decrease in receivables		(2,064)	584
Net (increase) decrease in inventories		(89)	(1)
Net increase (decrease) in trade and other payables		9,381	(2,864)
Net increase (decrease) in other provisions		230	913
Net cash provided by (or used in) operations		53,343	42,226

(c) Non-cash financing and investing activities

Acquisition of assets by means of:			
Physical resources received free of charge	2	–	825
Amounts recognised in Income Statement		–	825

(d) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:			
Bank overdrafts		500	500
Asset finance – leasing		500	500
Corporate credit cards		600	332
Short term draw down facilities		40,000	40,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 12 – Functions

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY
ATTRIBUTED TO THE FOLLOWING FUNCTIONS and ACTIVITIES

	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT and NON-CURRENT)	
	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000	ACTUAL 2013 \$'000	ACTUAL 2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
City of Great Places	1,772	445	39,346		(37,574)	445	103	1,640		
Accessible City	50,836	1,922	17,766	33,344	33,070	(31,422)	420	1,864	124,481	18,179
Creative City	2,130	49,678	6,144	13,797	(4,014)	35,882	965	655	351,804	372,505
Liveable City	10,412	10,947	20,108	22,938	(9,696)	(11,991)	1,067	1,656	622,833	708,204
Prosperous City	3,529	2,510	6,491	8,107	(2,961)	(5,597)	47	180	130,857	144,805
Environmentally Sustainable City	15	50	1,425	1,359	(1,410)	(1,309)	115	44		
Delivering for our Future	103,658	96,182	92,709	78,255	10,948	17,926	3,960	3,518	61,073	56,982
TOTALS	172,352	161,735	183,990	157,800	(11,638)	3,935	6,677	9,557	1,291,048	1,300,675

Excludes net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures and associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

City of Great Places

City Design, City Planning and Public Realm

Accessible City

Accessible City

Creative City

Vibrant City

Liveable City

City Growth and Development, City Community, Active City, City Safety and Customer Services

Prosperous City

Economic Development

Environmentally Sustainable City

Sustainable City

Delivering for our Future

Finance, Procurement and Risk, Capital Works and Infrastructure Management, Marketing, Creative Services and Media, People and Culture, Information and Communication Technology, Strategic Asset and Property Management, Office of the Lord Mayor, Office of the CEO, Office of Major Projects and Initiatives, Office of General Managers and Executive Managers.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 13 – Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms and conditions: Deposits are at call and returning variable interest rates. Short-term deposits are invested in the LGFA or, in at call bank accounts depending on the interest rates at the time of investment.</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables – Rates and Associated Charges (including legals and penalties for late payment)	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms and conditions: Secured over the subject land, rates arrears attract interest of 8.25% (2012: 9.25%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the city.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Receivables – Fees and other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms and conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Receivables – other levels of government	<p>Accounting Policy: Carried at nominal value.</p> <p>Terms and conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth and State.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities – Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms and conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities – Interest Bearing Loans	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms and conditions: Secured over future revenues, loans may be either, repayable by equal six monthly instalments of principal and interest, or interest only. Loans are procured via a tender process and interest rates are secured at drawdown.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities – Finance Leases	<p>Accounting Policy: Accounted for in accordance with AASB 117.</p>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 13 – Financial Instruments (cont.)

	Receivable ≤ 1 year \$'000	Receivable > 1 year ≤ 5 years \$'000	Receivable > 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Value \$'000
Consolidated 2013					
Financial Assets					
Cash and equivalents	11,223	–	–	11,223	11,223
Receivables	9,442	–	–	9,442	9,442
Other financial assets	459	–	–	459	459
Total	21,124	–	–	21,124	21,124
Financial Liabilities					
Current borrowings	1,321	–	–	1,321	1,181
Non-current borrowings	–	2,534	–	2,534	2,256
Total	1,321	2,534	–	3,855	3,438
NET FINANCIAL ASSETS (LIABILITIES)	19,803	(2,534)	–	17,269	17,686
Consolidated 2012					
Financial Assets					
Cash and equivalents	16,986	–	–	16,986	16,986
Receivables	6,689	–	–	6,689	6,689
Other financial assets	831	–	–	831	831
Total	24,506	–	–	24,506	24,506
Financial Liabilities					
Current borrowings	4,550	–	–	4,550	4,228
Non-current borrowings	–	3,168	–	3,168	2,751
Total	4,550	3,168	–	7,718	6,979
NET FINANCIAL ASSETS (LIABILITIES)	19,956	(3,168)	–	16,788	17,527

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 13 – Financial Instruments (cont.)

The following interest rates were applicable to Council's financial assets at balance date:

	30 June 2013		30 June 2012	
	Weighted		Weighted	
	Average Interest	Carrying Value	Average Interest	Carrying Value
	Rate		Rate	
	%	\$'000	%	\$'000
Other Variable Rates	3.3	459	3.7	832
	3.2	11,223	4.0	16,986
		11,682		17,818

The following interest rates were applicable to Council's financial assets at balance date:

	30 June 2013		30 June 2012	
	Weighted		Weighted	
	Average Interest	Carrying Value	Average Interest	Carrying Value
	Rate		Rate	
	%	\$'000	%	\$'000
Overdraft				
Other Variable Rates	3.8	687	3.4	535
Fixed Interest Rates	5.3	2,751	5.9	6,444
		3,438		6,979

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 and 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk adverse manner.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 14 – Commitments for Expenditure

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
Capital Commitments		
Capital expenditure commitments at reporting date not recognised in the financial statements as liabilities:		
Land	1,413	861
Buildings, park lands and squares	35,639	1,342
Road and footpaths	22,662	26,726
Plant and equipment	537	3,077
	60,251	32,006
These expenditures are payable:		
Not later than one year	60,251	26,726

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 15 – Financial Indicators

	Consolidated		
	2013	2012	2011

These Financial Indicators have been calculated in accordance with Information Paper 9 – Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

Operating Surplus Ratio

Operating Surplus			
Rates – general and other less NRM levy	(13%)	5%	20%

This ratio expresses the operating surplus as a percentage of general and other rates, net of NRM levy.

Adjusted Operating Surplus Ratio	(14%)	5%	20%
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In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

Net Financial Liabilities Ratio

Net Financial Liabilities			
Total Operating Revenue less NRM levy	13%	7%	12%

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue (excluding NRM levy).

Asset Sustainability Ratio

Net Asset Renewals			
Depreciation expense	115%	77%	89%

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 16 – Uniform Presentation of Finances

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	Consolidated 2013 \$'000	Consolidated 2012 \$'000
Income	172,352	161,735
less Expenses	(183,990)	(157,800)
Operating surplus / (deficit) before capital amounts	(11,638)	3,935
add Projected related expenditure	25,783	11,164
Funding surplus before capital amounts	14,145	15,099
less Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	37,164	22,802
less Depreciation, amortisation and impairment	(31,717)	(28,417)
less Proceeds from sale of replaced assets	(547)	(868)
	4,900	(6,483)
less Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	23,813	21,347
less Amounts received specifically for New and Upgraded Assets	(2,253)	(5,474)
less Proceeds from sale of surplus assets (including investment property and real estate developments)	(2,200)	(1,190)
	19,360	14,683
Net lending / (borrowing) for financial year	(10,116)	6,898
Net Financial liabilities at beginning of year	(11,752)	(18,728)
less / (add) net gain / loss joint ventures and associates	23	78
less / (add) decrease / increase in inventories	(89)	(1)
Net financial liabilities at end of year	(21,933)	(11,752)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 17 – Operating Leases**Leases providing revenue to the Council**

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practical) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in note 2.

Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Leasees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
Not later than one year	4,918	5,445
Later than one year and not later than 5 years	9,586	11,821
Later than 5 years	30,219	31,298
	44,723	48,564

Lease payment commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

Contingent rental payments exist in relation to the lease of one grader if utilisation exceeds 250 hours during any month. No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leased that have not been recognised in the financial statements are as follows:

	Consolidated	Consolidated
	2013	2012
	\$'000	\$'000
Not later than one year	4,920	5,441
Later than one year and not later than 5 years	20,260	21,931
Later than 5 years	46,219	43,912
	71,399	71,284

These lease obligations are predominantly for the operating lease of land and buildings.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 18 – Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to Marketlink and/or Salarylink. All other employees (including casuals) have all contributions allocated to Marketlink.

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2012/13; 9% in 2011/12). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the trustee based on advice from the appointed Actuary.

This rate is currently 6.3% (6.3% in 2011/12) of 'superannuation' salary.

In addition, Council makes a separate contribution of 3% of salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Scheme's actuary, AC Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

The next Actuarial Report is due for the three year period ending 30 June 2014, and the Employer contribution rate should be reviewed annually up until that time.

Fund Position at 30 June 2013

Following the actuarial review, the Trustee considered the results in more detail. The recommendation is that Council contribution to the CCASP sub plan remain unchanged at \$15,000 per month. It is also recommended that member contributions continue in full.

Corporation of the City of Adelaide Superannuation Plan (sub-plan)

The Scheme, closed to new members, supports Defined Benefit membership only. As at 30 June 2013 there were 7 active members.

Following an updated actuarial assessment, the liability recorded in the 2012/13 Financial Statements as per AASB119 requirements is \$145,000, a change from a net liability of \$169,000 as at June 30 2012. The liability reflects the present value of future benefit payments expected to be made to the sub-plan's defined benefit members in respect of their membership as at 30 June 2013.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 18 – Superannuation (cont.)

Local Super – City of Adelaide Superannuation Plan: AASB119 disclosures

	Year ending 30 June 2013	Year ending 30 June 2012
	\$'000s	\$'000s
Amount recognised in the balance sheet		
a) Defined Benefit Obligation	2,695	2,567
b) Fair Value (MV) of Assets	(2,819)	(2,299)
c) Funded Status	(124)	267
d) Unrecognised (Gain)/Loss	n/a	n/a
e) Net (Asset)/Liability	(124)	267
f) Contributions Tax Reserve	(22)	47
g) Net (Asset)/Liability Recognised in Balance Sheet (Grossed up for Contributions Tax)	(146)	314

Expense recognised in the income statement for the year to 30 June 2012

a) Current Service Cost	72	63
b) Member Contributions	(22)	(21)
c) Interest Cost	65	116
d) Expected (Return)/Loss on Assets	(128)	(177)
e) Actuarial (Gain)/Loss	(241)	393
f) Plan Expenses	15	16
g) Net Expense	(239)	390
h) Contributions Tax	(42)	69
i) Net Expense Recognised in the Income Statement (Grossed up for Contributions Tax)	(281)	459

Projected expense to be recognised in the income statement for the year to 30 June 2013

a) Current Service Cost	71	72
b) Member Contributions	(19)	(18)
c) Interest Cost	n/a	65
d) Expected (Return)/Loss on Assets	n/a	(128)
e) Actuarial (Gain)/Loss	–	–
f) Plan Expenses	17	15
g) Net Expense	69	6
h) Contributions Tax	12	1
i) Net Expense Recognised in the Income Statement (Grossed up for Contributions Tax)	81	7

Reconciliation of defined benefit obligation

a) Defined Benefit Obligation at start of year	2,567	2,741
b) Service Cost	72	63
c) Interest Cost	65	116
d) (Benefit Payments)	–	(579)
e) Actuarial (Gain)/Loss	(9)	226
f) Defined Benefit Obligation at end of year	2,695	2,567

Reconciliation of fair value of plan assets

a) Fair Value of Plan Assets as start of year	2,299	2,710
b) Employer Contributions	180	180
c) Member contributions	22	21
d) (Benefit Payments)	–	(579)
e) (Plan Expenses)	(15)	(16)
f) Contribution Tax	(27)	(27)
g) Expected Return on Assets	128	177
h) Asset Gain/(Loss)	232	(167)
i) Fair Value of Plan Assets as end of year	2,819	2,299

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 18 – Superannuation (cont.)

Local Super – City of Adelaide Superannuation Plan: AASB119 assumptions

The assumptions used to prepare the disclosure information under AASB 119 for the year ending 30 June 2012 are summarised below:

Financial Assumption

Discount rate (gross) at 30 June 2013:	3.11% p.a. (2.58% at 30 June 2012)
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As the expected future term of the liabilities is 5 years, the discount rate is based on the 3 and 5 year Government bond rates as at 30 June 2013.

Average Salary Increases:	4.0% p.a.
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This is taken from the last actuarial investigation as at 30 June 2011.

Expenses:	0.28% of assets and 2% of salary
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Taken from the last actuarial investigation as at 30 June 2011.

Financial Assumptions

The demographic assumptions used are the same as those from the 30 June 2012 AASB 119 valuation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 19 – Joint Ventures and Associated Entities

All joint ventures and associated entities are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

Council Solutions Regional Authority

Council Solutions Regional Authority was established by six constituent councils comprising the Cities of Adelaide, Charles Sturt, Marion, Salisbury, Tea Tree Gully, and Onkaparinga, for the purposes of promoting procurement and service delivery amongst the constituent councils.

	2013	2012
Council Solutions Regional Authority		
Council's respective interests are:	%	%
Interest in outputs of the joint operation	16.67%	–
Ownership interest in the joint operation	16.67%	–
The proportion of voting power in the joint operation	16.67%	–
Movements in investment in joint operation	\$'000	\$'000
Recognition of capital contributions	26	–
Share in operating result	35	–
Share in equity of joint operation	61	–

Waste Care SA

Waste Care SA was established by a number of constituent councils comprising the Cities of Charles Sturt, Campbelltown, Adelaide, Prospect, Norwood Payneham and St Peters and the Town of Walkerville in conjunction with Waste Management Pacific (SA) Pty Ltd to operate a Resource Recovery Waste Transfer Station (RRWTS) on leased land at Wingfield.

	2013	2012
Waste Care SA		
Council's respective interests are:	%	%
interest in outputs of the joint operation	23.75	23.75
ownership interest in the joint operation	23.75	23.75
the proportion of voting power in the joint operation	16.67	16.67
Movements in Investment in Joint Operation	\$'000	\$'000
Recognition of capital contributions	108	186
Share in operating result	(85)	(78)
Share in equity of joint operation	23	108

Expenditure Commitments

Operating expenditures payable		
Not later than one year	51	50
	51	50

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 20 – Subsidiaries

Adelaide Central Market Authority

Adelaide Central Market Authority was enacted on 3 May 2012 as a subsidiary of Council with its primary role being to oversee the management and operation of Adelaide Central Market in accordance with the Adelaide Central Market Authority Charter, the Market Charter and Council's Strategic Plan.

Adelaide Park Lands Authority

Adelaide Park Lands Authority was enacted on 14 December 2006 as a subsidiary of Council with its primary role being the provision of policy and advice to Council and the State Government in regard to the management of the Park Lands.

Rundle Mall Management Authority

The Rundle Mall Subsidiary was enacted on 9 October 2008 as a subsidiary of Council with its primary role being the promotion of the Rundle Mall.

	ACMA	APLA	RMMA
	%	%	%
Council's respective interests are:			
interest in outputs of the joint operation	100.00	100.00	100.00
ownership interest in the joint operation	100.00	100.00	100.00
the proportion of voting power in the joint operation	100.00	100.00	100.00

Note 21 – Contingencies and Assets and Liabilities not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

LAND COMPULSORY ACQUISITION

The Corporation has received proceeds from the Land Management Corporation in relation to the compulsory acquisition of land at the Wingfield site. The Corporation is pursuing an increased settlement amount based on an appropriate fair value of its interests in the land.

Note 22 – Capital City Development and Economic Development

Expenditure of \$11.17m was incurred in relation to Council's commitments under the Capital City Development Program. This represents 6.3% of total expenditure for the year ended 30 June 2013.

In accordance with the requirements of the City of Adelaide Act 1998, expenditure of \$14.5m was incurred for works, services and activities that directly related to Council's economic development program. This represents 8.2% of the total expenditure for the year ended 30 June 2013.



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INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF ADELAIDE CITY COUNCIL

We have audited the accompanying financial report of Adelaide City Council, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive Officer and the Lord Mayor, for the consolidated entity comprising the Council and the entities it controlled at the year's end or from time to time during the financial year.

Council's Responsibility for the Financial Report

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and 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 council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council's officers, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

BDO Audit Partnership (SA)

G K Edwards
Partner

Adelaide, 27th October 2013



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AUSTRALIA

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide City Council for the year ended 30 June 2013, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

G K Edwards
Partner

BDO Audit Partnership (SA)

Adelaide, 27 October 2013

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Attachment B

Adelaide City Council
ABN 20 903 762 572
Customer Centre
25 Pirie Street, Adelaide
GPO Box 2252 Adelaide
South Australia 5001
Tel 08 8203 7203
Fax 08 8203 7575
city@adelaidecitycouncil.com

18 October 2013

Mr Geoff Edwards
 Partner
 BDO
 7/420 King William Street
 ADELAIDE SA 5000

This representation letter is provided in connection with your audit of the financial report of the Adelaide City Council for the year ended 30 June 2013 for the purpose of expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999*, *City of Adelaide Act 1998* and the *Local Government (Financial Management) Regulations 2011*.

We confirm to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves that:

Financial report

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, with regard to the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999*, *City of Adelaide Act 1998* and the *Local Government (Financial Management) Regulations 2011*
2. The selection and application of accounting policies is appropriate.
3. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect error. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
6. All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information provided

8. We have provided you with:
 - a) Access to all information of which we are aware, that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. Minutes of all Council meetings and other relevant committees held prior to the date of this letter have been included in the minute books and have been made available to you. All material agreements entered into and guarantees given by Adelaide City Council have been minuted or otherwise recorded.
10. All transactions have been recorded in the accounting records and are reflected in the financial report.
11. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
12. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud, allegations of fraud or suspected fraud that we are aware of and that could have a material effect on the financial report.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report. We understand that the entity must be in compliance at all times with the following laws and regulations:
 - *Local Government Act 1999*
 - *City of Adelaide Act 1998*
 - *Local Government (Financial Management) Regulations 2011*
16. We have disclosed to you all communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Accounting standards

- The major accounting policies adopted are set out in the financial report. The accounting policies remained unchanged from the previous year.
17. The accounting policies comply with all the requirements of each applicable Australian equivalent to International Financial Reporting Standards as they relate to not-for-profit entities and each applicable approved interpretation.

Assets

18. We have considered the requirements of AASB 136 – Impairment of Assets when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.

19. We have considered the projects held the Capital WIP and considered that all of these assets will meet the recognition criteria of AASB 116 – Property, Plant and Equipment.
20. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have abandoned or are otherwise unusable.
21. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.

Liabilities and commitments

22. All liabilities at the reporting date have been included in the financial report, and have been correctly classified between non-current and current. Adequate provision has been made for liabilities that are known to exist but the amount of which cannot be accurately determined.
23. Adequate provision has been made for an onerous contracts, ie. where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.
24. At the date of the statement of financial position there were no commitments under contracts placed for capital expenditure or amounts of capital expenditure authorised by the directors which have not been contracted for, other than those provided for or noted in the financial report.
25. We confirm it is our view that the responsibility for any capping costs in relation to the Wingfield property have been effectively transferred to Adelaide Resource Recovery.

Contingent liabilities

26. At the date of the statement of financial position there were no material contingent or potential liabilities under claims or for any other matter, including liabilities in respect of guarantees, discounted bills of exchange, breach of software and other licensing agreements etc. other than those provided for or shown in the financial report.
27. Adelaide City Council has not entered into guarantees, warranties or other financial commitments relating to any associates, affiliates or any other body or person.
28. Adelaide City Council has complied with all aspects of contractual agreements that could have a material effect on the financial report in the event of non-compliance.
29. Adequate provision has been made where a material loss is expected to result from any litigation or claim against Adelaide City Council. All other material contingent liabilities at the balance sheet date, none of which are expected to result in a loss to the Adelaide City Council or in commitments which it cannot meet, have been disclosed in the financial report, including litigation and claims for which no provision is considered necessary.

Events after the reporting date

30. We have considered events arising since the reporting date. Nothing has occurred since the reporting date which necessitates revision of the figures included in the financial report or inclusion of a note thereto. Should any material events occur, which may necessitate revision of the figures included in the financial report or inclusion of a note thereto, we will advise you accordingly.
31. In addition no events (other than those disclosed) have occurred which, though properly excluded from the statement of financial position and statement of comprehensive income and related notes, are of such importance that they need to be disclosed to the shareholders.

Publication on web site

32. With respect to publication of the financial report on our website, we acknowledge that:

- we are responsible for the electronic presentation of the financial report;
- we still ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version;
- we will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation;
- we have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published; and
- we will not present the auditor's report on the full financial report with any document other than the full financial report.

Other

33. The disclosures of financial indicators per Note 15 have been prepared and presented in conformity with *Local Government (Financial Management) Regulations 2011*.

34. The disclosures of financial information per Note 20 have been prepared and presented in conformity with *City of Adelaide Act 1998*.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Managements reviewed the financial report, the contents of which have been approved by the appropriate officers of this Authority. Further, all material facts known to us which could affect the financial report have been made communicated to you.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

Yours faithfully


Chief Executive Officer


General Manager Strategic Finance &
Business Services



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide City Council for the year ended 30 June 2013, the Council's Auditor, BDO, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) Local Government (Financial Management) Regulations 2011.

A handwritten signature in black ink, appearing to be 'P. Smith', written over a dotted line.

Peter Smith
CHIEF EXECUTIVE OFFICER

A handwritten signature in black ink, appearing to be 'Ross Haslam', written over a dotted line.

Ross Haslam
ACTING PRESIDING MEMBER OF AUDIT COMMITTEE

Date:

17/10/13

Adelaide Central Market Authority

Annual Report 2012–13



Chair's Report

This is the first Annual Report of the Adelaide Central Market Authority (ACMA).

The Board's role is to oversee and develop the Market in line with the Central Market Charter, which outlines the vision, goals and overall strategic direction of the ACMA. The Board members are: Judy Potter, David Simmons, Pip Forrester, Paul Kerin and Grant Pember. David Papa is the independent member of the Audit Committee.

My appointment as Chairperson of the new authority commenced February 2012. David Simmons (Deputy Chair), Pip Forrester, Paul Kerin and Grant Pember were appointed in April 2012. I would like to thank the board for their significant contribution, and support.

Negotiating the Head Lease and Car Park Agreement, in addition to transfer of lease arrangements and corporate knowledge were more complex than anticipated; therefore the proposed handover date for the management of the ACM from ACC to the Authority was delayed by mutual agreement to 1 October 2012. ACMA is now responsible for all operations and

management disciplines within the Market, with finance and administration taken over from ACC in August 2013.

The ACMA took over running an existing business, while needing to establish policies, procedures and governance arrangements. The transition period was at times challenging, but rewarding. There has been a need to balance and consider the desire for 'action' against the importance of informed decisions and research to ensure the best outcome for the Market in the short, medium and long term. The list of activities undertaken is significant with the overall outcome one of increased clarity and strategic direction for the Market.

The Trader's Advisory Group (TAG) was formed in August 2013 with traders electing all TAG representatives. On behalf of the ACMA I would like to thank Franz Knoll, Chair, and the members of TAG for their positive and constructive contribution. Communication with traders, and TAG, is recognized as critical for the success of the Market and it has been noted by all parties that communication has improved significantly.

The ACC also deserves thanks for its commitment, assistance and support. Justin Robbins from ACC has played an important role during the transition period.

The Board greatly values the work of the ACMA staff. In June 2013 we welcomed to the team, Claude Baxter as CEO of the ACMA. Claude worked previously at South Melbourne Market.

The Board, management and staff will continue to work productively with TAG, ACC and other stakeholders to build on the foundation placed in this the first year of the authority for the benefit of all stakeholders of the Market.

The Authority recognizes the important role it has in nurturing a much-loved South Australian institution, to ensure it maintains its uniqueness and authenticity while continuing to be a thriving commercial business.

Judy Potter

Chair

The First Year in Review

The Adelaide Central Market Authority (ACMA) oversaw the Market for just nine months (from 1 October 2012) and immediately set about instituting a strong planning and governance environment.

Setting up a new organisation necessarily entails a lot of administrative and policy arrangements to ensure steady, reliable and responsible management. Many processes could not simply be 'transferred' from the Adelaide City Council. Many policies and processes had to be built from the ground up. The initial priorities lay with assuring sound administrative processes, a clear fit out guide and a detailed mix policy. The short year saw good progress on all.

Relationship and communications are both very important in a retail centre that is seen by many more as a community than a business. With all new staff, the establishment of relationships with traders and key stakeholders took considerable time to ensure mutual respect and understanding around the new responsibilities and structures for governing the Market. The pace and degree of support started slowly but has rapidly increased.

The first nine months saw staff appointed, all major purchasing contracts reviewed, leasing processes established, operational arrangements reviewed and relationships established. With such a necessary emphasis on getting the administrative and governance framework right, and the short time frame within which the new authority had time to generate impact, the operational outcomes may at first glance appear less evident; but these first steps were of considerable importance. Some of the main achievements in the ACMA's first nine months were:

Transition

- » Lease and Charter finalisation.
- » Development of a Business Plan and Budget.
- » Transfer of files, leases and records from ACC to the ACMA.
- » Briefing Councillors on budget, Adelaide City Council policy requirements and financial arrangements.

Policy and Planning

- » Work was commenced on a comprehensive fit-out guide and numerous policies drafted.
- » Both the Business Plan and Budget for 2013–2014 were adopted (despite experience from just six months operations when this work commenced).

Finance and Reporting

- » Accurate reporting and diligent confirmation of ACMA assets and resources.
- » Purchasing, payment and banking practices and protocols were established.
- » A debt management process was established and debtor management closely overseen.
- » Monthly Board meetings provided the context within which a detailed financial reporting framework was developed to ensure responsible accountability.
- » The Board established an Audit Committee in line with ACC guidelines with the Committee including an independent expert, David Papa from Bentleys.

Procurement

- » Clear and transparent policies and procedures for ACMA procurement were introduced and overseen by the Board.
- » Tenders for security, fire services, pest control and cleaning contracts were issued and a number of changes made to both the scope and provision of these services.

Operations

- » A traffic and forklift policy was established to ensure the safety of shoppers, efficient operations for stallholders. The policy entailed development of procedures and acquiring physical infrastructure to allow effective enforcement of the policy, eg bollards, signage, security etc.
- » WHS policies and practices, especially with traders and contractors, have been embedded in operational practice.
- » Comprehensive registers have been developed for leasing, bank guarantees, insurance etc.
- » The ACMA has been active in managing leases, including several terminations (mostly due to non-payment of leasing charges) and the search for replacement traders.
- » The ACMA developed a detailed marketing strategy, in consultation with the TAG and oversaw implementation of marketing campaigns.

The ACMA Charter requires the Market to be overseen in accordance with the ACC Strategic Plan. The attached schedule indicates the high degree to which the ACMA is ensuring its oversight of the Market is not just good for the Market's long-term sustainability but is also in close alignment with the ACC's Strategic Plan.

On behalf of the Board and ACMA, it is appropriate to acknowledge the extraordinary level of support, cooperation and goodwill from the Councillors, management and staff of the Adelaide City Council.

Claude Baxter

Chief Executive

ACC Strategic Plan 2012–2016

Our Vision

Adelaide: One City, Many Places

- » People love living here
- » Culture and creativity are at the heart of our city
- » We have an international reputation as a green city
- » City businesses and organisations thrive
- » Our city of great places is safe and easy to get around

Our Priorities

Council Priority	Council's Measure	Market's Contribution
Rundle Mall		Discussions with TAG around Sunday Trading to complement Rundle Mall. Support for AFL at Adelaide Oval.
Victoria Square		Clearer signage and street activation so Square users can be supported by Market Banners to attract Vic Square users
City Activation	Activation initiatives in city laneways, streets or spaces that are sustained by the community and business Public art	Trial of Jungle activities – Friday pm and later Thurs pm Introduction of lane-style activities Targeting of younger shoppers Design of footpath improvement in Grote Street Installation of street art
Pedestrians and Cyclists		Installation of more bike racks Sourcing of shopping trolleys to encourage walking
City Growth	Precinct plans for areas and communities	Active participation in ACC precinct planning
Sustainability	Reduce mains water consumption Reduce energy use	Introduction of waterless urinals in 2013 Energy review to achieve efficiencies Stalls encouraged to LED with refits Installation of doors to reduce heating/cooling needs Waste review
Heritage and Historic Character Conservation		Respectful usage of old buildings. Reintroduction of classic fonts and logo. Planning for active use of Grote St frontage (Federation building)
Digital City	Improve digital literacy and access	Increased use of digital media for marketing and communications.
Service Provision	Increase perceptions of the quality of public places and facilities. Increase customer satisfaction with Council.	More benches, more tables, better bins More free activities Engagement with a wider demographic
Collaboration and Partnering	Successful delivery of jointly agreed Capital City Committee priorities and partnership projects.	Direct meetings with Committee members Partnering Tourism SA, Food SA, Tasting Australia, ACC initiatives etc Working with Grote St traders and Chinatown traders

OUTCOME 1 – City of Great Places

ACC Strategies

- » Protect and activate the city's built heritage and Park Lands
- » Ensure the city is well designed, planned and built to sustainably accommodate future growth
- » Activate city places with business, community, and entrepreneurs' input
- » Upgrade and maintain the city's streets, streetscapes and public places to a high standard

Market's Response

- » Increase accessibility – de-clutter aisles
- » Increase vibrancy – more free events, trading initiated on Grote Street footpath
- » Use as a venue for Big Issue (and others); coordination with Savour, Tasting Australia, Tour Down Under etc
- » Busking, music, kids' activities, performance, schools program, art spaces – all assist community enjoyment.
- » Planning shelter for Grote Street, vertical gardens inside Market.
- » More spaces to sit and enjoy – no obligation to spend.
- » Encouragement and support for schools to visit.

OUTCOME 2 – Accessible City

ACC Strategies

- » Create great streets and paths for people
- » Create a cycling and pedestrian friendly city
- » Facilitate and advocate for improved public transport into and within the city
- » Promote sustainable travel options
- » Support the efficient delivery of goods and services
- » Make the city a destination not a through route
- » Improve accessibility and connectivity into and within the city and Park Lands
- » Provide sufficient parking to support the essential needs of residents, visitors and businesses

Market's Response

- » Market liaising with ACC traffic engineers to optimise pedestrian safety in Gouger and Grote Streets while optimising traffic flows in and out of car park.
- » Additional bicycle racks in car park and more planned for Grote Street.
- » Walkways widened within Market by removing clutter and trip obstacles.
- » Dining spaces improved; improved floor surface, benches replacing small tables, more seating.
- » Vertical garden being installed in NW corner, with more planned. Trees planned for Grote footpath.

OUTCOME 3 – Creative City

ACC Strategies

- » Foster creativity, cultural and artistic events and activities
- » Activate underutilised city streets and public spaces to create places for creative and social activities
- » Ensure an exciting range of events and activities in a variety of venues across the city and throughout the year
- » Facilitate growth in creative businesses and industries

Market's Response

- » Over twenty local artists invited to submit for wall art in the Market. Five local industrial designers, a number of visual merchandisers and some blog writers have responded favourably to a call for skills. Over twenty local musicians have been booked for edge activities designed to engage a younger crowd.
- » The Market is being used more often as a venue and gallery space.

OUTCOME 4 – Liveable City

ACC Strategies

- » Attract more residents and promote social mix
- » Promote housing choice and affordability in the city
- » Develop a strong and resilient city community and increase participation in city life for people of all ages, cultures and means
- » Increase the capacity of the community to deliver ideas that improve the city
- » Create places and programs that promote social interaction
- » Create, facilitate and grow recreation and sport programs and facilities that support all people to be active
- » Enable people to use the city safely

Market's Response

- » Positive support for Oz Harvest, the homeless and the Big Issue. More free entertainment is recognised as a key to promoting social mix.
- » Deliberate expansion of price points (up and down) is designed to address a wider demographic and affordability. Surveys show the Market remains cheaper than supermarkets in many categories.
- » The wider demographic is being supported through programs for youth, greater consideration of a working population and a search for more ethnically inspired outlets.
- » Involvement is a key ingredient generally but a specific schools program (curriculum and activities) is designed to increase engagement.
- » Educational, informational and active programs encourage healthier living – not to mention an emphasis upon healthy eating.

OUTCOME 5 – Prosperous City

ACC Strategies

- » Build the capability of existing businesses and attract and foster new businesses and investment
- » Work with businesses to contribute to the activation of city places
- » Promote the growth of retail, tourism, education and research, and professional services sectors
- » Foster a competitive business environment where innovative and entrepreneurial businesses collaborate and thrive
- » Encourage the uptake of broadband and digital technologies and the expansion of city wifi.

Market's Response

- » Business capacity-building is encouraged through active and positive business planning support.
- » The local economy is the centre-piece of the Market's marketing with support for local growers central.
- » Tourism is supported through an emphasis upon making local activities more intrinsically authentic and more accessible.
- » New stallholders are being recruited to raise the standards of innovation and increase competition. Existing businesses are being supported through marketing programs.
- » Traders are being stimulated and supported through the provision of independent visual merchandising advice.

OUTCOME 6 – Environmentally Sustainable City

ACC Strategies

- » Reduce carbon emissions and oil dependency
- » Prepare the city for the impacts of climate change
- » Conserve water, energy and natural resources and minimise waste
- » Protect and improve the ecological values of watercourses and the Park Lands
- » Landscape streets, parks and public spaces so they are sustainable and productive
- » Support environmentally sustainable design, construction and management of city buildings

Market's Response

- » Waterless urinals are being sourced and will be introduced in 2013.
- » Energy review has been undertaken and remedial works contracted to achieve safety and efficiencies.
- » Stalls are being encouraged to LED lighting with refits and lease renewals.
- » Installation of doors at the entrances to the Market will reduce heating/cooling needs and make the thermal bank properties of the car park more relevant.
- » Waste infrastructure is being reviewed to increase recycling and general waste efficiency.

Adelaide Central Market Authority
General Purpose Financial Reports
for the year ended 30 June 2013
Certification of Financial Statements

We have been authorised by the Authority to certify the financial statements in their final form. In our opinion:

the accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.

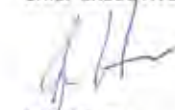
the financial statements present a true and fair view of the Authority's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.

internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.

the financial statements accurately reflect the Authority's accounting and other records.



Claude Baxter
CHIEF EXECUTIVE OFFICER



Judy Potter
CHAIR PERSON

Dated

26/8/13

Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	2012-13 \$000's
Income		
Commercial Activities	2	6,485
Investment Income		32
Total Income		6,517
Expenditure		
Materials, Contracts, Depreciation and Other Services	3	5,509
Total Expenditure		5,509
Net Surplus (Deficit) – Transferred to Equity Statement		1,008
Other Comprehensive Income		–
Total Comprehensive Income		1,008

This Statement is to be read in conjunction with the attached Notes.

Balance Sheet

as at 30 June 2013

	Note	2012-13 \$000's
Current Assets		
» Cash and Cash Equivalents	4	982
» Trade and Other Receivables	4	372
Total Current Assets		1,354
Non-Current Assets		
» Plant, Furniture and Equipment	5	56
» Accumulated Depreciation Plant, Furniture and Equipment	5	(2)
Total Non-Current Assets		54
Total Assets		1,408
Liabilities		
Trade and Other Payables	6	400
Total Liabilities		400
Net Assets		1,008
Accumulated Surplus		1,008
Total Equity		1,008

This Statement is to be read in conjunction with the attached Notes.

Statement of Changes in Equity

for the year ended 30 June 2013

	Total Equity \$000's
2013	
Balance at end of previous reporting period	–
Net Surplus for Year	1,008
Balance at end of period	1,008

Cash Flow Statement

for the year ended 30 June 2013

	Note	2012–13 \$000's
Cash Flows from Operating Activities		
Operating Receipts		6,242
Operating Payments to Suppliers and Contractors		(5,457)
Net Cash Provided by (or used in) Operating Activities	7	785
Cash Flows from Investing and Financing Activities		
Expenditure on Renewal/Replacement of Assets		(56)
Net Cash provided by (or used in) Financing Activities		253
Net Increase (Decrease)		982
Cash and Cash Equivalents at Beginning of Period		–
Cash and Cash Equivalents at end of Period		982

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 1 May 2011.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Adelaide Central Market Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 44–60 Gouger Street, Adelaide.

The Authority was enacted on 3 May 2012 as a subsidiary of the Corporation of the City of Adelaide with its primary role being to oversee the management and operation of the Adelaide Central Market.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

The majority of receivables relate to stall holder leases and are secured in part by bank or directors guarantees. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

5 Plant, Furniture and Equipment

5.1 Initial Recognition

All assets are initially recognised at cost.

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held “ready for use”. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects’ fees and engineering design fees and all other costs incurred.

5.2 Materiality

Items of property, plant and equipment with a total value less than \$5,000 are treated as an expense in the year of acquisition. All other items of infrastructure and plant and equipment are capitalised.

5.3 Depreciation of Non-Current Assets

Plant, Furniture and Equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Authority, best reflects the consumption of the service potential embodied in those assets.

Major depreciation periods for each class of asset are shown below.

Plant, Furniture and Equipment

Office Furniture and Equipment	3 to 4 years
Other Plant and Equipment	5 to 15 years
Benches, Seats, etc	10 to 20 years

5.4 Impairment

“Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods and Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days from date of invoice. No interest is payable on these amounts.

6.2 Payments Received in Advance, Deposits, Retentions and Bonds

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to the Authority’s assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

7 Leases

Leases have been accounted for in accordance with Australian Accounting Standard AASB 117. In respect of operating leases, where the lessor substantially retains all of the risks and benefits incidental to ownership of the leased items, lease payments are charged to expense over the lease term.

Lease income from operating leases is recognised in the Income Statement on a straight-line basis over the lease term.

The Authority has not entered into and does not hold any finance leases.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)**8 GST Implications**

In accordance with UIG Abstract 1031 “Accounting for the Goods and Services Tax”:

- » Receivables and Creditors include GST receivable and payable.
- » Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- » Non-current assets and capital expenditures include GST net of any recoupment.A243
- » Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

Note 2 – Income

	2012–13
	\$000's
Income	
Car Park User Charges	3,667
Lease Holder Income	2,256
Recoverable Charges	546
Commercial Contributions	16
	6,485

Note 3 – Expenditure

	2012–13
	\$000's
Materials, Contracts and Other Services	
Prescribed Expenses	–
Auditor's Remuneration	3
Board Fees	64
Operating Leases	2,279
Subtotal – Prescribed Expenses	2,346
Other Materials, Contracts and Other Services	
Contractors	1,508
Cleaning	511
Energy	482
Security	199
Council Rates	156
Rubbish Removal	109
Materials	110
Other	88
Subtotal – Other Materials, Contracts and Other Services	3,163
	5,509

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 4 – Current Assets

	2012–13
	\$000's
Cash and Cash Equivalents	
Cash on Hand and at Bank	982
	982
Trade and Other Receivables	
Accrued Revenue	146
Debtors	108
Prepaid Expenses	78
Net GST Receivable	40
	372

Note 5 – Non Current Assets

	2012–13
	\$000's
Non Current Assets	
Plant, Furniture and Equipment	56
Accumulated Depreciation Plant, Furniture and Equipment	(2)
	54

Note 6 – Current Liabilities

	2012–13
	\$000's
Trade and Other Payables	
Inter-Entity Loan Account	221
Accrued Expenses	128
Revenue Received in Advance	47
Other Current Liabilities	4
	400

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 7 – Reconciliation of Cash Flows from Operating Activities to Net Surplus Resulting from Operations

	2012–13
	\$000's
Net Surplus (Deficit) Resulting from Operations	1,008
(Increase)/Decrease in Debtors	(108)
Change in Operating Assets and Liabilities	(45)
Increase/(Decrease) in GST Receivable	(40)
Investment Income	(32)
Depreciation Charge	2
Net Cash Provided by Operating Activities	785

Note 8 – Leasing Commitments

Leases providing revenue to the Authority

Rental income received and outgoings reimbursed from Central Market Stallholders (Lessees) has been disclosed as Lease Holder Income in Note 2.

Lessees commitments under all non-cancellable lease agreements, are as follows:

	2012–13
	\$000's
Not later than one year	2,681
Later than one year and not later than 5 years	3,633
Later than 5 years	59
	6,373

Lease payment commitments of the Authority

"The Authority leases the Central Market Complex from the Corporation of the City of Adelaide. The annual rent payable is determined using a floating percentage of income and net surplus funds. Due to this variability, future rent payable cannot be accurately quantifiable and is not disclosed below.

The lease arrangement with the Corporation of the City of Adelaide includes a sub-lease for a portion of the car park.

Rent paid during 2012/13 in accordance with the above mentioned lease arrangements is disclosed as Operating Leases in Note 3.

Commitments that can be accurately measured under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2012–13
	\$000's
Not later than one year	843
Later than one year and not later than 5 years	2,684
Later than 5 years	–
	3,527

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 9 – Financial Instruments

	Weighted Average Interest Rate	Fair Value of variable interest rate instruments	Fair Value of non-interest bearing instruments
Financial Assets			
Cash	3.25%	982	0
Receivables	0.0%	0	108
Total Financial Assets		982	108

(a) Interest Rate Risk

The Authority's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those applicable financial assets and liabilities is outlined above.

(b) Credit Risk

Credit risk represents the loss that would be recognised if other entities failed to perform as contracted. The Authority's maximum exposure to credit risk in the majority relates to lease arrangements with third parties and is in part secured by bank and directors guarantees.

(c) Net Fair Value

The net fair value of a financial instrument is defined as its value net of a costs to settle the asset or liability. The financial assets as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of the financial instruments held by the Authority, the costs associated with their settlement would not be material, and hence, have not been considered.

Adelaide Central Market Authority

General Purpose Financial Reports for the year ended 30 June 2013

Certification of Audit Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Authority for the year ended 30 June 2013, the Authority's Auditor, BDO, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.



Claude Baxter
CHIEF EXECUTIVE OFFICER



David Simmons
CHAIR AUDIT COMMITTEE

Dated

26/9/13



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**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 22(5) OF THE LOCAL
GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 2011
TO ADELAIDE CENTRAL MARKET AUTHORITY**

I confirm that, for the audit of the financial statements of Adelaide Central Market Authority for the period ended 30 June 2013, I have maintained by independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

G K Edwards
Director

BDO Audit (SA) Pty Ltd
Adelaide, 31 October 2013

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF THE ADELAIDE CENTRAL MARKET AUTHORITY

We have audited the accompanying financial report of Adelaide Central Market Authority, which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive Officer and Chair of the Board.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Finance Management) Regulations 2011*, and for such internal controls as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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[Signature]



Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Adelaide Central Market Authority as at 30 June 2013, and its financial performance and cash flows for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Finance Management) Regulations 2011*.

A handwritten signature in blue ink, appearing to read 'G Edwards'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'G Edwards'.

G K Edwards
Director

Adelaide, 3rd October 2013

Adelaide Park Lands Authority

Annual Report 2012–13



Principal policy advisor for the protection and enhancement of the Adelaide Park Lands –
for the benefit of all South Australians

A statutory body established by the *Adelaide Park Lands Act 2005*, as a subsidiary of Adelaide City Council.



Statue of Alice in Rymill Park / Murlawirrapurka

Introduction

The Adelaide Park Lands Authority was established by the *Adelaide Park Lands Act 2005* as a subsidiary of the Adelaide City Council under Chapter 4 Part 1 Division 3 of the *Local Government Act 1999*. The Governance Framework for the Adelaide Park Lands within which the Authority operates is shown on the following page.

The Authority is the principal advisor to both the Council and the State Government on the protection, management, enhancement and promotion of the Adelaide Park Lands.

The Council, on behalf of the communities of the City of Adelaide and the State, is committed to ensuring that the Authority delivers maximum benefit for the future of Adelaide's Park Lands as the City of Adelaide's defining feature.

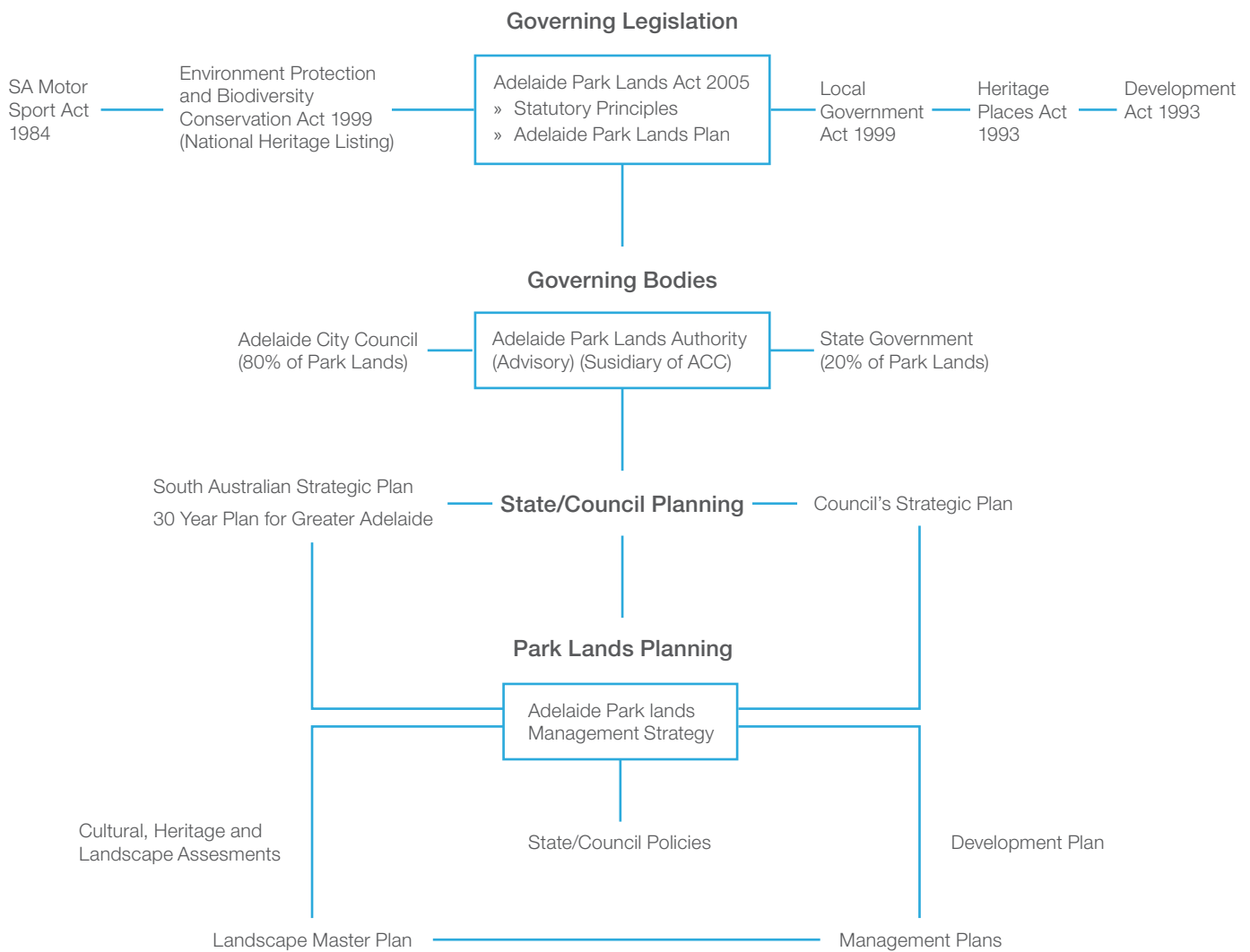
Within the Governance and Planning Framework, shown in Figure 1, the Authority was established to undertake the following Functions, as set out at section 9 of the *Adelaide Park Lands Act 2005*:

- » to undertake a key policy role with respect to the management and protection of the Adelaide Park Lands;
- » to prepare , and as appropriate, to revise the Adelaide Park Lands Management Strategy in accordance with the requirements of the *Park Lands Act 2005*;
- » to provide comments and advice on any management plan prepared by the Adelaide City Council or a State Authority under the *Adelaide Park Lands Act 2005* or the *Local Government Act 1999* that relates to any part of the Adelaide Park Lands; and to monitor and, as appropriate, to provide comments, advice or reports in relation to the implementation or operation of any such plan;
- » to provide comments or advice in relation to the operation of any lease, licence or other form of grant of occupation of land within the Adelaide Park Lands;
- » on the basis of any request or on its own initiative, to provide advice to the Adelaide City Council or to the Minister on policy, development, heritage or management issues affecting the Adelaide Park Lands;
- » to promote public awareness of the importance of the Adelaide Park Lands and the need to ensure that they are managed and used responsibly;
- » to ensure that the interests of South Australians are taken into account, and that community consultation processes are established, in relation to the strategic management of the Adelaide Park Lands;
- » to administer the Adelaide Park Lands Fund; and
- » to undertake or support other activities that will protect or enhance the Adelaide Park Lands, or in any other way promote or advance the objects of the *Adelaide Park Lands Act*.

The inaugural meeting of the Adelaide Park Lands Authority was held on 7 February 2007 and its first full financial year of operation occurred during 2007 – 2008.

This document reports on the work undertaken by the Authority during its sixth financial year from 1 July 2012 through to 30 June 2013.

Figure 1: Governance and Planning Framework for the Adelaide Park Lands



Statutory Requirements for Annual Report

The Adelaide Park Lands Authority must, in accordance with its Charter (established under Schedule 2 Part 1 (3) of the *Local Government Act 1999*), submit to Council by 30 September in each financial year an annual report on its work and operations during the preceding financial year.

The annual report must detail the Authority's achievements against the aims and objectives of its Business Plan and incorporate the audited Financial Statements of the Authority and any other reports required by Council.

In accordance with Section 12 (2) of the *Adelaide Park Lands Act 2005*, the Authority must, at the time it furnishes its annual report to the Adelaide City Council [also] furnish a copy of the report to the Minister responsible for that Act.



Horses in Natu Wama

Membership and Meetings

Membership of the Adelaide Park Lands Authority comprises:

- » The Lord Mayor or, if the Lord Mayor chooses not to be a member of the Authority, a person appointed by the Adelaide City Council; and
- » Four other members appointed by Council; and
- » Five members appointed by the Minister responsible for the Adelaide Park Lands Act 2005.

During the 2012/2013 financial year the following individuals served as members of the Authority:

Member	Appointed by
The Right Honourable the Lord Mayor Stephen Yarwood (Presiding Member) Appointment commenced 6 December 2010 with the first meeting of the current Council.	Statute (Section 6 (1) of the <i>Adelaide Park Lands Act 2005</i>)
Ms Mary Marsland PSM (Deputy Presiding Member) Appointment commenced 12 February 2009 and re-appointed 13 February 2012 (expiring 12 February 2015)	Minister
Councillor David Plumridge AM Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 November 2014)	Council
Councillor Anne Moran Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 November 2014)	Council
Councillor Michael Henningsen Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 November 2014)	Council
Councillor Anthony Williamson Appointment commenced 10 December 2011 and re-appointed 1 December 2012 (expiring 30 November 2014)	Council
The late Hon. Frank Blevins Appointment commenced 18 February 2010 (expired 15 February 2013)	Minister
Ms Jane Chapman Appointment commenced 12 February 2009 and re-appointed 13 February 2012 (expiring 12 February 2015)	Minister
Dr Rosemary Anne Sharp Appointment commenced 18 February 2010 (expired 15 February 2013)	Minister
Ms Gunta Groves Appointment commenced 18 February 2010 (expired 15 February 2013)	Minister
Hon. Ian Gilfillan Appointed 13 February 2011 as Deputy for Gunta Groves (expired 15 February 2013)	Minister

Following the expiry of the Ministerial appointments of Dr Rosemary Sharp, the Hon Frank Blevins and Ms Gunta Groves, the Minister re-nominated Dr Rosemary Sharp and the Hon Frank Blevins (since deceased) and nominated Ms Stephanie Johnston for appointments on 6 February 2013. However, although supported by Council on 12 February 2013, the three nominations were not finalised prior to the end of June 2013.

In addition to many representations from Council staff and the Lord Mayor between February and June in relation to the lack of appointments, the Authority wrote to the Minister for Sustainability, Environment and Conservation on 6 June expressing its concern about this matter.



Annual Flower Beds in Angas Gardens

Meetings

The Authority is required to hold at least one ordinary meeting each calendar month. In the 2012 – 2013 year, the Authority held 12 ordinary meetings and four special meetings (on 5 and 19 July 2012 and 21 February and 23 May 2013). The ordinary meeting scheduled for 28 March 2013 was adjourned (due to the lack of a quorum) and re-convened on 18 April 2013 (followed by the scheduled meeting on 18 April).

Attendance at meetings was recorded as follows:

Authority Member	Ordinary Meetings Eligible to Attend	Ordinary Meetings Attended	Special Meetings Eligible to Attend	Special Meetings Attended
Presiding Member, Lord Mayor Stephen	12	8	4	3
Ms Mary Marsland (Dep. Presiding Member)	12	10	4	4
Councillor David Plumridge AM	12	11	4	4
Councillor Michael Henningsen	12	11	4	4
Councillor Anthony Williamson	12	11	4	4
Councillor Anne Moran	12	12	4	4
The late Hon. Frank Blevins (Appointment expired 15 February 2013)	7	6	2	1
Dr Anne Sharp (Appointment expired 15 February 2013)	7	6	2	0
Jane Chapman	12	12	4	3
Ms Gunta Groves (Appointment expired 15 February 2013)	7	7	2	2
Hon. Ian Gilfillan Deputy for Gunta Groves (Appointment expired 15 February 2013)	0	0	0	0

Dr Anne Sharp (as a re-nominee) and Stephanie Johnston (as a nominee) attended meetings on 21 and 28 February, 18 April, and 23 and 30 May 2013, as non-voting participants, while waiting for their appointments to be finalised.

The Hon Frank Blevins (as a re-nominee) attended meetings on 21 and 28 February and 18 April 2013, as a non-voting participant, while waiting for his appointment to be finalised. The Hon Frank Blevins has since passed away.

Achievement of Aims and Objectives

Core Responsibility – Provision Of Advice On Strategic Park Lands Matters

During the 2012 – 2013 financial year, the Authority dealt with a range of business relating to its core responsibility of providing advice to Council and the State Government on strategic Park Lands matters, as follows.

Cirque du Soleil

In response to a request from the Cirque du Soleil company, the Authority supported Council entering into an agreement with the company for up to 10 years that included the construction of a permanent hard surface in Tampawardli (Park 24) to facilitate Cirque du Soleil visiting Adelaide on a recurring basis and for use by other events.

In conjunction with this, the Authority also recommended that:

- » all monies from the hire of this event space be sequestered and spent on enhancement of the Park Lands; and
- » Park 24 should be designated as the event space of first choice for music festivals, circuses and similar events.

Subsequently, however, Cirque du Soleil withdrew from the negotiations and, instead, Council permitted a once-off use of the event site, with a temporary hard surface that was removed after the event.

Clipsal 500 Adelaide Motor Sport Event

At the October 2012 meeting, the Authority resolved to advise the Minister for Motor Sports of 16 identified concerns in relation to the staging of the 2013 event. These concerns included public access and fencing, the extent of the occupied area, remediation and habitat protection and are shown in detail in Attachment A1 to this report. This advice was the same as the consultation response made by Council.

New Bike Path – Osmond Gardens

At the July 2012 meeting, the Authority supported the widening of an existing path in Osmond Gardens to accommodate cycling commuters, as part of a connecting path between Greenhill Road and Frome Street.

Community Land Management Plans

Following the commencement of the project in the 2011 – 2012 financial year, the Authority provided advice during the 2012 – 2013 financial year on the finalisation of Council's remaining packages of Community Land Management Plans for the northern, central and eastern areas of the Park Lands. Council subsequently endorsed these plans.

State Government Management Plans

The Authority provided comment on two of the Management Plans required by the *Adelaide Park Lands Act 2005* of State Government Agencies who manage areas of the Park Lands; namely those for the University of Adelaide land holdings and the New Royal Adelaide Hospital site.

Park Lands Property Leasing Matters

Over the course of the year, the Authority considered, in confidence, four matters relating to the leasing of various Park Lands properties.

Victoria Park/Pakapakanthi

The authority supported a proposal to call for expressions of interest from the community to use the Heritage Grandstand, the former Bookmakers League Building and the wooden kiosk buildings in the north-eastern corner of the Park. Later in the year, the Authority considered several proposals in confidence. These have yet to be finalised.

The Authority received a report advising that a concept plan (refer Attachment A2) for the central gardens had been developed in response to a community engagement project and that detailed design for the central gardens was underway, with construction planned to start in April 2013.



Outside the Himeji Gardens, South Terrace

Adelaide Oval Matters

The Authority provided advice on several matters related to Adelaide Oval, namely:

- » The Landscape Master Plan for the areas adjacent to the Oval, ie the (northern) Licence Area and Pennington and Creswell Gardens;
- » The design, tenure and construction licence proposals for the footbridge across the River Torrens/ Karrawirra Pari;
- » The ongoing re-drafting of the Community Land Management Plan for this area of the Park Lands to reflect the new management arrangements for Adelaide Oval;
- » Proposed minor pruning of the War Memorial Oak in Creswell Gardens, which was supported by the Authority (following a site visit) and also by Council; and
- » Proposed tree removals in Pennington and Creswell Gardens.

Landscape Master Plan

The Authority supported a Landscape Master Plan for the Adelaide Oval surrounds (refer Attachment A3) on the condition that the (Clem Hill) stands shown on Oval No. 2 were not included and that further information was provided in relation to the impact of car parking, specifically on the White Cedar Avenue. The Authority had previously advised (on 7 June 2012) that it did not support the removal of the White Cedar Avenue.

The Authority also requested that the Landscape Architect:

- » Consider the provision of drop-off points;
- » Provide a breakdown of trees (species and categories) to be removed/relocated and planted;
- » Provide shade diagrams to assess the impact of the microclimate changes on the War Memorial Oak; and
- » Clarify the removal of Terraces on the northern hill.

Council subsequently approved the final landscape concept design for the Licence Area, subject to the plan being amended in line with the following conditions:

- » Removal of the two modules of the Clem Hill Stand positioned at the edge of Adelaide Oval No. 2;
- » Sufficient benches are included in the masterplan, particularly along path network;
- » The path extending from the plane tree avenue on the northern hill is retained in its current location
- » The white cedar avenue and path extending north westwards from the north eastern corner of the Adelaide Oval to Pennington Lane be retained and upgraded in line with proposed footpath treatments
- » A tree management plan; as required under the CLMP, for the care and maintenance of the White Cedars including (but not limited to) provision for specialised pruning, irrigation and nutrition to maximise the condition of the trees, be provided to Council.

The avenue of White Cedars north of Adelaide Oval was removed in January 2013, following an appeal by the Department of Planning, Transport and Infrastructure and a subsequent decision of the Development Assessment Commission.

Footbridge

In relation to the design of the footbridge the Authority recommended that: Council use its best endeavours to reincorporate into the design the formalised shared path adjacent to the Lake on the northern bank, with a similar alignment to that which exists, and the creation of an amphitheatre between the northern bank landing point and the Lake and that further consideration be given to the retention of as many trees as possible, especially the Holly Oak.

Tree Removals

In relation to a request from the Department of Planning, Transport and Infrastructure to remove a number of trees in Creswell and Pennington Gardens, the Authority approved:

- » The removal of seven trees to facilitate paved areas of the plaza; and
- » The relocation of the 2 identified palm trees.

These approvals were recommended subject to a number of conditions including:

- » The planting of 20 mature trees to War Memorial Drive and the Eastern Plaza; and
- » The turfing and irrigating of Creswell Gardens.

Further justification and details were requested for the removal of other trees.

Following a site visit to Creswell and Pennington Gardens, the Authority received a further report identifying that Council had:

- » Approved the removal of two regulated trees from Creswell Gardens, namely a *Brachychiton populneus* and a *Lagunaria patersonii*
- » Declined to approve the removal of one regulated tree, namely a *Lagunaria patersonii*
- » Recommended consideration of the proposals by the landscape architect that:
 - » South Australian Blue Gums be planted as street trees on War Memorial Drive;
 - » Red Gums (*Eucalyptus camaldulensis*) and South Australian Blue Gums (*Eucalyptus leucoxylon leucoxylon*) be planted on the southern side of War Memorial Drive, between the Drive and the river, so as to provide extra screening of the Oval structures;
 - » As many street trees as possible be planted along the Drive in the section between King William Street and Montefiore Hill;

- » Large, long lived trees, such as Canary Island Oaks (*Quercus canariensis*), or similar, be planted in Creswell and Pennington Gardens; and
- » As many additional trees, as feasible, to those shown on the landscape master plan be planted.

Park Lands logo and website

The Authority recommended that Council revise the Park Lands logo to include the identifier 'Adelaide', to aid the geographical location of the Park Lands and to distinguish them from other Park Lands. Council subsequently endorsed this revision.



Former Logo



New Logo

The Authority also asked its Executive Officer to ensure that the Park Lands website reflected the location of the Park Lands as being part of Adelaide. This has been acted upon.

Marketing the Park Lands

In line with its \$50k marketing budget provided by Council, the Authority endorsed a series of marketing projects consistent with the Marketing Plan for the Park Lands, namely:

- » Development of Park Lands Brand Guidelines;
- » Production of a new range of promotional photographs of the Park Lands;
- » Further improvements to the Park Lands website and pocket guide;
- » \$10k in financial support for the Adelaide Park Lands Preservation Association to produce the inaugural Park Lands Art Prize Competition; and
- » Production of a promotional segment on a local TV program.

Gas Main Project

The Authority supported the temporary installation of a compound in Walyo Yerta (Park 21) to support the city-wide gas main replacement project. Subsequently however, the project managers were able to undertake the majority of the works within and around the Park Lands without the use of a compound in Walyu Yarta. However some later use was made of a portion of Wikaparntu Wirra (Park 22).

Parking on Park Lands

At its October meeting, the Authority supported the one-off arrangements for the use of a portion of Bonython Park/Tulya Wardli for public parking to support the appearance at the Entertainment Centre of 'The Wiggles' show. Council also supported the proposal.



Glover Playground, South Terrace

War Memorial Drive

The Authority declined to support the implementation of formalised parking along War Memorial Drive (between Montefiore Road and Park Terrace) that would allow ticketed, parallel and angled parking on a rubble verge.

At a subsequent meeting however, the Authority supported a proposal that the boundary of the road reserve along the western extent of War Memorial Drive

Drive (between Montefiore Road and Park Terrace) be formalised at a distance of 3 metres either side of the existing bitumen.

Council, in considering this matter, agreed to the establishment of 4 hour, unmetered, parallel parking within the road reserve (with the road reserve to be established at 3.5m either side of the bitumen).

Park Lands Philanthropic Foundation

The Authority endorsed the findings of a cost/benefit analysis that “the establishment and operating costs for

a philanthropic foundation in support of the Park Lands are significant and, without the necessary support network, such a foundation is unlikely to provide any significant benefits in the short to medium term”.

The Authority went on to support “investigations into the establishment a committee with the purpose of developing a network of Park Lands supporters (ideally with a high-profile patron), initially through a series of Park Lands focussed events, from which the basis for a successful foundation may eventuate”.

Master Plan for the redevelopment of the Park Lands opposite Bowden

The Authority supported the release for public consultation of a Master Plan developed by Renewal SA for the redevelopment of the Park Lands opposite Bowden (subject to a number of conditions which can be found in Attachment A4 to this report). Council also supported the release of the Master Plan for consultation.

The public consultation produced a favourable response to the Master Plan, which is now being finalised.

In association with this matter, the Authority requested a list of weed species used to assess the removal of trees deemed to be pest species. This was subsequently provided.

Waterproofing the West

The Authority recommended that Council endorse the construction and ongoing operation of a water extraction station on the River Torrens/Karrawirra Pari in Bonython Park/Tulya Wodli for the City of Charles Sturt’s ‘Water Proofing the West’ project. This project supplies water from the River during excessive flow periods to wetlands and for irrigation purposes in suburbs to the west of Adelaide. Council also supported this project.

Temporary Fencing for Soccer Games

The Authority recommended that Council allow the West Adelaide Blues Soccer Club to erect 1.2m high temporary fencing around a soccer pitch in Wirrarninthe (Park 23) from February to September 2013 to enable the club to participate in the Football Federation South Australia (FFSA) State League competition.

The recommendation included a requirement to open up some of the fence panels on non-game days and that no advertising be included.

The Authority further advised that it did not support park perimeter fencing and asked Council Administration to work with the FFSA to develop purpose built community soccer facilities in the city that meet their requirements through a more sustainable design solution.

The temporary fencing around the soccer pitch was installed but a long term solution is yet to found.

Lease of a portion of Park Lands to the University of Adelaide

The Authority received a report noting that there were no significant negative public consultation responses to the proposal to lease portions of Warnpangga (Park 10) and Karrawirra (Park 12) for 42 years to the University of Adelaide. This lease covers the area occupied by high quality sports fields and associated buildings cared for and managed by the University. Supported by Council, this lease has now been executed.

Revised spellings for Kaurna names

The Authority received a report advising that the Kaurna Warra Pintyandi language advisory group had revised the spellings for many of the Kaurna names in the Adelaide Park Lands. Refer Attachment A5 for a list of the names.

Temporary advertising signs at sporting events

The Authority recommended that Council permit Park Lands Sporting lessees and licensees to display temporary advertising signage, subject to the following conditions:

The content of the signage is promoting the lessee/licensee, or the relevant sporting activity/event, or a business or product that supports the lessee/licensee; and

The signage is only installed and displayed on the day or days of the relevant sporting activity/event and is removed at the end of each day; and

Where practical, the signage is displayed on the facility outer boundary or edge so that it faces towards the relevant sporting activity/event.

This recommendation was noted by Council on 30 April 2013.



Playing Fields, Eastern Park Lands

Adelaide Park Lands Management Strategy

The Authority received a report identifying progress made in implementing the Adelaide Park Lands Management Strategy.

Active City Strategy

The Authority recommended that Council endorse the Active City Strategy 2013–2023, which can be found through the following link to the Council Policy webpage.

<http://www.adelaidecitycouncil.com/council/policies/>

Requests for information

During the course of the year, Authority Members asked questions of the Administration regarding their own observations, or those of others, of various projects and uses occurring in the Park Lands, such as:

- » The proliferation of tracks through the western Park Lands in conjunction with the rail network upgrade and whether any requests had come before the Authority;

- » Work occurring at the Adelaide High School construction site and if that was within the lease area; and
- » The reason for the construction of a new path south of Marshmallow Park.

Answers were provided either at the time or as follow up emails or memos.

Granting of an Easement

The Authority supported the granting of an easement at the western end of Tampawardli (Park 24), adjacent the rail lines, to the Public Transport Services to enable the construction of underground stormwater infrastructure.

Adelaide High School Sports Facility

At its May 2013 meeting, the Authority deferred consideration of a concept plan for the development of a new sports facility to the west of Adelaide High School to allow for the provision of a more detailed plan.

Question regarding the views of the Adelaide Hills from the Park Lands recognised in the National Heritage Listing.

Adelaide High School Sports Facility (cont.)

At the May 2013 meeting, the following question was asked:

“Is there any reference within Park Land Management or other regulations regarding interruption of views within or from the Park Lands?” This is in reference to the height of buildings along Fullarton Rd and the possible obstruction of view from the Park Lands to the hills?

The reply to this question can be found in Attachment A6.



Black Swan, near River Torrens/Karrwirra Park

Netball Parking in Wikaparntu Wirra (Park 22)

The Authority recommended to Council that parking for the netball courts in Wikaparntu Wirra (Park 22) continue to be provided in the designated parking area with bitumen aisles located in the southern part of Park 22, and be managed through:

- » the regular monitoring of the ground condition (with increased frequency during wet weather), which may require action to restrict parking in areas identified as requiring rest/remediation;
- » ensuring a ‘rest’ period of approximately 2 weeks between the end of the Netball Season and commencement of Royal Show Parking (with this requirement being incorporated in the next South Australian United Church Netball Association lease);
- » regular monitoring on Netball Match days to ensure compliance with the direction for vehicles to park in the designated area; and
- » this situation to continue for a further 24 months during which time the Authority recommends to the Adelaide City Council the provision of additional safety lighting in the adjacent Edwards Park and the implementation of a quantified sustainable travel plan to significantly reduce the level of parking required on Park 22.

This recommendation was subsequently endorsed by Council.

Rundle Park/Kadlitpina – Use by the Garden of Unearthly Delights

The Authority received a presentation at its May 2013 meeting by the Adelaide Park Lands Preservation Association on the perceived impacts of the Garden of Unearthly Delights on Rundle Park/Kadlitpina.

As a result, the Authority recommended that “Council commissions an independent assessment of the condition of Rundle Park/Kadlitpina following its 2013 lease to the Garden of Unearthly Delights”.

The Authority further advised Council that it “considers that the accumulative impacts of leasing the area annually for over 9 weeks for such intensive use, and the impacts and implications of restricting public access through Rundle Park/Kadlitpina for the lease period should be investigated, and recommendations made for improved future management and rehabilitation of the site.”

This advice was subsequently noted by Council, but no action taken.

In addition, the Executive Officer gave an undertaking to research how other Capital Cities accommodate this event (or similar) and how the activity might impact on fauna and flora.

Old rail yards site west of Morphett Street Bridge

At its meeting on 12 July 2012, the Authority received a report concerning Council's endorsement of a plan by the Department of Planning, Transport and Infrastructure to cap the contaminated former rail yards site west of the Morphett Street Bridge (part of Tulya Wardli (Park 27)) with clean fill from the Adelaide Oval project and then temporarily use the area as a worksite in association with the Convention Centre upgrade and rail electrification project. This would eventually allow the site to be returned to useable Park Lands.

In May 2013, the Authority endorsed a Council Master Plan (refer Attachment A7) to redevelop this site as a Park but declined to support the occasional parking of 451 cars on the site in association with events at Adelaide Oval, stating that parking on the Park Lands should be reduced.

Council subsequently endorsed the Master Plan and called for a further report considering an appropriate policy for the use of the area for major event car parking, including any financial implications of policy options.

Park Lands Utilisation Research

Following questions from Members about what is known about the level of Park Lands usage, the Authority received a presentation outlining the Administration's current understanding.

At its May meeting, the Authority endorsed a project proposal to undertake further Park Lands Utilisation Research and noted that the project scope and approach may vary due to the availability of resources. Council also subsequently endorsed the project.

Future uses of the existing Royal Adelaide Hospital site

At its scheduled June 2013 meeting, the Authority recommended that Council establish (as a matter of priority) a working group (to include the Deputy Presiding Member of the Authority or her proxy) to "establish its position with regard to the future uses of the RAH site".

The Authority also requested that Council presents the outcomes and recommendations of that group to the Authority for its consideration and prepares "a list of the key Park Lands criteria which should be taken into account in considering future uses of the RAH site".

Briefings

The Authority received briefings on the following matters:

- » Landscape Master Plan for Adelaide Oval;
- » Design for the new footbridge across the River Torrens/Karrawirra Pari;
- » Proposal to redevelop the Park Lands opposite Bowden;
- » Park Lands Art Prize;
- » Waterproofing the West (water harvesting scheme);
- » The use of Rundle Park/Kadlitpina for the Garden of Unearthly Delights Fringe event;
- » The property Council's views on Park Lands improvements;
- » Greater Riverbank Master Plan;
- » Victoria Square/Tarntanyangga upgrade;
- » National Trust's views on the Park Lands;
- » West Terrace Cemetery Management Plan;
- » Tree planting plans for the Park Lands;
- » Britannia Roundabout proposal; and
- » The State Governments Place Shaping Framework.



Community Garden, Veal Gardens

Monthly Update Reports

In relation to its activities, the Authority received a report each month, providing updates on ongoing and new matters, particularly in relation to the outcomes of advice presented to Council and the State Government.

Site Visits

The Authority undertook three site visits in 2012, one to the site of the Adelaide International Horse Trials in the eastern Park Lands and two visits to Creswell and Pennington Gardens, adjacent Adelaide Oval, to view proposed tree removals and minor pruning of the War Memorial Oak.

Participation of Members on other bodies

Following resolutions of the Authority, one Member participated in meetings of a project reference group overseeing the development of a Sporting Infrastructure Master Plan for the southern and western Park Lands. Another Member participated in a Council led working group addressing the State Government's Greater Riverbank Master Plan (which includes the redevelopment of the existing Royal Adelaide Hospital site).

Supporting Responsibilities

The Authority dealt with various statutory and administrative matters relating to its operation and responsibilities under the *Adelaide Park Lands Act 2005* and its Charter, including the following.

Annual Report 2011/2012

The Authority adopted its Annual Report for 2011 – 2012 in September 2012, as required, and forwarded a copy to the Adelaide City Council and the Minister for Sustainability, Environment and Conservation.

Business Plan and Budget for the Authority – 2013/2014

In June 2013, the Authority adopted a Business Plan and Budget for the 2013 – 2014 financial year, which was subsequently endorsed by Council.

Logo

The Authority adopted the following logo for its use on letterheads, reports etc.



Wood Duck or Maned Goose, Himeji Gardens

Performance against Business Plan and Budget – for 2012/2013

The Authority is required to prepare a Business Plan and Budget in accordance with Schedule 2 Part 1 (8 and 9) of the Local Government Act 1999 and its Charter.

The Authority's Business Plan and Budget for the period July 2012 to June 2013 was adopted at its meeting held on 10 May 2012.

The following table summarises the Authority's achievements against its Business Plan.

The operations of the Authority are funded by Adelaide City Council.

The Authority also operates the Adelaide Park Lands Fund which as of 30 June 2013 contained \$1000.00, being a donation from the Adelaide Park Lands Preservation Association.



View of the city from near the Weir, River Torrens/Karrawirra Park

PERFORMANCE AGAINST 2012/2013 BUSINESS PLAN

OUTCOMES	PERFORMANCE TARGETS	PERFORMANCE MEASURES	ACHIEVEMENTS
CORE RESPONSIBILITY			
Advice provided to Council and the State Government on key strategic matters relating to the Adelaide Park Lands including the preparation and implementation of policies, management and project plans	Provide advice as required to Council and the State Government on key matters relating to the Adelaide Park Lands	<ol style="list-style-type: none"> 1. At least 12 meetings of the Authority held per year 2. Advice provided to Council and State Government in a timely manner 3. Receive at least two presentations on Park Lands planning and management related matters per year 	<p>The Authority held 12 ordinary meetings and four special meetings (on 5 and 19 July 2012 and 21 February and 23 May 2013).</p> <p>Advice was provided on a range of matters including the following:</p> <ul style="list-style-type: none"> » A range of matters relating to the redevelopment of Adelaide Oval including a Landscape Master Plan and the design of and tenure arrangements for the associated footbridge; » A range of leasing matters for Park Lands properties; » A Master Plan for the redevelopment of the Park Lands opposite Bowden; » A Master Plan for the redevelopment of the former rail yards site west of the Morphett Street Bridge; and » Council's new Community Land Management Plans and State Government Management Plans for the Park Lands. <p>Presentations were provided on a number of those matters listed above.</p>
Public are encouraged to use the Park Lands	Implementation of marketing projects aimed at encouraging use of the Park Lands	Two new marketing projects are undertaken	<p>\$10k provided in support of the inaugural Park Lands Art Prize.</p> <p>\$3k provided for the development of a local TV show segment aimed at promoting the Park Lands. Park Lands Pocket Guide produced Park Lands website launched</p>

PERFORMANCE AGAINST 2012/2013 BUSINESS PLAN

OUTCOMES	PERFORMANCE TARGETS	PERFORMANCE MEASURES	ACHIEVEMENTS
SUPPORTING RESPONSIBILITIES			
Authority operates with a full complement	Appointments to the Authority are maintained	Appointments are made in a timely manner to coincide with term expiry dates	Council made four re-appointments in December 2012 Three of the Ministerial appointments expired in February 2013 and, by the end of June 2013, had not been replaced. Thus leaving a membership of just seven, rather than the required ten
Authority operates according to its required targets, performance measures, processes and budgetary constraints	Business Plan and Budget is in place	New Business Plan and Budget is adopted prior to the expiry of that currently in operation	Business Plan and Budget for 2012 – 2013 adopted 10 May 2012, as required
Quarterly Financial Reports assist Authority to measure its performance	Quarterly Financial Reports	Quarterly Financial Reports adopted and presented to Council as required	Budget updates now provided through the Monthly Report
The Adelaide Park Lands Fund is operational	Operation of the Adelaide Park Lands Fund	Monies are received and expended according to the provisions of the Authority's Charter	The Fund is operational
General purpose accounts are operational	Operation of General Purpose Accounts	Council's accounting procedures met	Council's General Purpose Accounts are used to manage the Authority's budget allocation
The Authority is audited according to the requirements of its Charter	Auditing as required by the Authority's Charter	Council's external auditor and Audit Committee is satisfied that the requirements of the Charter have been met	Auditing was carried out prior to the finalisation of the Annual Report
Annual Report is prepared	Preparation of Annual Report	Annual Report is submitted to Council and Minister by 30 September each financial year	Annual Report for 2011 – 2012 was adopted prior to 30 September 2012, as required
The Authority is insured according to the requirements of the Local Government Mutual Liability Scheme	Insurance Requirements	The Local Government Mutual Liability Scheme insures the Authority	Insurance cover is current

Resolutions of the Authority and Council and other items relevant to matters identified in this report

Attachment A1 – Clipsal 500 Event

At the October 2012 meeting, the Authority resolved to advise the Minister for Motor Sports and Council that:

The following recommendations are made to the South Australian Motor Sport Board (SAMSB) based on the 2013 Clipsal 500 Adelaide declarations for the declared area, declared period and prescribed works period as follows:

1. That access be maintained to key pedestrian and cycling thoroughfares in Victoria Park/ Bakkabakkandi throughout the prescribed works period including: the east – west pedestrian access track between Fullarton Road and Halifax Street, fitness loop and stations around the Southern Fields and pedestrian access from an access point opposite Grant Avenue to Wakefield Road (Attachment C to Item 9 on the Agenda for the meeting of the Board of the Adelaide Park Lands Authority held on 11 October 2012.)
2. That both east – west footpaths between Fullarton Road and Halifax Street through Victoria Park/ Bakkabakkandi remain open for as long as possible. The southern path is to remain open until at least Monday 14 January 2013 and then reopen by Monday 1 April 2013 at the latest. The northern path is to remain open except for the 5 days of the declared period from Wednesday 27 February 2013 – Sunday 3 March 2013 and for short periods when crane lifts are occurring adjacent to the track.
3. That the erection of all fencing be left until the latest possible opportunity to ensure access to the park is maximised.
4. That appropriate signage advising the public of access changes, including pathway closing and opening dates and alternate access routes is installed.
5. That the erection of pedestrian overpasses be delayed for as long as possible in the program.
6. That the completion of the prescribed works period occurs as early as possible so as not to impede Council's ongoing work on the redevelopment of Victoria Park/ Bakkabakkandi and to allow access for other Park Lands users and events.
7. That an assessment and subsequent remediation (at the cost of the SAMSB) of the area impacted by the event occurs as early as possible following the completion of the prescribed works period.
8. That the area covered by the management agreement (identified as 'Area to be protected under the Management Agreement' in Attachment B to Item 9 on the Agenda for the meeting of the Board of the Adelaide Park Lands Authority held on 11 October 2012) is protected by a 1.8m high temporary fence (at the cost of the SAMSB) throughout the declared period to protect from damage caused by pedestrian access;

9. That the area identified as 'Chequered Copper butterfly – primary distribution and habitat' in Attachment B be adequately fenced or bunted to restrict vehicle access (at the cost of the SAMSB) throughout the prescribed works period and declared period and that active measures are undertaken by the SAMSB to prevent pedestrian access through this area during the declared period.
10. That the SAMSB liaise with the cycling associations to devise a safe and mutually agreeable outcome for the use of the criterium track for cycling competitions during November and December 2012.
11. That the SAMSB continue to liaise with the organisers of the Australian International 3 Day Event (AI3DE) to ensure the event's requirements are accommodated.
12. SAMSB be asked to establish the construction compound on the eastern side of Victoria Park adjacent to Fullarton Road.
13. Advertising on footbridges be screened from view except for a week before and a week after the declared period.
14. Principal access points to the site for construction purposes be from Wakefield Rd and Fullarton Rd (not East Tce, Halifax St etc).
15. Material storage areas be confined to screened areas associated with the construction compounds.
16. Exclude from the declared area the former SAJC 'chute' area on the eastern side of Victoria Park (southern end).'

Attachment A2 – Victoria Park/Pakapakanthi – Central Gardens Concept Plan



Attachment A3 – Landscape Master Plan for Adelaide Oval Surrounds

– as approved by the Authority – subject to the removal of the stand identified in red below



Attachment A4 – Resolution regarding the Master Plan for Park Lands opposite Bowden

At its December 2012 meeting, the Authority advised Council and the State Government that:

1. The Authority is supportive of the Master Plan for the north-western Park Lands opposite Bowden (included as Attachment C to Item 6 on the Agenda for the meeting of the Board of the Adelaide Park Lands Authority held on 6 December 2012), and its release for public consultation, subject to the following conditions:
 - 1.1 The provision for further consideration by the Authority and Council of a detailed management plan for the community garden, which clearly identifies any possible commercial arrangements of the operation and any fees to be applied;
 - 1.2 A contamination assessment (consistent with the relevant Australian Standards) for any site works which involve significant ground disturbance (as determined by the Environment Protection Authority);
 - 1.3 That the proposed car parking arrangements along Sugar Gum Avenue only proceed if additional funding is secured to provide adequate vehicle control measures and surface treatment between the trees to protect them from the potential damage incurred through parking;
 - 1.4 The minimisation of the loss of any trees;
 - 1.5 An implementation that does not unduly disadvantage the incumbent soccer club's ongoing use of the area;
 - 1.6 Retention and re-use on-site of any historically important material (as identified by the Cultural Landscape Assessment for the Park Lands);
 - 1.7 Interpretive signage to help people understand the history of the area
 - 1.8 The inclusion of a petanque piste in the stage 1 works;
 - 1.9 That all parking areas be constructed with permeable materials subject to Council approval
 - 1.10 A commitment from the State Government to support the additional ongoing maintenance costs associated with the improvement of the site, which will largely service the needs of the adjacent Bowden redevelopment (it is preferred that this commitment be facilitated through an ongoing increase to the Annual Grant for the Park Lands made by the State Government).
 - 1.11 The subject area to remain under the care and control of the Council at all times.
 - 1.12 The design, development and procurement processes be undertaken in close consultation with Council and subject to final agreement by Council.
 - 1.13 The commitment of Council's resources now and in the future be subject to Council's overall Park Lands priorities.
2. The Authority:
 - 2.1 Notes that stage two of the project (notably the new sports building and playing fields, plaza associated with bridge and part of the youth space) is subject to the proposed undergrounding of the Outer Harbour rail line through that section of the Park Lands;
 - 2.2 Requests that Renewal SA explore the temporary or permanent relocation of the soccer club facilities as part of stage 1, possibly at the eastern end of the proposed playing fields (in conjunction with an access road and small car park that would service both the club and community garden and replace the need for a car park at the western end of the site);
 - 2.3 Urges the Department of Planning, Transport and Infrastructure to:
 - 2.3.1 Underground the Outer Harbour Line rather than use an open cutting; and
 - 2.3.2 Construct an "Active Crossing" (one which favours the easier movement of pedestrians) to replace the current crossing to War Memorial Drive and the North Adelaide Train Station;
 - 2.4 Recommends that Council seeks a formal (dual Kaurna/non-Kaurna) name for the area.

Attachment A5 – List of revised Kaurna names for Parks – Adopted by Council Feb 2013

Park Name and Former Spelling	Meaning of Name	Revised Spelling
Piltawodli (Park 1)	possum place	Pirltawardli
Padipadinyilla (Park 2)	swimming place	Pardipardinyilla
Kandarilla (Park 3)	kandara root place	Kantarilla
Kangattilla (Park 4)	kangatta berry place	Kangatilla
Ngampa Yerta (Park 5)	ngampa root ground	Ngampa
Nanto Womma (Park 6)	horse plain	Nantu
Kuntingga (Park 7)	kunti root place	unchanged
Barnguttilla (Park 8)	barngutta root place	Parngutilla
Tidlangga (Park 9)	tidla root place	unchanged
Warnpangga (Park 10)	bullrush root place	unchanged
Tainmundilla (Park 11)	mistletoe place	Tainmuntilla
Karrawirra (Park 12)	river red gum forest	unchanged
Rundle Park/Kadlitpinna	Captain Jack	Kadlitpina
Rymill Park/Mullawirraburka	King John	Murlawirrapurka
Ityamaiitpinna (Park 15)	King Rodney	Ityamai-itpina
Victoria Park/Bakkabakkandi	to trot (as applied to horses)	Pakapakanthi
Tuttgarta (Park 17)	grass place	Tuthangga
Wita Wirra (Park 18)	peppermint grove/place	unchanged
Pityarilla (Park 19)	marshmallow root place	unchanged
Kurrangga (Park 20)	blue gum place	Kurangga
Walyo Yerta (Park 21)	walyo root ground	Walyu
Minno Wirra (Park 21 West)	golden wattle grove	Mirnu
Wikaparndo Wirra (Park 22)	netball park	Wikaparntu
Wirranendi (Park 23)	to become wirra	Wirrarninhi
Tambawodli (Park 24)	plain place	Tampawardli
Narnungga (Park 25)	native pine place	unchanged
Tarndanya Womma (Park 26)	Adelaide plain/oval	Tarntanya
Bonython Park/Tulya Wodli	Police barracks	Tulya
Palmer Gardens/Pangki Pangki	name of kaurna tracker and guide	unchanged
Brougham Gardens/Tandotittingga	native Lilac place	Tantutittingga
Victoria Square/Tarndanyangga	Red Kangaroo Dreaming	Tarntanyangga
Hindmarsh Square/Mogata	King John's wife	Mukata
Hurtle Square/Tangkaira	King Rodney's wife	unchanged
Light Square /Wauwe	Captain Jack's wife	Wauwi
Wellington Square/Kudnarto	first Kaurna woman to marry a European	Kudnartu
Whitmore Square/Ivaritji	King Rodney's daughter	Iparrityi
Torrens River/Karrawirra Parri	redgum forest river	Karrawirra
Main Lake Botanic Garden/Kainka Wirra	redgum forest	unchanged
Frome Park/Nellie Raminyemmerin	Nellie was a Kaurna woman of some note*	unchanged

* Nellie Raminyemmerin was a Kaurna woman and tribal sister of Iparrityi and Lartelare, who were the daughters of Ityamai-itpina (King Rodney). Nellie was kidnapped from the banks of the River Torrens/Karrawirra Parri and taken to Kangaroo Island in about 1844.

Other named features

Feature and Former Spelling	Meaning of Name	Revised Spelling
Karntu Waadlakatha/Lightning Bridge (bridge in Bonython Park/Tulya Wardli)	Lightning Bridge	unchanged
Kainkawirra Waadlakatha/ Sir Douglas Nicholls Bridge** (bridge behind Adelaide Zoo)	red gum forest bridge	unchanged

** Sir Douglas Nicholls was a prominent Aboriginal Australian from the Yorta Yorta people – an athlete, pastor and the first Aboriginal person to be knighted and to be appointed Governor of South Australia (in 1976).

Attachment A6 – Reply to Question on Notice regarding Views to the Adelaide Hills from the Park Lands

Question read as follows.

‘Is there any reference within Park Land Management or other regulations regarding interruption of views within or from the Park Lands?’ This is in reference to the height of buildings along Fullarton Rd and the possible obstruction of view from the Park Lands to the hills?’

Reply in Summary

- 1 The Values which support the National Heritage Listing of the Adelaide Park Lands and City Layout provide some protection, through the *Environment Protection and Biodiversity Conservation Act 1999*, for “The judicious siting and wide streets maximised views and vistas through the city and Park Lands and from some locations to the Adelaide Hills”.

Further Information

- 2 The Adelaide Park Lands and City Layout (see Attachment 1) is included on the National Heritage List because the plan meets six of the nine assessment criteria (only one is required for listing).
- 3 Attached to each of the criteria is a set of stated Values which identify the satisfaction of that criterion.
- 4 Criterion F requires the site to have “outstanding heritage value to the nation because of the place’s importance in demonstrating a high degree of creative or technical achievement at a particular period”.
- 5 The Values which support the satisfaction of this criterion are (in part) as follows, with the most relevant wording highlighted in yellow.

Adelaide Park Lands and City Layout is regarded throughout Australia and the world as a masterwork of urban design. Elements of the Adelaide Plan that contribute to the design excellence are the use of the encircling park lands to define the boundary of the development of the city and to provide for health, public access, sport, recreation and public institutional domains, thereby meeting both economic and social requirements. Designing the city layout to respond to the topography was highly innovative for its time with the northern sections of the city located and angled to take advantage of the rising ground while retaining the Torrens River as a feature within the Park Lands. The judicious siting and wide streets maximised views and vistas through the city and Park Lands and from some locations to the Adelaide Hills.

The plan features a hierarchy of road widths with a wide dimension to principal routes and terraces and alternating narrow and wide streets in the east-west direction. Light’s planning innovation is supported by substantial historical documentation.

- 6 A site’s National Heritage Listing is afforded a degree of protection through the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).
- 7 The EPBC Act can prevent actions occurring where the Minister responsible for the Act considers that there is likely to be a significant impact on one or more of the National Heritage Values – in that they will either be lost, degraded, damaged, notably altered, modified, obscured or diminished.

- 8 This means that approval must be obtained before any action is taken that may have a significant impact on the National Heritage Values of the place.
- 9 It is important to note that the maximised views and vistas referred to in the Values are not specified. However Victoria Park/Pakapakanthi and Nanto Wama (Park 6) are known to the Administration (and also a number of third parties, including consultants) as locations which do afford clear and expansive views to the Adelaide Hills.
- 10 On 14 May 2013, in response to the Inner Metropolitan Growth Development Plan Amendments, Council resolved to:

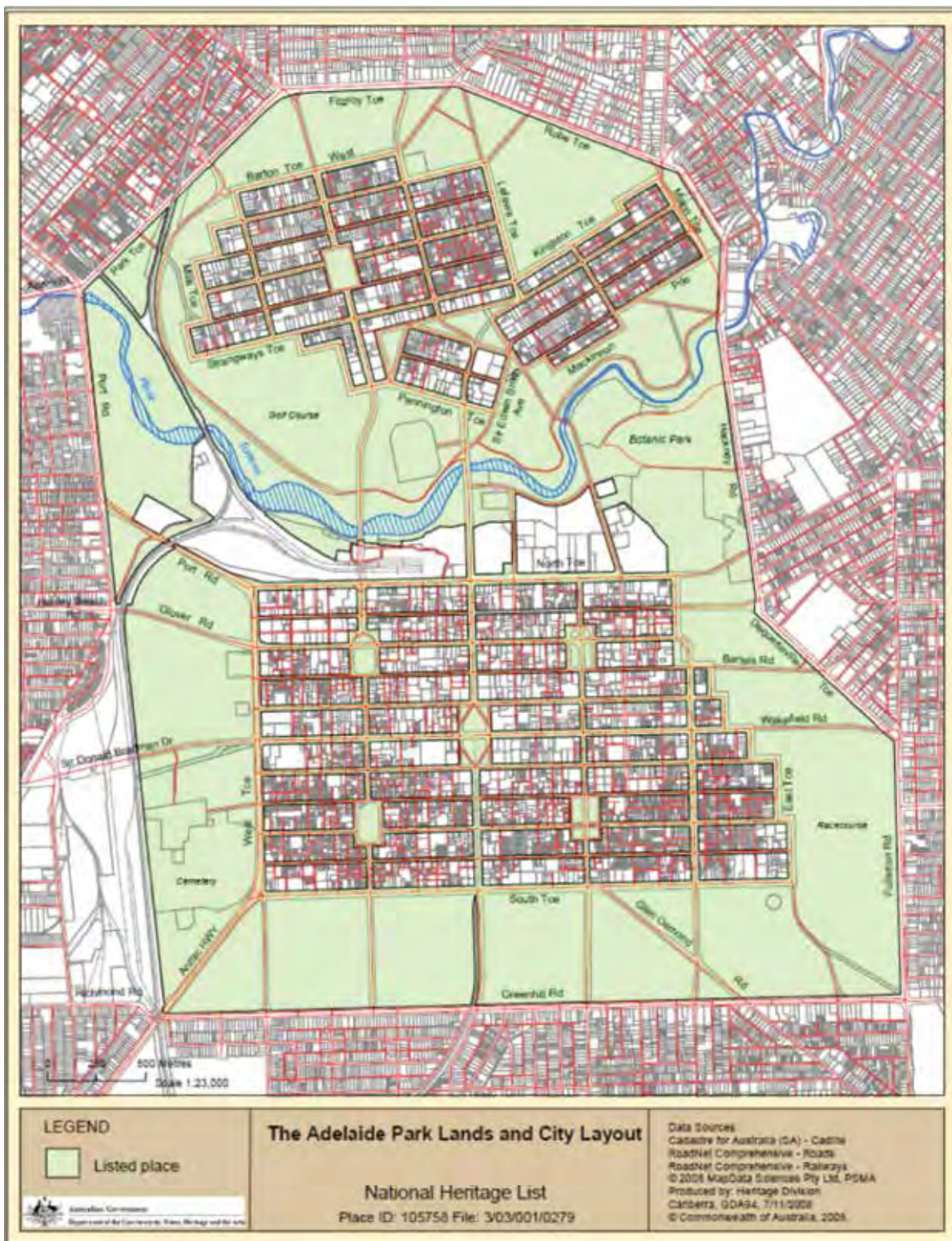
“write to the Commonwealth Government enquiring as to whether, under the *Environment Protection and Biodiversity Conservation Act 1999*, a formal strategic assessment has been undertaken on the possible obstruction of views of the Adelaide Hills as a result of the Inner Rim DPAs provisions to increase building heights in such locations as Fullarton and Greenhill Roads; and that

Copies of such correspondence be sent to affected Councils and the Minister for Planning”.

Adelaide Park Lands Management Strategy, Community Land Management Plans and Landscape Master Plan

- 11 Consistent with the recognition, and protection provided by the National Heritage Listing, the Adelaide Park Lands Management Strategy, Community Land Management Plans and the Landscape Master Plan all identify and re-enforce the importance of the various views inherent in the Park Lands.

Attachment 1 (to above e-mailed response regarding Park Lands views) – The Listed “Place” for the Adelaide Park Lands and City Layout



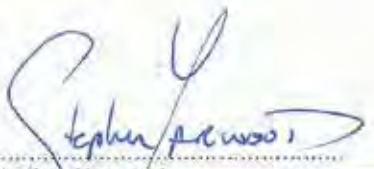
Attachment A7 – Master Plan for redevelopment of former rail yards site west of Morphett Street Bridge – part of Tulya Wardli (Park 27) – as approved by the Authority 30 May 2013



ADELAIDE PARK LANDS AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
CERTIFICATION OF FINANCIAL STATEMENTS

I have been authorised by Adelaide Park Lands Authority to certify the financial statements in their final form. In my opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Adelaide Park Lands Authority's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Adelaide Park Lands Authority's accounting and other records.


Stephen Yarwood
LORD MAYOR

Dated the

21

day of

October

2013

Statement of Comprehensive Income

for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
INCOME			
Grants, subsidies and contributions	2	133	120
Total Income		133	120
EXPENSES			
Materials, contracts and other expenses	3	133	120
Total Expenses		133	120
OPERATING SURPLUS/(DEFICIT)		–	–
NET SURPLUS/(DEFICIT)		–	–
Total Other Comprehensive Income		–	–
TOTAL COMPREHENSIVE INCOME		–	–

This Statement is to be read in conjunction with the attached Notes.

Balance Sheet

as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	1	1
Total Current Assets		1	1
Total Assets		1	1
NET ASSETS		1	1
EQUITY			
Accumulated Surplus		1	1
TOTAL EQUITY		1	1

This Statement is to be read in conjunction with the attached Notes.

Statement of Changes in Equity

for the year ended 30 June 2013

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2013		
Balance at end of previous reporting period	1	1
Net Surplus for Year	–	–
Balance at end of period	1	1
2012		
Balance at end of previous reporting period	1	1
Net Surplus for Year	–	–
Balance at end of period	1	1

This Statement is to be read in conjunction with the attached Notes.

Cash Flow Statement

for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		133	120
Payments			
Operating payments to suppliers and employees		(133)	(120)
Net Cash provided by (or used in) Operating Activities		–	–
Net Increase (Decrease) in cash held		–	–
Cash and cash equivalents at beginning of period		1	1
Cash and cash equivalents at end of period	5	1	1

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 1 May 2011.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Rounding

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

2 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

3 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

4 Infrastructure, Property, Plant and Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

The Authority does not have any employees. All employees are employed through the parent entity, Adelaide City Council.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

6 GST Implications

In accordance with UIG Abstract 1031 “Accounting for the Goods and Services Tax”:

- » Receivables and Creditors include GST receivable and payable.
- » Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- » Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

7 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

8 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period.

- » AASB 9 Financial Instruments
- » AASB 10 Consolidated Financial Statements
- » AASB 11 Joint Arrangements
- » AASB 12 Disclosure of Interests in Other Entities
- » AASB 13 Fair Value Measurement
- » AASB 119 Employee Benefits
- » AASB 127 Separate Financial Statements
- » AASB 128 Investments in Associates and Joint Ventures
- » AASB 2010-6 Amendments to Australian Accounting Standards [AASBs 1 and 7]
- » AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19, and 127]
- » AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB121, AASB 128, AASB 132, AASB 134 and Interpretations 2,112 and 113]
- » AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 and AASB 131]
- » AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 and 1038 and Interpretations 5, 9, 16 and 17]
- » AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 and 132]
- » AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 and 1049]
- » AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 and AASB 2011-8 and Interpretation 14]
- » AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that none of the above new standards will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 2 – Income

	2013 \$'000	2012 \$'000
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	133	120
	133	120
Sources of grants		
Adelaide City Council	133	120
	133	120

Note 3 – Expenses

	2013 \$'000	2012 \$'000
MATERIALS, CONTRACTS and OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration		
Auditing the financial reports	2	2
Subtotal – Prescribed Expenses	2	2
Other Materials, Contracts and Expenses		
Contractors	61	51
Advertising	21	27
Insurance	12	12
Sitting Fees	11	7
Sponsorship	10	–
Training and Development	–	5
Consultants	7	11
Legal Expenses	3	5
Membership Fees	6	–
Subtotal – Other Materials, Contracts and Expenses	131	118
	133	120

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 4 – Current Assets

	2013 \$'000	2012 \$'000
CASH AND EQUIVALENT ASSETS		
Cash on Hand and at Bank	1	1
	1	1

Note 5 – Reconciliation to Cash Flow Statement

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet.

	Notes	2013 \$'000	2012 \$'000
Total cash and equivalent assets	4	1	1
Balances per Cash Flow Statement		1	1

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	–	–
Net Cash provided by (or used in) operations	–	–

This Statement is to be read in conjunction with the attached Notes.

Note 6 – Uniform Presentation of Finances

The following is a high level summary of both operating and capital investment activities of the Adelaide Park Lands Authority prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2013 \$'000	2012 \$'000
Income	133	120
less Expenses	(133)	(120)
Operating Surplus	–	–
Funding surplus	–	–
Net Lending/(Borrowing) for Financial Year	–	–



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INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF THE ADELAIDE PARK LANDS AUTHORITY

We have audited the accompanying financial report of the Adelaide Park Lands Authority "(the Authority)", which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Lord Mayor.

Authority's Responsibility for the Financial Report

The Authority's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and for such internal control as the Authority's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and 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 Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority's officers, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Adelaide Park Lands Authority as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Partnership (SA)

A handwritten signature in blue ink that reads 'G K Edwards'.

G K Edwards
Partner

Adelaide, 27th October 2013

Attachment K

ADELAIDE PARK LANDS AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Adelaide Park Lands Authority for the year ended 30 June 2013, the Council's Auditor, BDO, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) Local Government (Financial Management) Regulations 1999.



Peter Smith
CHIEF EXECUTIVE OFFICER



Ross Haslam
ACTING PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 18/10/13



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AUSTRALIA

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Park Lands Authority for the year ended 30 June 2013, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

G K Edwards
Partner

BDO Audit Partnership (SA)

Adelaide, 27 October 2013

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Attachment J

Adelaide City Council
 ABN 20 903 762 572
 Customer Centre
 25 Pirie Street, Adelaide
 GPO Box 2252 Adelaide
 South Australia 5001
 Tel 08 8203 7203
 Fax 08 8203 7676
city@adelaidecitycouncil.com

18 October 2013

Mr Geoff Edwards
 Partner
 BDO
 7/420 King William Street
 ADELAIDE SA 5000

This representation letter is provided in connection with your audit of the financial report of the Adelaide Park Lands Authority for the year ended 30 June 2013 for the purpose of expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999*, *City of Adelaide Act 1998* and the *Local Government (Financial Management) Regulations 2011*.

We confirm to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves that:

Financial report

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, with regard to the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999*, *City of Adelaide Act 1998* and the *Local Government (Financial Management) Regulations 2011*.
2. The selection and application of accounting policies is appropriate.
3. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect error. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
6. All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information provided

8. We have provided you with:
 - a) Access to all information of which we are aware, that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. Minutes of all Authority meetings and other relevant committees held prior to the date of this letter have been included in the minute books and have been made available to you. All material agreements entered into and guarantees given by Adelaide Park Lands Authority have been minuted or otherwise recorded.
10. All transactions have been recorded in the accounting records and are reflected in the financial report.
11. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
12. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud, allegations of fraud or suspected fraud that we are aware of and that could have a material effect on the financial report.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report. We understand that the entity must be in compliance at all times with the following laws and regulations:
 - *Local Government Act 1999*
 - *City of Adelaide Act 1998*
 - *Local Government (Financial Management) Regulations 2011*
16. We have disclosed to you all communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Accounting standards

- The major accounting policies adopted are set out in the financial report. The accounting policies remained unchanged from the previous year.
17. The accounting policies comply with all the requirements of each applicable Australian equivalents to International Financial Reporting Standards as they relate to not-for-profit entities and each applicable approved interpretation.

Publication on web site

18. With respect to publication of the financial report on our website, we acknowledge that:
 - we are responsible for the electronic presentation of the financial report;

- we still ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version;
- we will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation;
- we have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published, and
- we will not present the auditor's report on the full financial report with any document other than the full financial report.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Managements reviewed the financial report, the contents of which have been approved by the appropriate officers of this Authority. Further, all material facts known to us which could affect the financial report have been made communicated to you.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

Yours faithfully



Chief Executive Officer



General Manager Strategic Finance & Business Services

Rundle Mall Management Authority

Annual Report 2012–13



Chairman's Message

Welcome to the Rundle Mall Management Authorities (RMMA) Annual Report.

In November 2011, the Adelaide City Council formally endorsed the Rundle Mall Masterplan and committed \$30 million towards Stage One of the Rundle Mall Redevelopment. Rundle Mall's Masterplan is a framework which seeks to guide the future direction and delivery of projects and spending in Rundle Mall with the aim of positioning the precinct as the premier retail precinct in South Australia. Rundle Mall should represent a unique, vibrant and attractive shopping experience in the heart of the city. The first stage of the project is based on five key elements and includes high quality paving, the introduction of urban elements, the future proofing of services, upgraded lighting and greening.

In collaboration with Adelaide City Council, we have undertaken a review of the governance of RMMA and have committed to a more strategic role in championing the delivery of the vision for the Mall. This will include activating the Mall, supporting existing businesses, attracting new businesses and facilitating additional investment into the precinct, as well as continuing marketing and management activities previously undertaken.

Change is underway in Rundle Mall and we've created a bold plan to support it by:

- » Developing and maintaining our strong uniqueness via an exciting retail mix including the attraction of high profile national and international brands.
- » Growing the evening economy ensuring that Rundle Mall provides a compelling reason for city workers to stay and enjoy the sense of being part of a capital city.
- » Introducing a digital strategy that will compliment Adelaide City Council's strategy, meet the needs of retailers and precinct businesses.
- » Creating an exciting events and marketing programme that recognises its importance as a world class destination, the heart of our city.

People want Adelaide to come alive and the RMMA is committed to supporting this vision. The Rundle Mall precinct needs to be a place where more people want to spend

more time. We want everyone – businesses, community groups and the broader public to play a role in the precincts future.



Theo Maras

**Chairman Rundle Mall
Management Authority**

Chief Executive Officer's Message

Traffic in Rundle Mall benefited from the previous years of work positioning the Mall as a tourism precinct and gaining the ability to open on Public Holidays. Boxing Day in 2012 saw record breaking visitor numbers delivering the largest single trading day of the year. This followed a very successful media coverage promoting the Mall and placing it at the forefront of mind in South Australian shoppers.

Throughout the year Rundle Management have sought to provide interesting marketing and events to promote the Mall as a lifestyle venue and premier shopping precinct.

In February, to coincide with Valentine's Day and as work started on the re-construction; we launched a campaign to become the Heart of Our City. A theme that has gained traction in the Media and upon which we have continued to build through the year. Following on from the successful completion of the Masterplan and subsequent Governance Review, Rundle Management Authority undertook a review of its structure and capability to deliver the key elements of the Masterplan. As a result of this review it was decided to strengthen the operational team by the appointment of a part time Operations Manager.

In December 2012, Martin Haese, General Manager, handed over his role to the new CEO. Martin managed the organisation through a period of significant growth and strategic development.

In May, with work on The Masterplan underway and the Governance Review completed, the RMMA Board completed its strategic review of the direction of Rundle Mall and delivered a number of new strategic key initiatives. These are referred to later in this document and set the direction for the next 5 years and the basis of the 2013/2014 budget.

The Management Team of Rundle Mall are excited and committed to the delivery of "a place of firsts" that holds its own on the world stage and is a compelling City retail experience.



Ian Darbyshire

**Chief Executive Officer Rundle Mall
Management Authority**

The Rundle Mall Precinct

The Rundle Mall Management Authority (RMMA) is constituted under the provisions of the *Local Government Act 1999* as a Subsidiary of the Adelaide City Council pursuant to Section 42. The RMMA was established in October 2008 to meet the challenges facing Rundle Mall in a competitive retail and commercial market place. The RMMA is governed by a Board of Directors representing business, retail, property and Council interests. The Authority is managed by a CEO and three full-time staff with responsibility for marketing, events and administration. Three additional part-time employees resource casual mall leasing, concessions, online activities and provide assistance to the marketing coordinator.

The RMMA's over-arching aim is to improve the Rundle Mall precinct's competitive stance and ensure a sustainable future for the diverse range of stakeholders. The Rundle Mall precinct remains South Australia's most visited public and retail space and plays a key role in defining Adelaide on the local, national and international stage. The Rundle Mall Management Authority Board of Directors and staff remain ever cognisant of the need to enhance and support positive commercial outcomes within the precinct at every opportunity. A highly successful Mall is a catalyst for similar outcomes within neighbouring precincts and for added relevance and vibrancy within the wider city of Adelaide.

The Rundle Mall precinct is bound by the Southern side of North Terrace, the Eastern side of King William Street, the Northern side of Grenfell Street, the Western side of Pulteney Street and all of the land in-between. Comprising of approximately 700 retail stores and 200 service based businesses, the precinct includes 15 arcades and centres, 4 department stores and a myriad of laneways which inter-connect with the Mall and the neighbouring cultural, dining, entertainment, business and transport orientated precincts.

With annual sales collectively of approximately \$800M, approximately 24 million visitations per annum and employing in the vicinity of 5,000 people, Rundle Mall remains the retailing heart of South Australia.

The following map delineates the boundaries of the Rundle Mall precinct:



Strategic Vision

The RMMA Board has developed a strategic vision for the Rundle Mall precinct to provide a focus for continuous improvement:

“Rundle Mall is the most compelling, attractive and unique shopping experience in South Australia as it provides a diverse, entertaining and vibrant meeting place in the heart of Adelaide city. Customers and visitors are welcomed by a diverse range of successful retailers and businesses in a well-managed precinct.”

The Charter of the Rundle Mall Management Authority describes the key roles and responsibilities of the Authority:

- » Position the Rundle Mall precinct so that it sustains retail, business and economic growth and maintains economic viability
- » Enhance and sustain Rundle Mall as South Australia's premier retail and commercial district
- » Provide greater engagement and partnership with key stakeholders to achieve greater competitiveness, development and success
- » Prepare a Strategic Management Plan and refine and re-define that plan in response to changing circumstances
- » Promote the Rundle Mall precinct to further increase its use by shoppers, city workers, residents, visitors, tourists and the wider community

Throughout the 2013–2014 Financial Year, the RMMA will focus much of its energy and resources on underwriting the sustainability of early evening weekday trading, tourism and public holiday trading, while working with its stakeholders to: minimize the concerns and business disruption that is going to be an inevitable consequence of the ongoing building works required for the implementation of the Rundle Mall Master Plan.

RMMA will further revitalize the Rundle Mall precinct with the following key initiatives;

- » Develop and maintain a strong uniqueness and retail mix for the Rundle Mall
- » RMMA will develop a strategy to grow an evening economy
- » RMMA to communicate priorities for future infrastructure upgrades beyond the current up-grade build because some aspects of the master-plan have not been included at this time
- » RMMA will develop a digital strategy to complement the digital strategy of the Adelaide City Council
- » RMMA will develop a position on city linkages, transport and car parking around Rundle Mall
- » Develop a marketing strategy for the Rundle Mall Precinct
- » RMMA to develop an events strategy as part of the place-making imperative for Rundle Mall
- » RMMA to develop a revenue strategy
- » Propose changes to RMMA governance and delegation authorities

Statutory Requirements

The Rundle Mall Management Authority must in accordance with its Charter submit to Council an annual Business Plan including a financial budget for the year ahead and subsequently an Annual Report on its work and operations during the preceding financial year. The Business Plan and financial budget details the Authority's strategic objectives for the year and includes appropriate costings. The Annual Report details the Authority's achievements against the aims and objectives of its Business Plan and incorporates the audited Financial Statements of the Authority and any other reports required by Council.

Membership and Meetings

The RMMA Board comprises of eight Directors appointed by Council as follows:

- » Two Directors will be members of Council of which one Director will be the Lord Mayor or a member of Council
- » The other will be another member of Council
- » Six additional Directors will be appointed from the business community by a resolution of Council

The Rundle Mall CEO developed a Business Plan to allocate and guide the expenditure of the marketing and operations fund throughout the 2012/13 Financial Year. With the purpose of improving economic outcomes within the precinct, the Business Plan provided for an annual calendar of marketing activity, events and strategic communications.

Over the entirety of the 2012/13 Financial Year, the Rundle Mall Management Authority Board of Directors comprised of;

July 2012 – November 2012

Board Member	Organisation	Term
Theo Maras – Chairman	Maras Group	2 years
John Samartzis – Deputy Chairman	John Samartzis Consulting	2 years
Kiki Magro	City of Walkerville	2 years
Eric Granger	Secrets Shh...	2 years
Stephen Yarwood	Adelaide City Council	2 years
Houssam Abiad	Adelaide City Council	2 years
Ian Darbyshire	Ian Darbyshire Consulting	2 years
Bruce Rippin	Urban Directions	2 years

November 2012 – July 2013

Board Member	Organisation	Term
Theo Maras – Chairman	Maras Group	2 years
Eric Granger – Deputy Chairman	Secrets Shh...	3 years
David Cooke	Hames Sharley	3 years
Kate Abraham	Keito Events	3 years
Stephen Yarwood	Adelaide City Council	2 years
Houssam Abiad	Adelaide City Council	2 years
Bruce Rippin	Urban Directions	3 years

Note: As of November 2012 Ian Darbyshire resigned as a Board Member and was a successful applicant for the advertised RMMA CEO position.

Robert Demarco, Director, of Major Projects, Investment, Trade and Strategic Projects, Department for Manufacturing, Innovation, Trade, Resources and Energy sits on the Board as an observer.

Meeting Attendances: July 2012 to October 2012:

Board Member	Board Meetings Attended
Theo Maras	2
Kiki Magro	3
John Samartzis	4
Houssam Abiad	3
Bruce Rippin	4
Ian Darbyshire	4
Stephen Yarwood	4
Eric Granger	4

Meeting Attendances: November 2012 to June 2013:

Board Member	Board Meetings Attended
Theo Maras	8
Eric Granger	7
David Cooke	6
Kate Abraham	8
Stephen Yarwood	6
Houssam Abiad	7
Bruce Rippin	7

Key Strategies of the RMMA (July 2012 – June 2013)

- » To underwrite the longer term sustainability of early evening weekday trading
- » To complete the Rundle Mall Masterplan in partnership with the Adelaide City Council
- » To secure formal recognition for Rundle Mall's role as a tourist precinct
- » To increase customer visitation
- » To engage more closely with key stakeholder groups
- » To promote the Rundle Mall precinct via a multi-channel marketing, events and social media strategy
- » To attract new business and further improve the economic health of the precinct
- » To engage with Council regarding the formulation of a Governance Review of the RMMA's Charter, funding, management and operations

Key Achievements of the RMMA (July 2012 – June 2013)

- » Successful completion of the Rundle Mall Management Governance Review
- » The introduction of a new funding model
- » Public Holiday trading in the Rundle Mall Precinct and City of Adelaide, as recognised by legislative amendments to the Shop Trading Hours Act 1977
- » Completion of retail attraction collateral
- » Increase collaboration with a diverse range of stakeholders via quarterly retailer forums, monthly newsletters and e-news
- » Commenced work on the Rundle Mall re-development
- » The commencement of detailed design and documentation for Stage 1 of an upgrade to Rundle Mall's public realm
- » Continued growth in online traffic and relevance via Rundle Mall web sites, social media and Rundle Mall TV
- » Production of two editions of UNIQUE Style on Rundle magazine and an increased presence in outdoor media, newspapers, television, radio and magazines
- » An increase in activation using events such as: Fringe, Street Theatre Festival, roving street theatre, fashion parades, produce launches, school holiday entertainment, competitions, Christmas entertainment and initiatives to support early evening weekday trading
- » Increased engagement with free-to-air media via television, radio, print, press and online mediums
- » Handover from The General Manager to a new CEO and the strengthening of operational support.

Funding Overview

Summary of Finances

	\$'s
Income	3,447,959
Marketing and Events	2,306,159
Operations	983,863
Premises etc.	84,109
Insurance/Audit etc.	12,435
Sundries	29,547
Total	3,416,113
Carry Forward	31,846.00

The Rundle Mall Management Authority manages various marketing, events and promotions for the benefit of the precinct.

Rundle Mall Differential Separate Rate

Adelaide City Council, having taken into account the general rating principles outlined in Section 150 of the Local Government Act 1999, applied a differential separate rate of 0.03730 cents in the dollar of the AAV (annually assessed value).

The Levy was appropriated by Council to the custodianship of the Rundle Mall Management Authority for the delivery of programs designated and approved by the Rundle Mall Management Authority Board. In the 2012/2013 Financial Year, the Differential Rate provided approximately \$3.1 million for the purposes of delivering marketing, events, management and advocacy programs to influence retail sales, improve the business and customer environment and increase visitation numbers.

Other sources of Income

\$348K was self-generated through casual mall leasing, advertising sales and sponsorships. These account for the balance of income above the differential separate rate.

Unspent and Carried Forward Funds

Section 3.2 of the Rundle Mall Management Authority Charter states that "Funds that remain unspent in relation to specific projects may be accumulated for expenditure in a later period within the Rundle Mall precinct". This document confirms that there was \$31,000 funds carried forward into the 2012/13 Financial Year as a result of some programs being delayed.

RUNDLE MALL MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

CERTIFICATION OF FINANCIAL STATEMENTS

I have been authorised by the Council to certify the financial statements of the Rundle Mall Management Authority in their final form. In my opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Rundle Mall Management Authority's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Rundle Mall Management Authority's accounting and other records.



THEO MARAS
CHAIR OF THE BOARD

Dated the

18 day of October 2013

Statement of Comprehensive Income

for the year ended 30 June 2013

		Consolidated	Consolidated
		2013	2012
	Notes	\$'000	\$'000
INCOME			
User Charges	2	348	–
Grants	2	3,100	3,274
Total Income		3,448	3,274
EXPENSES			
Materials, contracts and other expenses	3	3,417	3,274
Total Expenses		3,417	3,274
OPERATING SURPLUS / (DEFICIT)		31	–
NET SURPLUS / (DEFICIT)		31	–
Total Other Comprehensive Income		–	–
TOTAL COMPREHENSIVE INCOME		31	–

This Statement is to be read in conjunction with the attached Notes.

Balance Sheet

as at 30 June 2013

		Consolidated	Consolidated
		2013	2012
	Notes	\$'000	\$'000
ASSETS			
Current Assets			
Trade and Other receivables	6	31	–
Total Current Assets		31	–
Total Assets		31	–
NET ASSETS		31	–
TOTAL EQUITY		31	–

This Statement is to be read in conjunction with the attached Notes.

Statement of Changes in Equity

for the year ended 30 June 2013

	Consolidated	Consolidated
	\$'000	\$'000
2013		
Balance at end of previous reporting period	–	–
Net Surplus for Year	31	31
Balance at end of period	31	31
2012		
Balance at end of previous reporting period	–	–
Net Surplus for Year	–	–
Balance at end of period	–	–

This Statement is to be read in conjunction with the attached Notes.

Cash Flow Statement

for the year ended 30 June 2013

		Consolidated	Consolidated
		2013	2012
	Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		3,417	3,274
Payments			
Operating payments to suppliers and employees		(3,417)	(3,274)
Net Cash provided by (or used in) Operating Activities		–	–
Net Increase (Decrease) in cash held		–	–
Cash and cash equivalents at beginning of period		–	–
Cash and cash equivalents at end of period	4	–	–

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 1 May 2011.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Rounding

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

2 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Authority's operations for the current reporting period.

3 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

4 Infrastructure, Property, Plant and Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

The Authority does not have any employees. All employees are employed through the parent entity, Adelaide City Council.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 1 – Significant Accounting Policies (cont.)

6 GST Implications

In accordance with UIG Abstract 1031 “Accounting for the Goods and Services Tax”:

- » Receivables and Creditors include GST receivable and payable.
- » Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- » Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

7 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

8 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2012 reporting period.

- » AASB 9 Financial Instruments
- » AASB 10 Consolidated Financial Statements
- » AASB 11 Joint Arrangements
- » AASB 12 Disclosure of Interests in Other Entities
- » AASB 13 Fair Value Measurement
- » AASB 119 Employee Benefits
- » AASB 127 Separate Financial Statements
- » AASB 128 Investments in Associates and Joint Ventures
- » AASB 2010-6 Amendments to Australian Accounting Standards [AASBs 1 and 7]
- » AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 [AASBs 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19, and 127]
- » AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB121, AASB 128, AASB 132, AASB 134 and Interpretations 2,112 and 113]
- » AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 and AASB 131]
- » AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 and 1038 and Interpretations 5, 9, 16 and 17]
- » AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 and 132]
- » AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 and 1049]
- » AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 and AASB 2011-8 and Interpretation 14]
- » AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]

(Standards not affecting local government have been excluded from the above list.)

Council is of the view that none of the above new standards will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 2 – Income

	2013	2012
	\$'000	\$'000
USER CHARGES		
Advertising	348	–
	348	–
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	3,100	3,274
	3,100	3,274
Sources of grants		
Adelaide City Council	3,100	3,274
	3,100	3,274

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 3 – Expenses

	2013	2012
	\$'000	\$'000
MATERIALS, CONTRACTS AND OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration		
Auditing the financial reports	1	3
Subtotal – Prescribed Expenses	1	3
Other Materials, Contracts and Expenses		
Advertising	1,725	1,853
Contractors and Professional Services	993	818
Printing	171	204
Security	208	155
Plant and Equipment Hire	174	95
Premises Hire and Associated Costs	67	57
Minor Assets, Furniture and Fittings and Materials	8	24
Catering	19	18
Insurance	12	11
Car Parking	9	3
Telephone	4	6
Fringe Benefits Tax	1	1
Bad Debts	1	4
Sundry	24	22
Subtotal – Other Materials, Contracts and Expenses	3,416	3,270
	3,417	3,274

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 4 – Current Assets

	2013	2012
	\$'000	\$'000
TRADE AND OTHER RECEIVABLES		
Receivable - ACC	31	–
Total	31	–
	31	–

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 5 – Reconciliation to Cash Flow Statement

As at 30 June 2013

	2013	2012
	\$'000	\$'000
(a) Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus (Deficit)	31	–
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(31)	–
Net Cash provided by (or used in) operations	–	–

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

Note 6 – Uniform Presentation of Finances**As at 30 June 2013**

The following is a high level summary of both operating and capital investment activities of the Rundle Mall Management Authority prepared on a uniform and consistent basis.

All Councils in South Australia have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2013	2012
	\$'000	\$'000
Income	3,448	3,274
less Expenses	(3,417)	(3,274)
Operating Surplus	31	–
Net Lending / (Borrowing) for Financial Year	31	–

Attachment G

Adelaide City Council
ABN 20 903 762 572
Customer Centre
25 Pirie Street, Adelaide
GPO Box 2252 Adelaide
South Australia 5001
Tel 08 8203 7203
Fax 08 8203 7575
city@adelaidecitycouncil.com

18 October 2013

Mr Geoff Edwards
 Partner
 BDO
 7/420 King William Street
 ADELAIDE SA 5000

This representation letter is provided in connection with your audit of the financial report of the Rundle Mall Management Authority for the year ended 30 June 2013 for the purpose of expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999*, *City of Adelaide Act 1998* and the *Local Government (Financial Management) Regulations 2011*.

We confirm to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves that:

Financial report

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, with regard to the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999*, *City of Adelaide Act 1998* and the *Local Government (Financial Management) Regulations 2011*
2. The selection and application of accounting policies is appropriate.
3. We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect error. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
6. All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
7. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.



Information provided

8. We have provided you with:
 - a) Access to all information of which we are aware, that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - b) Additional information that you have requested from us for the purpose of the audit; and
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. Minutes of all Authority meetings and other relevant committees held prior to the date of this letter have been included in the minute books and have been made available to you. All material agreements entered into and guarantees given by Rundle Mall Management Authority have been minuted or otherwise recorded.
10. All transactions have been recorded in the accounting records and are reflected in the financial report.
11. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
12. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
13. We have disclosed to you all information in relation to fraud, allegations of fraud or suspected fraud that we are aware of and that could have a material effect on the financial report.
14. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
15. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report. We understand that the entity must be in compliance at all times with the following laws and regulations:
 - *Local Government Act 1999*
 - *City of Adelaide Act 1998*
 - *Local Government (Financial Management) Regulations 2011*
16. We have disclosed to you all communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Accounting standards

- The major accounting policies adopted are set out in the financial report. The accounting policies remained unchanged from the previous year.
17. The accounting policies comply with all the requirements of each applicable Australian equivalents to International Financial Reporting Standards as they relate to not-for-profit entities and each applicable approved interpretation.

Publication on web site

18. With respect to publication of the financial report on our website, we acknowledge that:

- we are responsible for the electronic presentation of the financial report;
- we still ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version;
- we will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation;
- we have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published; and
- we will not present the auditor's report on the full financial report with any document other than the full financial report.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the entity taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

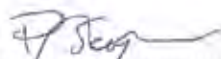
Managements reviewed the financial report, the contents of which have been approved by the appropriate officers of this Authority. Further, all material facts known to us which could affect the financial report have been made communicated to you.

There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

Yours faithfully



Chief Executive Officer



General Manager Strategic Finance & Business Services

RUNDLE MALL MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

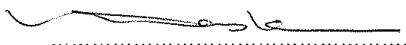
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Rundle Mall Management Authority for the year ended 30 June 2013, the Council's Auditor, bdo, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 21(2) Local Government (Financial Management) Regulations 2011.



Peter Smith
CHIEF EXECUTIVE OFFICER



Ross Haslam
ACTING PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 18/10/13



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AUSTRALIA

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF THE RUNDLE MALL MANAGEMENT AUTHORITY

We have audited the accompanying financial report of the Rundle Mall Management Authority ("the Authority"), which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chair of the Board.

Authority's Responsibility for the Financial Report

The Authority's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and for such internal control as the Authority's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and 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 Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority's officers, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Rundle Mall Management Authority as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Partnership (SA)

A handwritten signature in blue ink that appears to read 'G K Edwards'.

G K Edwards
Partner

Adelaide, 27th October 2013



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Fax: +61 8 7324 6111
www.bdo.com.au

Level 7, BDO Centre
420 King William Street
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Rundle Mall Management Authority for the year ended 30 June 2013, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

G K Edwards
Partner

BDO Audit Partnership (SA)
Adelaide, 22 October 2013

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Waste Care SA

Annual Report 2012–13



Waste Care SA

Annual Report 2012-2013

BOARD MEMBERS

Adelaide City Council

Mr Sean McNamara
Board Member
Mr Adrian Stokes
Deputy Board Member

City of Campbelltown

Cr John Kennedy
Chair
Mr Kevin Lowe
Deputy Board Member

City of Charles Sturt

Cr Juliann Andriani
Board Member
Ms Fiona Jenkins
Deputy Board Member

City of Norwood, Payneham & St Peters

Mr Peter Perilli
Board Member
Cr John Frogley
Deputy Board Member

City of Prospect

Cr Ashley Dixon
Board Member
Mr Mark Goldstone
Deputy Board Member

Corporation of the Town of Walkerville

Cr David Whiting
Deputy Chair

Chairman's Report



I am now in the third year of my 4 year term as Chair of Waste Care SA. The composition of the Board changed slightly during the year with the resignation of the Board Member for Adelaide City

Council (ACC), Michael Sedgman and the Deputy Board Member for City of Charles Sturt, Ms Jan Cornish. I welcome Sean McNamara as the Board Member for Adelaide City Council and his Deputy Adrian Stokes together with Fiona Jenkins as the Deputy for Charles Sturt.

The Board elected a new Deputy Chair, David Whiting from Walkerville who is very well qualified to act in my absence.

The financial performance by WCSA for the year was in line with its budget. The Board reviewed an appropriate cash reserve for the operations of WCSA with a view to return any surplus funds to Member Councils. The Board has requested a further report on this matter early in 2014.

Transpacific Industries Group Ltd (TPI) operate the WCSA facility under contract and have again found the year challenging given the slow down in the Australian economy. TPI continues to meet all its requirements under the Operations Agreement based on compliance audits conducted by Waste Care SA.

The Board of WCSA adopted a very prudent approach to the Carbon Tax payable on waste deposited in a landfill that emits over 25,000 tonnes of CO₂ equivalent tonnes per annum on domestic waste that is deposited from 1st July 2012. This would have added a further \$648,000 to Member Councils disposal fees for the current financial year. Such an upfront payment would have alleviated any future carbon tax liability, but given the uncertainty of the carbon price and the complexity of the Net Present Value (NPV) calculation over a 42 year period, the Board resolved to pay only actual carbon tax fees as and when they fall due. This means that the total Carbon Tax payment for this financial year will be less than \$50,000 and payable in the second quarter of the 2013/ 2014 financial year.

The land occupied by the Wingfield Waste & Recycling Centre has been sold to Adelaide Resource Recovery. This company currently operates on the site and has exciting plans to develop the site and increase resource recovery activities by all tenants.

With the sale of the Wingfield site the Board is now concentrating on determining the future of WCSA. Waste Care SA's contract with TPI finishes it's first 10 year term in December 2014. The Board needs to decide whether or not to extend the contract for a further 5 year term. The Board has determined a process to reach a final decision around April 2014.

The KESAB-run Wingfield Interpretive (Education) Centre is co-sponsored by WCSA and continued to be extremely popular with community groups and school children throughout Adelaide. This interactive centre provides excellent information on recycling and resource recovery.

In finishing my report I would like to thank the staff of *TJH Management Services Pty Ltd* for their work during the year providing administration and management services to WCSA.

I would like to present to you the Waste Care SA Annual Report for the 2012/ 2013 financial year.

John Kennedy



21 Rundle Street, Kent Town SA 5067 Ph 08 8363 9100 Fax 08 8363 9725

The Year in Review

The WCSA Board adopted the Annual Plan and Budget, and the following report outlines the priorities and achievements of WCSA during the 2012/2013 year.

Project and Contract Management – WCSA Facility

- ◆ Regular management meetings were convened during the year between Waste Care SA and TPI in accordance with the Operations Agreement. TPI appointed Mr Ben Sawley, as General Manager, Post Collections across Australia and New Zealand in the early part of the year. The General Manager attends these meetings when he is in Adelaide.
- ◆ A compliance audit ensures that TPI meets its contractual obligations under the Project Agreement.
- ◆ Mitcham Council continued to be a client council of WCSA during the year.
- ◆ TPI are developing plans to include a commercial and industrial waste materials recovery facility that will hopefully be combined with a kerbside recyclables materials recovery sorting facility.
- ◆ TPI conducted regular maintenance on the site as required under the project agreement and met all requirements under the Environment Protection Authority (EPA) licence.

Wingfield Waste & Recycling Centre (WWRC)

- ◆ The Adelaide City Council has now sold the WWRC to Adelaide Resource Recovery (ARR). ARR will continue to support the centre and have plans to develop a new administration building and proactively promote the site to the Adelaide community. The Education Centre will also continue and infrastructure around the site is in for a major facelift.
- ◆ The Executive Officer attends bimonthly WWRC Marketing Committee Meetings which were convened by the Adelaide City Council and attended by other tenants of the WWRC (TPI, AMCOR, Adelaide Resource Recovery and Jeffries). Water supply to the site by SA Water continues to be the biggest issue facing tenants on the site. It is hoped to secure an improved connection to meet the minimum fire fighting requirements of tenants on the site.



Jeffries processing of kerbside collected green organics



Children visiting the Wingfield Interpretive Centre facilities



The Year in Review

Financial Management & Reporting

- ◆ The Audited Financial Statements for WCSA to June 2013 with a comparison to June 2012 are on page 4. WCSA included a provision for the payment of carbon tax that is due around October 2014.
- ◆ The Board has approved the 2013/2014 budget that included only a CPI increase for Member Council disposal fees.
- ◆ WCSA disposal rates are set to ensure sufficient cash reserves are maintained to run the business. The Member Councils have previously directed the Board to not fully fund depreciation expense as WCSA has a guaranteed buy-back option with TPI for the original cost of the WCSA Facility.
- ◆ Waste Care SA's approach to the carbon tax has avoided the upfront payment of \$660,000 for Member and Client Councils. WCSA reached an agreement with TPI, given the uncertainty of the political situation in Australia, to only pay the carbon tax when it falls due. All Member Councils have been given notice of the payment rates to apply for the next 2 years.



The Waste Care SA Facility



A Member Council truck tipping waste at the Waste Care SA Facility

Administration & Governance of Waste Care SA

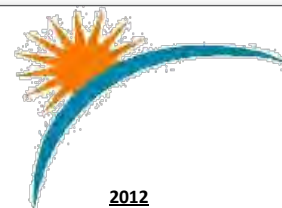
- ◆ The administration of WCSA is outsourced to TJH Management Services Pty. Ltd. under a contract to November 2014.
- ◆ The WCSA Auditors, HLB Mann Judd found no issues with this year's audit.

Broader Local Government & Member Council Issues

- ◆ WCSA was invited to attend the Local Government Association (LGA) roundtable session on the future of Local Government Waste Management in Adelaide. Consolidation of Local Government waste management has been supported by WCSA and the Board continues to monitor the progress of this initiative by the LGA.

Trevor Hockley
EXECUTIVE OFFICER

Waste Care SA
councils working for a better environment



Summary Financial Statement for the year ended 30 June 2013

Income Statement as at 30 June 2013		2013	2012
<u>INCOME</u>		\$	\$
Investment Income		24,202	21,082
Commercial Activities		1,327,729	1,350,848
Other—Carbon Tax Recoverable		44,262	-
TOTAL INCOME		1,396,193	1,371,930
<u>EXPENSES</u>			
Materials, Contracts & Other Services		595,876	582,829
Finance Costs		750,912	756,111
Depreciation, Amortisation & Impairment		361,271	361,271
Other—Carbon Tax		44,262	-
TOTAL EXPENSES		1,752,321	1,700,211
NET (DEFICIT)		(356,128)	(328,281)
<u>OTHER COMPREHENSIVE INCOME</u>			
Changes in Revaluation of Property, Plant & Equipment		-	-
TOTAL COMPREHENSIVE INCOME		(356,128)	(328,281)
Balance Sheet as at 30 June 2013			
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents		391,542	494,511
Trade Receivables		814,855	667,016
Other Receivable—accrued income		44,262	-
Total Current Assets		1,250,659	1,161,527
<u>NON-CURRENT ASSETS</u>			
Infrastructure, Property, Plant & Equipment		10,853,967	11,215,238
Total Non-Current Assets		10,853,967	11,215,238
TOTAL ASSETS		12,104,626	12,376,766
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Trade & Other Payables		690,058	625,389
Other Current Liabilities		33,772	14,452
Total Current Liabilities		723,830	639,841
<u>NON-CURRENT LIABILITIES</u>			
Long Term Loan		11,281,600	11,281,600
Total Non-Current Liabilities		11,281,600	11,281,600
TOTAL LIABILITIES		12,005,430	11,921,441
NET ASSETS		99,196	455,325
<u>EQUITY</u>			
Accumulated Surplus		(1,400,804)	(1,044,676)
Asset Revaluation Reserve		1,500,000	1,500,000
TOTAL EQUITY		99,196	455,325

WASTE CARE SA
General Purpose Financial Reports
for the year ended 30 June 2013

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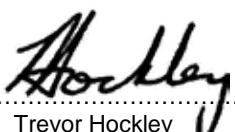
WASTE CARE SA

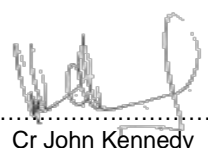
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Waste Care SA to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


.....
Trevor Hockley
EXECUTIVE OFFICER


.....
Cr John Kennedy
CHAIRPERSON

Date: 13 September 2013

WASTE CARE SA
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$	2012 \$
INCOME			
Commercial activities	2	1,327,729	1,350,848
Investment income	2	24,202	21,082
Other - Carbon Tax recoverable	4	44,262	
Total Income		1,396,193	1,371,930
EXPENSES			
Materials, contracts & other expenses	3	595,876	582,829
Depreciation, amortisation & impairment	3	361,271	361,271
Finance costs	3	750,912	756,113
Other - Carbon Tax	4	44,262	-
Total Expenses		1,752,321	1,700,213
OPERATING SURPLUS / (DEFICIT)		(356,128)	(328,283)
NET SURPLUS / (DEFICIT)		(356,128)	(328,283)
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(356,128)	(328,283)

This Statement is to be read in conjunction with the attached Notes.

WASTE CARE SA**BALANCE SHEET**
as at 30 June 2013

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	391,542	494,511
Trade receivables	5	814,855	667,016
Other receivable - accrued income	4	44,262	
Total Current Assets		1,250,659	1,161,527
Non-current Assets			
Infrastructure, property, plant & equipment	6	10,853,967	11,215,238
Total Non-current Assets		10,853,967	11,215,238
Total Assets		12,104,626	12,376,765
LIABILITIES			
Current Liabilities			
Trade & other payables	7	690,058	625,389
Other current liabilities	7	33,772	14,452
Total Current Liabilities		723,830	639,841
Non-current Liabilities			
Long Term Loan	7	11,281,600	11,281,600
Total Non-current Liabilities		11,281,600	11,281,600
Total Liabilities		12,005,430	11,921,441
NET ASSETS		99,196	455,324
EQUITY			
Accumulated Surplus		(1,400,804)	(1,044,676)
Asset Revaluation		1,500,000	1,500,000
TOTAL EQUITY		99,196	455,324

This Statement is to be read in conjunction with the attached Notes.

WASTE CARE SA**STATEMENT OF CHANGES IN EQUITY**
for the year ended 30 June 2013

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Available for sale Financial Assets \$	Other Reserves \$	TOTAL EQUITY \$
2013						
Balance at end of previous reporting period		(1,044,676)	1,500,000	-	-	455,324
Adjustment due to compliance with revised Accounting Standards		-	-	-	-	-
Adjustment to give effect to changed accounting policies		-	-	-	-	-
Restated opening balance		(1,044,676)	1,500,000	-	-	455,324
Net Surplus / (Deficit) for Year		(356,128)				(356,128)
Other Comprehensive Income						
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-	-
Available-for-sale Financial Instruments - change in fair value		-	-	-	-	-
Impairment (expense) / recoupments offset to asset revaluation reserve		-	-	-	-	-
Transfer to accumulated surplus on sale of infrastructure, property, plant & equipment		-	-	-	-	-
Transfer to accumulated surplus on sale of available-for-sale Financial Instruments		-	-	-	-	-
Share of other comprehensive income - equity accounted Council businesses		-	-	-	-	-
Other equity adjustments - equity accounted Council businesses		-	-	-	-	-
Transfers between reserves		-	-	-	-	-
Balance at end of period		(1,400,804)	1,500,000	-	-	99,196
2012						
Balance at end of previous reporting period		(716,393)	1,500,000	-	-	783,607
Adjustment due to compliance with revised Accounting Standards		-	-	-	-	-
Adjustment to give effect to changed accounting policies		-	-	-	-	-
Restated opening balance		(716,393)	1,500,000	-	-	783,607
Net Surplus / (Deficit) for Year		(328,283)				(328,283)
Other Comprehensive Income						
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-	-	-	-
Funds from Member Councils		-	-	-	-	-
Balance at end of period		(1,044,676)	1,500,000	-	-	455,324

This Statement is to be read in conjunction with the attached Notes

WASTE CARE SA
CASH FLOW STATEMENT
for the year ended 30 June 2013

		2013	2012
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Members contributions		-	15,013
Commercial Activities		1,331,082	1,215,764
Investment Income		24,202	21,082
<u>Payments</u>			
Members Contracts & Other Services		(707,341)	(605,306)
Net Cash provided by (or used in) Operating Activities	8	647,943	646,553
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
Net Cash provided by (or used in) Investing Activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Finance Charges		(750,912)	(760,445)
Net Cash provided by (or used in) Financing Activities		(750,912)	(760,445)
Net Increase (Decrease) in cash held		(102,969)	(113,892)
Cash & cash equivalents at beginning of period	8	494,511	608,403
Cash & cash equivalents at end of period	8	391,542	494,511

This Statement is to be read in conjunction with the attached Notes

WASTE CARE SA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****for the year ended 30 June 2013****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report has been prepared in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Local Government Act 1999. The accounting policies have been consistently applied, unless otherwise stated.

Waste Care SA is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective percentages of equity are as follows:

<i>Constituent Council</i>	<i>Equity Share %</i>
Adelaide City Council	23.75
City of Campbelltown	23.75
City of Charles Sturt	23.75
City of Norwood, Payneham & St. Peters	17.81
City of Prospect	5.00
Corporation of the Town of Walkerville	5.94

Waste Care SA operates a Resource Recovery and Waste Transfer Station facility (RRWTS) within an Integrated Resource Management Centre (IRMC) at Wingfield, South Australia, on land leased from Adelaide City Council.

The financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 2011* dated 13th September 2013

The following is a summary of the material accounting policies adopted by the Subsidiary in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies**(a) Income Tax**

Waste Care SA operates as a regional subsidiary of the member councils pursuant to section 43 of the Local Government Act 1999. Accordingly, it is not liable to pay income tax.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Selected assets are depreciated over their useful lives commencing from the time that the asset is held ready for use.

The depreciation rates used for items of plant & equipment are:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	20%
Computer Equipment	33%
Other equipment and vehicles	20%

The asset representing the Resource Recovery and Waste Transfer Station (RRWTS), being a facility within the Integrated Resource Management Centre (IRMC) was revalued in accordance with AASB 116 at 30 June 2011 to \$12,500,000.

There is a legal agreement (Project Agreement) between Waste Care SA (the Principal) and the Contractors (or its related nominee entity) whereby after 10 years Waste Care SA under the Project Agreement (Section 31) may enforce a compulsory purchase of the RRWTS by the Contractors (or its nominee related entity) at its full historic cost of \$11 million. The lease with the Adelaide City Council (ACC) may also be assigned.

The Board of WCSA previously resolved to change its policy on depreciating the RTWS. Depreciation expense of \$336,000 per year has been charged from 1 July 2008 to 30 June 2011. The asset was revalued as at 30 June 2011 and depreciation adjusted on a straight line basis to \$333,101 for the remaining 34.5 years of the life of the lease with the Adelaide City Council. The revaluation of the asset will occur every three years consistent with AASB 116 and is due again on 30 June 2014.

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

(d) Cash And Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Subsidiary's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

(e) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

(f) Revenue

Revenue from the sale of services is recognised upon delivery of the service to customers

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use, or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(j) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

WASTE CARE SA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)****(k) Critical Accounting Estimates and Judgments**

The Subsidiary evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Subsidiary.

Key Estimates - Impairment

The subsidiary assesses impairment at each reporting date by evaluating conditions specific to the subsidiary that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments - Doubtful Debts Allowance

Accounts receivable are reviewed at each reporting date to establish the collectability.

(l) Going Concern Basis

The Board of Management of WCSA notes the accumulated deficit of \$1,400,804. The objective of WCSA is to minimise the cost impact of services provided to its Member Councils. WCSA has a statutory guarantee from its Member Councils to meet all financial obligations and accordingly, the Subsidiary has prepared the financial statements on a going concern basis.

(m) New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2013 reporting period and have not been used in preparing these reports.

- AASB 7: Financial Instruments: Disclosure
- AASB 9: Financial Instruments
- AASB 10: Consolidated Financial Statements
- AASB 11: Joint Arrangements
- AASB 12: Disclosure of Interests in Other Entities
- AASB 13: Fair Value Measurement
- AASB 119: Employee Benefits
- AASB 127: Separate Financial Statements
- AASB 128: Investments in Associates and Joint Ventures
- AASB 132: Financial Instruments: Presentation

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5, AASB 2012-6 and AASB 2012-10.

(Standards not affecting local government have been excluded from the above list.)

The Subsidiary is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

WASTE CARE SA**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013**

	Notes	2013 \$	2012 \$
NOTE 2: INCOME			
Operating Activities			
Gate Fees for delivery		422,231	357,858
Commercial Contributions		893,626	982,898
Jeffries Profit Share		11,872	10,092
		<u>1,327,729</u>	<u>1,350,848</u>
NOTE 3: EXPENSES			
Prescribed Expenses			
Auditor's Remuneration		6,987	5,046
Board Fees & Expenses		-	421
Operating Leases		228,755	205,140
Other Materials Contracts & Expenses			
Managerial Services		202,659	204,580
Council Rates		67,465	65,904
Emergency Services Levy		6,517	6,990
Consultancy Costs		-	1,898
Sundry		2,970	1,913
Legal Expenses		5,897	2,028
Insurance		74,626	66,819
Education Wingfield		-	6,200
Feasibility Study Purchase Lot 25		-	15,890
		<u>595,876</u>	<u>582,829</u>
Finance Costs			
Loan Interest		750,596	755,776
Bank Charges		316	337
		<u>750,912</u>	<u>756,113</u>
Depreciation & Amortisation			
Capitalised Interest		28,170	23,608
Disbursement Sum		-	4,562
Depreciation		333,101	333,101
		<u>361,271</u>	<u>361,271</u>

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 4: CARBON TAXATION

As per The Clean Energy Act 2011, Waste Care SA is liable for Carbon Taxation on tonnes disposed of during the financial year ending 30 June 2013. The rate payable on tonnes at 30 June 2013 was \$0.68 per tonne.

Accrual for Carbon Taxation Payable - Liability	2013
2013 Waste Care SA Tonnes	65,091.22
Carbon Taxation Rate per tonne	\$0.68
Total Amount Payable by Waste Care SA	\$44,262

Accrual for Carbon Taxation Receivable - Asset

The charge per each member council is as follows:

Constituent Council	Tonnes Deposited	Carbon Taxation Payable
Adelaide City Council	6251	\$4,251
City of Campbelltown	9969	\$6,779
City of Charles Sturt	27070	\$18,408
City of Norwood, Payneham & St. Peters	7134	\$4,851
City of Prospect	4125	\$2,805
Corporation of the Town of Walkerville	1737	\$1,181
Client Council		
City of Mitcham	8048	\$5,473
Adelaide Hills Council	757	\$515
Carbon Taxation Receivable		\$44,262

As per the Act, the first payment falls due on 30 September 2013. Transpacific Industries Group will issue Waste Care SA with an invoice based on the 2013 tonnes charged at a rate of \$0.68 per tonne. Waste Care SA will make payment on behalf of its Member and Client Councils who have agreed in turn to pay Waste Care SA. As such, the accrual and the receivable has been accounted for in the financial statements 30 June 2013 in the amount of \$44,262.

	2013	2012
Notes	\$	\$
NOTE 5: CURRENT ASSETS		
Cash at Bank	391,542	494,511
Receivables	814,855	667,016
	1,206,397	1,161,527

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 6: INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2012 \$					2013 \$				
	AT FAIR VALUE	AT COST	REVALUATION	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	REVALUATION	ACCUM DEPN	CARRYING AMOUNT
Plant & Equipment Disbursement & Capitalised Interest	- -	11,000,000 281,696	1,500,000 -	(1,341,101) (225,357)	11,158,899 56,339	- -	11,000,000 281,696	1,500,000 -	(1,674,202) (253,527)	10,825,798 28,169
TOTAL PROPERTY, PLANT & EQUIPMENT	-	11,281,696	1,500,000	(1,566,458)	11,215,238	-	11,281,696	1,500,000	(1,927,729)	10,853,967

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 7: LIABILITIES

	Notes	2013		2012	
		\$		\$	
TRADE & OTHER PAYABLES		Current	Non-current	Current	Non-current
Creditors		645,796	-	625,389	-
GST Payable		66,965	-	51,901	-
GST Receivable		(39,043)	-	(42,749)	-
Audit Fees		5,850	-	5,300	-
Accrual for Carbon Taxation	4	44,262	-	-	-
		<u>723,830</u>	<u>-</u>	<u>639,841</u>	<u>-</u>
OTHER LIABILITIES					
Loans		-	11,281,600	-	11,281,600
		<u>-</u>	<u>11,281,600</u>	<u>-</u>	<u>11,281,600</u>

Waste Care SA has all of its loans through the LGFA. These finance contracts mature at or around December 2014 which is the initial term of the Project Agreement with TPI.

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 8:- RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2013	2012
	Notes	\$
Cash at Bank	391,542	494,511
Balances per Cash Flow Statement	<u>391,542</u>	<u>494,511</u>
Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus (Deficit)	(356,128)	(328,283)
Non-cash items in Income Statement		
Depreciation	333,101	333,101
Amortisation	28,170	28,170
Finance Charges	750,912	756,111
Other Expenses	-	3,000
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(147,839)	(198,250)
Net increase (decrease) in trade & other payables	65,219	47,592
Net increase (decrease) in GST payable	18,770	5,110
Net Cash provided by (or used in) operations	<u>692,205</u>	<u>646,551</u>

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

NOTE 9: CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

	2013 \$	2012 \$
Leasing Commitments		
Payable not later than one year	213,230	208,836

NOTE 10 - EVENTS AFTER THE BALANCE SHEET DATE

There are no relevant events to report after the balance date that will require adjustments to the financial statements.

WASTE CARE SA

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 11 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2013 \$	2012 \$
Income	1,396,193	1,371,930
less Expenses	<u>1,752,321</u>	<u>1,700,213</u>
Operating Surplus / (Deficit)	(356,128)	(328,283)
less Net Outlays on Existing Assets		
Depreciation, Amortisation and Impairment	<u>(361,271)</u>	<u>(361,271)</u>
	(361,271)	(361,271)
less Net Outlays on New and Upgraded Assets	-	-
Net Lending / (Borrowing) for Financial Year	<u>5,143</u>	<u>32,988</u>

WASTE CARE SA

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2013

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Waste Care SA for the year ended 30 June 2013, the Authority's Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Mr Trevor Hockley
EXECUTIVE OFFICER



Cr John Kennedy
PRESIDING MEMBER
AUDIT COMMITTEE

Date: 13 September 2013



Chartered Accountants

The Chairman & Members
Board of Management
Waste Care SA
C/- Mr T Hockley
Executive Officer
21 Rundle Street
KENT TOWN SA 5067

Dear Board Members

**STATEMENT OF AUDITOR'S INDEPENDENCE
WASTE CARE SA – REGIONAL SUBSIDIARY**

**In accordance with Regulation 22(5) Local Government (Financial Management)
Regulation 2011**

We confirm that, for the audit of the financial statements of Waste Care SA for the 2012/2013 financial year we have maintained our independence in accordance with the requirements of APES 110 – Code of Practice for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, and in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

HLB Mann Judd
HLB MANN JUDD
12th September 2013
Adelaide

Trevor D Hirth
TREVOR D HIRTH
Partner

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It is not a company but a network of member firms and company members.

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Chartered Accountants

WASTE CARE SA**INDEPENDENT AUDITOR'S REPORT*****To the members of Waste Care SA:***

We have audited the accompanying financial report of Waste Care SA (regional subsidiary), which comprises the balance sheet as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Board's responsibility for the Financial Report

The board of the regional subsidiary is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011 (Regulations) made under that Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Waste Care SA, as well as evaluating the overall presentation of the financial report.

Our audit did not include an analysis of the prudence of business decisions made by the Board or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence


In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Local Government Act and Regulations.

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HLB Mann Judd (SA Partnership) ABN: 22 640 925 071

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Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Auditor's Opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Waste Care SA as at 30 June 2013 and its financial performance and its cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and Regulations.

HLB Mann Judd
HLB Mann Judd
Chartered Accountants

Trevor Hirth
Trevor Hirth
Partner

Adelaide, South Australia
16th September 2013

Council Solutions Regional Authority

Annual Report 2012–13





ANNUAL REPORT

2012 - 2013

Council Solutions Regional Authority
25 Pirie St
Adelaide SA 5000
councilsolutions.sa.gov.au

ABN 92 168 067 160

Date prepared: October 2013





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FOREWORD FROM THE CHAIR



Welcome to the first annual report of the Council Solutions Regional Authority.

Council Solutions is a young organisation – as at 30 June 2013 it was just over six months old. Its contribution to the South Australian community, however, goes back almost 20 years. Its predecessor, the G6 Procurement Group, has provided procurement services to South Australia's local government sector since 1994.

The establishment of Council Solutions as a body corporate heralds an exciting new time in the organisation's development.

As the inaugural chair of the authority it is my pleasure to oversee, with the authority's Board of Management and its committed and able staff, its transition from a less formal procurement alliance to a stand-alone business that must meet the highest standards of both the public and private sectors.

In our first six months, we have made significant progress in building the foundation and framework of the new organisation.

We have established a Board of Management with responsibility to manage the business affairs of Council Solutions. We have created a corporate structure that best supports our aims to deliver procurement and shared services to local government. This structure is built on two key principles: expertise and collaboration. When we do business we draw on the skills of our client councils and staff and we listen to what councils need and want. In so doing, we seek to ensure that ratepayers get the best value for money when their councils purchase goods and services on their behalf.

We are conscious that while our aims are commercial, we are a publicly owned entity – owned by local government. This brings responsibility. Council Solutions must meet the highest standards of accountability, transparency, integrity and management. During our first six months we have started to build a governance framework that meets the same standards as local government itself. This framework will give both councils and communities' confidence that we are at all times working in their best interests.

During the next 12 months we will continue our process of transition.

Council Solutions will also continue to do what it does best – go to the market on behalf of South Australia's councils to get the best deals for their communities.



Catherine Cooper

Chair of the Board, Council Solutions Regional Subsidiary



REPORT FROM THE ACTING CEO



It has been a privilege to have been involved with the establishment of Council Solutions. This, our first annual report, shows what can be achieved when councils work together.

I am grateful to the numerous stakeholders who have supported the drive and commitment of our team in establishing an authority that helps sustain councils' community outcomes.

I must recognise the wide contribution from people who have supported the G6 Procurement Group from its beginnings in 1994, particularly George Haddad, Rob Bosley and Jeff Tate.

Recently the transition from this informal initiative was led in stages by Di Rogowski, CEO of the City of Tea Tree Gully, and Mark Withers, CEO of the City of Charles Sturt.

The G6 councils responded quickly to community demands for greater value and reduced risk. Council Solutions is a positive response to those demands.

We have set out to ensure that the value offered to our client councils is well-defined and transparent. The financial model that was introduced to the group several years ago reversed the group's financial situation from being a direct cost to councils to a sustainable self-funded program; this financial turnaround is now approaching \$1 million per annum. To this end, I must acknowledge our suppliers who have freely worked alongside us to find innovative ways of delivering better value to our communities.

This report demonstrates the hard work of the Council Solutions' board, committees and working groups to establish a public sector entity. Support for Council Solutions' formation came from 98 elected members across six independent councils. The South Australian Government recognised our continued collaborative potential and, under the Local Government Act, approved Council Solutions as the public authority to manage procurement and service delivery for South Australia's local government sector.

During the establishment of Council Solutions, we have facilitated the management of our existing contracts valued at \$55 million and have embarked on a sturdy program of procurement growth. Crucially, it is our contract development model that distinguishes us as the most successful procurement group in the state. Our contract management success can be attributed to our 90 council specialists and suppliers who engage together to ensure that our contracts are continually reviewed and improved.

Our operational achievements over the year include a seamless transition into a fully-fledged public sector entity that is operating under the same requirements as the councils we serve. By embracing this more transparent and accountable governance framework we are best positioned to provide appropriate procurement and service delivery for the entire local government sector.

Along with our constituent councils, I would like to thank the small and incredibly dedicated Council Solutions' team. Their commitment to improving community outcomes is both genuine and tangible. I would also like to thank those in our constituent and client councils who have provided their time and expertise to establishing the new authority as well as to its on-going work.

This report is the narrative of what has been a highly successful initial year for Council Solutions. I believe our potential for continued and substantive growth is strong.

Nick Leaver, Acting Chief Executive Officer, Council Solutions Regional Subsidiary



INTRODUCTION

Council Solutions manages selected procurement and service delivery on behalf of South Australian councils.

Our aim is to ensure councils get the best value for money when they go to the market.

By working with councils to buy together, we help them buy better. This means that we can maximise the value of their purchases – not just in dollar terms but in delivering better services and infrastructure – for communities, ratepayers and our client councils.

Our ultimate goal is to improve community prosperity and wellbeing by undertaking local government procurement and collaborative services that:

- deliver best value for money
- explore innovative ways of delivering infrastructure and services
- value partnership between councils and with suppliers.

HIGHLIGHTS OF OUR YEAR

The year 2012-13 can best be described as an establishment year while conducting business as usual. Council Solutions sought to achieve two key goals:

- to establish a new, robust corporate body that is responsive to our clients, compliant with our obligations, and flexible enough to deliver innovation
- to manage the existing suite of contracts and negotiate new contracts on behalf of our client councils.

We have managed both successfully.

There has been no disruption to the management of those contracts we inherited from the G6 Group. We have commenced work on new contracts. We have started the detailed work of putting place the governance and corporate framework needed to conduct our business. And we have begun to set the new direction for the organisation to become a centre of excellence in procurement and to expand our remit to include shared services to the local government sector.

As at 30 June, particular highlights were as follows:

- Almost half of South Australia's councils were our clients.
- We added new contracts to our portfolio, bringing to 20 the total number of category contracts we were managing on behalf of South Australian councils.
- We expanded our supplier base to 55 companies.
- While expanding our staff resources to meet this demand and embed our new corporate structure, we recorded a small surplus of \$89,000 at no extra cost to our owning or client councils, meeting our aim to be self-funded.

This, our first annual report, provides details of our financial activity for the period 20 December 2013 to 30 June 2013. To provide a fuller view of our activities, the remainder of the report covers our work for the entire 2012-13 financial year, in both our incarnations as the G6 Procurement Group and as Council Solutions.



A NEW ORGANISATION

Council Solutions was established as a regional subsidiary under the *Local Government Act 1999* on 20 December 2012, transforming from the collaborative G6 Procurement Group to a publicly owned incorporated body.

Council Solutions is council-owned with the primary aim of delivering procurement and collaborative services to the South Australian local government sector.

We are owned in equal part by six of South Australia's metropolitan councils: the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully. These, our constituent councils, provide oversight and support to Council Solutions through their membership on the Board of Management and their participation in our committee structure.

As a regional subsidiary, we have to meet the standards required of the local government sector – while having, as our core business, commercial outcomes that deliver best value for our clients.

While Council Solutions is a newly incorporated body, our history goes back two decades.

From early council collaboration dialogues in early 1994, the G5 Group of Councils quickly became a G6 group of councils providing aggregated purchasing arrangements. The G6 Procurement Group evolved over 18 years and its success and growth positioned the group as a mature operation requiring a more formal structure.

Due to its structure, insuring the group's activities through the LGA Mutual Liability Scheme was not possible and created cross-council liability concerns. There was also a growing view that a new, more highly developed entity could provide additional value to councils.

To explore the creation of this new entity, a working group was established, chaired by Mark Withers, CEO of the City of Charles Sturt. This group consulted with the G6 councils, business and legal advisors about the business case, the legal implications and requirements, and the potential role and functions of such a body.

The Council Solutions' framework was developed over two years and on 20 December 2012 the then Minister for State/Local Government Relations, Russell Wortley, officially gazetted its establishment under the *Local Government Act 1999* as a local government regional subsidiary to provide procurement and shared services to the South Australian local government sector.

ENABLING LEGISLATION

Council Solutions was established by approval of the South Australian Minister for State/Local Government Relations, gazetted 20 December 2013.

As a local government body, it is governed by the:

- *Local Government Act 1999*
- Local Government (Financial Management) Regulations 2011
- Council Solutions Charter.



ABOUT US

OUR BOARD

Ultimate responsibility for Council Solutions rests with its Board of Management. The board comprises seven members – the six CEOs of the constituent (owning) councils and one independent chair. The members of the inaugural board comprise:

Chairperson: Ms Catherine Cooper

Board Members: Mr Peter Smith, Chief Executive Officer, Adelaide City Council
 Mr Mark Withers, Chief Executive Officer, City of Charles Sturt
 Mr Mark Searle, Chief Executive Officer, City of Marion
 Mr Mark Dowd, Chief Executive Officer, City of Onkaparinga
 Mr John Harry, Chief Executive Officer, City of Salisbury
 Mrs Di Rogowski, Chief Executive Officer, City of Tea Tree Gully



The board oversees the strategic direction and the financial integrity of the organisation, as well as the performance of the CEO.

As at 30 June, only one committee of the board was designated: the audit committee. The audit committee reviews the organisation's performance in relation to financial and risk management. The board has commenced the process to establish the committee which will be established early in the 2013-14 financial year.



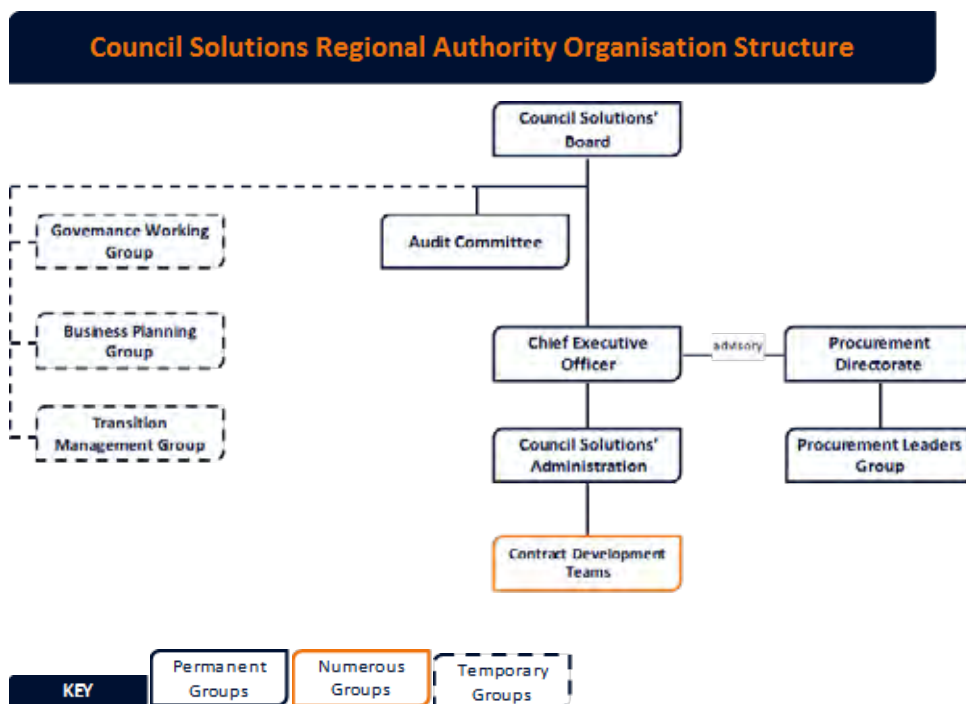
CORPORATE STRUCTURE

Council Solutions is a small organisation underpinned by the expertise of 600 staff in our constituent councils. At 30 June, our team was supported by a corporate structure built on the principles of partnership and collaboration. The structure embeds the participation of our constituent councils in all our activities.

Through the operation of contract development teams, our client councils (both constituent and other councils) actively contribute to the development of specific contracts.

Established as a committee of the CEO, Council Solutions, the Procurement Directorate was established on 26 March and plays a pivotal role in assisting Council Solutions to meet its aims. In particular, it is a critical link in supporting the compromise and innovation needed to improve procurement outcomes and to standardise requirements.

Council Solutions and the board may vary this corporate structure or delegated responsibilities at any time.





STAFF

As at 30 June 2013, Council Solutions had eight staff on long-term and short-term contracts delivering expertise in management, procurement, contract management, governance and policy, marketing and communications, and administration.



The Council Solutions team, L to R: Alexandra Paxinos, Trevor Ash, Audrey Rangel, Rachel Strong, Nick Leaver, Jessie Byrne, Clare Coupar, and Taryn Alderdice

Council Solutions partners directly with the City of Charles Sturt's procurement team and includes the shared expertise of Trevor Ash through an outsourced arrangement.



OUR ACHIEVEMENTS IN 2012-13

STRATEGIC GOALS

The period to 30 June can best be described as an establishment phase for Council Solutions – while undertaking business-as-usual activities.

In this phase, Council Solutions identified short-term goals to enable it to transition to the new structure while providing the least disruption possible to its existing clients and contracts. The board accepted an implementation plan for the period to 30 June 2013. Its three key goals were to:

Implementation Goals (to 30 June 2013)

- 1 Launch and establish Council Solutions
- 2 Ensure compliance
- 3 Begin to fulfil our purpose as defined in the charter

In addition to this implementation plan, strategic aims were identified for the first 12 months of operation to:

- set a clear vision for the organisation
- establish a governance and policy framework
- develop human, financial and other resources to achieve the organisation's objectives
- develop a long-term business plan that, among other things, identifies new opportunities in procurement and collaborative services
- develop a marketing and communications plan that promotes the new organisation and its achievements
- continue the current program of procurement, contract negotiation and management on behalf of councils
- undertake or explore any shared service initiative as requested by the board
- undertake any other activity requested by the board.

These aims have been formalised in a short-term business plan.

This annual report details our achievements against our three implementation goals.



IMPLEMENTATION GOAL 1

LAUNCH AND ESTABLISH COUNCIL SOLUTIONS

Council Solutions was established on 20 December 2012 when the Council Solutions Charter was officially approved and gazetted by the Minister for State/Local Government Relations. This charter outlines the functions and governance under which Council Solutions operates.

The requirements of a regional subsidiary are more extensive than those under which the G6 Procurement Group operated. These requirements have been embraced by Council Solutions. Policies and procedures have been prioritised and developed to meet the entity's new obligations.

Following its December 2012 commencement, Council Solutions has begun to put in place the framework for its operation.

ESTABLISHMENT AS A BODY CORPORATE

To incorporate we have undertaken the following:

- Australian Business Number registration through the Australian Taxation Office
- business name registration with the Australian Securities and Investment Commission
- application to register trademarks 'Council Solutions' and 'improved outcomes' with IP Australia
- application to the Office of the Chief Information Officer for the use of government web domain 'councilsolutions.sa.gov.au'
- establishment of a bank account and appropriate signatories and delegations.

To ensure our ability to operate as an autonomous entity, to meet our local government obligations, and to manage the risk associated with this, in our first six months we have also undertaken the following:

- registration with the Local Government Association Workers Compensation Scheme
- registration with the LGA Mutual Liability Scheme
- initial steps to appoint an auditor and members of an audit committee
- establishment of a Common Seal
- approval of a budget for the remainder of the financial year
- preparation of a short-term business plan covering the first 12 months of operation.

GOVERNANCE AND MANAGEMENT

A formal governance structure has been established (as outlined earlier).

Since 20 December 2012, the following appointments have been made:

- a Board of Management, comprising the CEOs of our six constituent councils and an independent Chair, Ms Catherine Cooper



- an Acting CEO, Nick Leaver, to lead the transition and the ongoing work of the organisation
- new staff to undertake the procurement, contract management, and policy and governance functions of the organisation.

A committee structure has been established to support the work of the organisation. This structure seeks to maximise the participation of and input from our constituent councils and, in the case of specific contracts, of those client councils involved.

Establishing a governance framework has been a priority, and in the first six months of 2013 we identified and started to develop the components of this framework (see later).

FUNDING MODEL

While owned by six councils, Council Solutions is self-funded through rebates from contracts.

These are designated 'user-pays' rebates, ie they are a percentage of contract value from client councils, however they do not add cost to our client councils. The rebates are drawn from within the original contract value. We make this happen through working closely with our suppliers to increase efficiencies in contract delivery, such as through aggregated planning and reporting or local sourcing of materials.

Through this approach we ensure that the rebates paid have been negotiated on behalf of councils without cost to councils.

For Council Solutions, this model helps us to reach our two key commercial aims:

- to continue as self-funded
- to increase our reserve funds in order to expand our services.

It ensures our financial stability while allowing us to take on new projects or add more value to existing projects.

In 2012-13, this meant we were able to consolidate the expertise in our team – providing better value to our clients – with no added cost to constituent and client councils.

FINANCIAL AND ASSET MANAGEMENT

The Adelaide City Council continued to administer our finances during the establishment phase.

From 1 July 2013, Council Solutions will operate an independent financial system from Adelaide City Council's, but will continue to be overseen by experts from that council. To allow this to occur, during the year Council Solutions established financial management systems, including delegations for the expenditure of funds.

Council Solutions' current functions are predominantly service-based – it therefore has a low asset base. However, to protect this base we have initiated the development of an asset register and asset management system.



MARKETING AND COMMUNICATIONS

In December 2012 we launched our new name 'Council Solutions'. As we are an organisation owned by councils and offering services to councils, we wanted to indicate this in our name. And while our initial activities are primarily in the procurement space, our charter directs us to explore what we can offer by way of shared services and local government staff development. Hence, our name – Council Solutions – indicates our broader mandate.

In the first months of 2013, Council Solutions embarked upon a direct campaign to our constituent and client councils and to our suppliers to inform them of our new status.

In the last quarter of the year we began development of a broader marketing and communications plan incorporating a new website, flyers, social media, and badging of our activities. The website will be launched in the second half of 2013.





IMPLEMENTATION GOAL 2

ENSURE COMPLIANCE

Council Solutions delivers value to the community and contributes to the sustainability of South Australia's local government sector through efficient, effective and ethical procurement services.

Council Solutions is the only public sector entity in South Australia dedicated to providing procurement services to councils.

It is committed to best practice which maximises value and minimises risk to its constituent councils, other client councils and its own operations. As an incorporated public sector organisation, an important part of the value we deliver is our transparency, accountability and adherence to those standards applied across the local government sector.

Councils' compliance to legislation cannot be transferred when outsourcing to third parties. As a local government public sector authority recognised under the Act, Council Solutions has the same regulatory responsibilities as its clients. With greater scrutiny likely to be placed on public sector spending through the introduction of the Independent Commissioner Against Corruption on 1 September 2013, Council Solutions is uniquely positioned to ensure that the governance standards of local government are in no way compromised.

To ensure we meet these high legislative and regulatory standards, we have bolstered our internal resources on governance, compliance and policy. This resource (currently 0.8 FTEs) provides assurance benefits to both to the management of Council Solutions and to its client councils, as well as playing a key role in the establishing the long-term governance framework for the organisation.

Our reporting, systems and governance framework should therefore deliver significant confidence to our client councils.

INTERNAL CONTROLS AND RISK MANAGEMENT

Risk management is increasingly recognised as an integral part of good management. It proactively establishes programs and processes that support business objectives while protecting the organisation's assets, such as its staff, property and income. In 2012-13, Council Solutions built on its existing risk management framework.

- We undertook a risk management assessment, facilitated by Rudi Deco, Senior Risk and Governance Consultant at the Adelaide City Council, to identify those areas requiring priority attention. A risk register was established in April which identifies risks to the organisation and methods to redress these.
- We commenced the processes to appoint an independent auditor and an audit committee, with appointments to be finalised early in the new financial year.

We are developing fraud and corruption and whistleblower policies to assist with transparency and to reduce the risk of fraud or mismanagement.

CODES AND POLICIES

Council Solutions is committed to the delivery of ethical, fair and transparent procurement and services. Its employees and those performing duties within or on behalf of Council Solutions must remain independent, impartial and unbiased.



The board approved a Board of Management Governance Manual to direct the governance of the organisation. We developed a range of policies to support the manual, including on conflict of interest, confidentiality, gifts and benefits, freedom of information, code of conduct, and procurement. As required by our charter, these policies incorporate issues such as improper assistance, inducements and improper lobbying.

We commenced work on a comprehensive package of human resources policies and guidelines to allow us to undertake direct employment of staff in 2013-14.

INFORMATION MANAGEMENT

In providing and publishing information, Council Solutions takes a twofold approach:

- the presumption of confidential treatment of information relating to the board, its committees, and the commercial operations of the authority (as required by our charter)
- a proactive approach to the release of other information to satisfy the authority's reporting requirements and its commitment to disclosure to the South Australian community.

The designation of material as confidential will be guided by legislative and regulatory requirements, as well as board and management decisions based on the strategic interests of the authority and of its constituent councils.

Within this context, wherever possible Council Solutions will proactively release information to the public through its website (once established in the new financial year), including material such as codes of practice and policies. We will continue to advertise tenders through the SA Tenders and Contracts website.



IMPLEMENTATION GOAL 3

FULFIL OUR PURPOSE

The period until 30 June 2103 saw Council Solutions meet its purpose in two ways:

- by continuing business-as-usual with minimal disruption to existing clients and contracts
- by launching initiatives to become a procurement centre of excellence within the state.

There are 68 councils in South Australia. Local government in South Australia manages around \$8 billion of public infrastructure and manages \$1 billion of services.

Councils, both regional and metropolitan, have indicated a strong desire to join together on occasion to pursue particular procurement objectives.

In 2012-13, Council Solutions met this demand by expanding its number of client councils to 30, or almost half of the sector, with more councils expected to access our services in the first few months of the next financial year.

During the year our team managed 62 contracts.

We also increased our supplier base through a targeted marketing and communications plan and through direct approaches relating to individual contracts.

Significantly, we have delivered a five to 40 per cent saving for councils across our range of contracts and services. Through driving better practices, Council Solutions' contracts represent an annual savings to our combined client councils of around \$5 million. This is achieved by unifying councils' practices and policies, and through the identification and reduction of supplier costs and risks.

TEAM SKILLS AND EXPERTISE

To deliver high-quality services within a sound corporate environment, during the year we continued to build our team expertise through targeted recruitment. Rachel Strong joined us in January as Senior Procurement Manager. Taryn Alderdice commenced in June as Contracts Management Officer. Trevor Ash commenced in June as the Senior Procurement Officer based at the City of Charles Sturt. Jessie Byrne also joined us in June to put in place the governance and policy framework for the organisation and to provide executive support to the board.

As part of our ambition to provide best-in-class services, during the year various members of our team attended training and development sessions including:

- CIPS – Adelaide, Procurement Forum
- CIPS National Procurement Conference
- CIPS Category Management Forum
- Network of Procurement Professionals forums
- Year of Procurement Forum
- Shared Service and Outsourcing Network annual event
- Continuous Improvement and Innovation in Local Government meetings.



PROCUREMENT PRINCIPLES

The organisation's procurement is underpinned by eight key principles and one supporting principle:

Key principles	
Best value	Risk management
Statutory compliance	Accountability and transparency
Open, fair and effective competition	Environmental sustainability
Professional integrity and probity	Social outcomes
Supporting principle	
Local sourcing	

Best value: To ensure the best outcome is obtained through strategic and cost-effective approaches. This may include taking into account suitability for purpose, whole-of-life cost, risk exposure, timeliness, flexibility to adapt, quality, sustainability, internal administration costs, intangible costs and benefits, service, support, warranty and community, economic and environmental benefit. Best value is not determined by price alone.

Statutory compliance: To ensure purchasing activities are conducted in accordance with legislative and common law responsibilities. These include but are not limited to the Local Government Act 1999, Trades Practices Act 1972, national competition policy and other relevant legislation, industrial awards and agreements, and international trade agreements.

Open, fair and effective competition: To ensure open and fair competition is fostered and maintained by providing suppliers and contractors with appropriate access to procurement opportunities.

Professional integrity and probity: Officers engaged in purchasing should at all times undertake their duties in a professional, ethical, honest and impartial manner, and act responsibly and exercise sound judgment by observing the highest standards of integrity, probity and professional conduct in line with any staff code of conduct.

Risk management: To ensure that appropriate risk management practices and procedures are in place, including risk identification, risk assessment and implementation of controls.

Accountability and transparency: To ensure that procurement responsibilities are clearly defined and that decisions are made in an open, transparent and documented manner.

Environmental sustainability: To promote and adopt purchasing practices which conserve resources, save energy, minimise waste, protect the environment, and are generally consistent with principles of ecological sustainability.

Social outcomes: To the extent permitted by law, social outcome considerations may be made when all other considerations are equal (such as capability, capacity and competitiveness).

Local sourcing: To the extent permitted by law, Council Solutions will consider local business when all other considerations are equal (such as capability, capacity and competitiveness).



CONTRACT ACTIVITY

Council Solutions offers procurement and contract management services from early scoping, through tender, contract award, and ongoing management. We provide these services on a rolling basis, as contracts come due and as we identify new opportunities. Lead times may be extended, particularly in the case of large infrastructure projects or multiple client councils.

At the end of the financial year, our existing contracts were valued at \$55 million.

As at 30 June 2013, Council Solutions had 20 contracts in place across five procurement categories:

- financial and professional services
- human resources
- roads and infrastructure
- facilities management
- parks.

Council Solutions Contract Management List: At 30 June 2013

Product or Service	Category	Contractor	Description of Contract	Notes	Market Ranking
Legal Services	Finance & Professional Services	Panel Contract (4 contractors)	Provision of legal services across several specialist areas of law	Currently being re-let	High
Temporary Labour Hire	Human Resources	Skilled Group	Provision of temporary labour hire comprising both field and office staff		High
Roadworks	Roads & Infrastructure	Downer EDI Works	Road resurfacing and rebuilding	Currently being re-let	High
General Stationery	Facilities Management	Lyreco	Supply and delivery of general stationery and office consumables, including sustainable 'green' products		Medium
Rate & Dog Notices	Finance & Professional Services	Lane Laser Printers	Provision of printing, electronic bill presentment and mailing service for rate and dog notices		Medium
Cleaning Services	Facilities Management	International Cleaning Services	Cleaning of council buildings, public toilets and BBQs		Low
Toilet Requisites	Facilities Management	Panel Contract (2 contractors)	Supply of toilet and cleaning requisites to stock and clean public toilets		Low
Leasing Finance of IT Equipment	Finance & Professional Services	Macquarie Equipment Finance	Leasing finance for information technology equipment		Low
Transactional Banking	Finance & Professional Services	NAB	Provision of transactional banking services		Low
Printing Services	Finance & Professional Services	Panel Contract (11 contractors)	Printing services of various publications, stationery, business cards, registration forms and marketing material		Low
Pest Control Services	Parks	Adelaide Pest Control	Control of European wasps	Contract concluding October 2013	Low
Irrigation Design	Parks	Panel Contract (3 contractors)	Design of irrigation systems for public spaces		Low
Irrigation Supply & Installation	Parks	Panel Contract (4 contractors)	Supply and installation of irrigation systems upon public spaces		Low



Fencing	Parks	Panel Contract (5 contractors)	Supply and installation of new fencing, upgrade to existing fencing and repair & maintenance to existing fencing	Low
Arboricultural Advice Services	Parks	Panel Contract (6 contractors)	Arboricultural advice for trees situated on public spaces	Low
Irrigation Repair & Maintenance	Parks	Panel Contract (7 contractors)	Repair and maintenance of irrigation systems upon public spaces	Low
Tree Removal, Pruning & Ancillary Services	Parks	Panel Contract (7 contractors)	Tree removal, pruning and ancillary services on public spaces	Low
Quarry Materials	Roads & Infrastructure	Panel Contract (3 contractors)	Supply or supply and delivery of quarry materials	Low
Pavers	Roads & Infrastructure	Boral Hollostone Masonry	Supply or supply and installation (including lay and/or reinstatement) of segmental concrete and/or clay pavers	Low
Concrete	Roads & Infrastructure	Direct Mix	Manufacture, supply and delivery of concrete	Low

Given the large proportion of panel contracts, many of which have four or more panel members, there has been a greater demand for the administrative management of these contracts. The successful recruitment of a fulltime Contract Management Officer position was filled at the end of June 2013, which will result in streamlined reporting and enhanced management.

PROCUREMENT CENTRE OF EXCELLENCE

A primary aim of Council Solutions, outlined in its charter, is to establish itself as a procurement centre of excellence. During the year we undertook a number of initiatives to support this aim.

Gateway procurement

We have developed a new gated procurement process to introduce additional rigour and governance in our collaborative procurements.

This process provides our constituent councils with full visibility on each procurement stage and in turn confirms the commitment of participating councils.

Category management

We initiated a category management approach to procurement. Category management is building specialist knowledge among our procurement team through the development of category expertise, such as in services or infrastructure. This has been made possible by now having four procurement experts on staff.

Category management creates benefits that include:

- reduced risk in the supply chain
- world-class procurement solutions
- development of supplier capability and consolidating suppliers
- improved volume leverage
- unlocking value as specialisation is enabled.



Forward procurement planning

Forward procurement plans allow procurement teams to map future goods and services requirements. Typically, plans will detail the approach to market, anticipated budget, complexity, risk, collaborative opportunities, and contact details for the project owner. While forward plans are indicative, they should not be read as a commitment to purchase.

A forward plan assesses potential purchases and records the strategy for each. It allows procurement managers to appropriately allocate team resources and to maximise their team's contribution to demand management. Forward procurement plans increase competition and can prime the market. They allow suppliers to position themselves to be responsive to opportunities.

In the first half of 2013, we saw the opportunity to improve forward procurement planning within Council Solutions and across our constituent councils. We embarked on a program to:

- standardise forward procurement plans across councils to achieve best practice and allow comparison across councils
- collate these plans to identify opportunities across councils
- revise Council Solutions' forward procurement plan, embedding more medium and long-term purchases within it
- linking this forward procurement plan to Council Solutions' three-year business plan.

This work will continue throughout 2013-14.

COLLABORATION AND SKILLS DEVELOPMENT

Council Solutions through its charter is tasked with providing opportunities for staff of constituent councils to develop new skills and to work in collaboration across council boundaries.

Our governance structure and procurement process facilitates collaboration.

In 2012-13 we also facilitated the following training:

- Introduction to Procurement – 4-5 September 2012
- Professional Negotiation – 9 October 2012
- Lean Training (in conjunction with the City of Burnside) – 29-30 November 2012.

Collaborative initiatives of the group included:

- representing G6 councils at the Network of Procurement Professionals
- supporting the 2012 Year of Procurement initiative
- advancing economic development across councils, particularly on local government's role with China
- supporting the introduction of the sector-wide Continuous Improvement in Local Government initiative
- representing local government at roundtable discussions for the Premier's Council for Climate Change.

These examples demonstrate Council Solutions' ability to build collaboration across councils and to positively influence broad-scale change and development.

FUTURE OPPORTUNITIES

During the year we identified potential scope for joint procurement in waste management. We have commissioned a report on the current waste arrangements of councils across the metropolitan area and are developing a waste project plan to be delivered in the new financial year.

We also commenced development of a longer-term strategy to explore opportunities in the energy category.

Following initial investigations during the year, in 2013-14 in consultation with our constituent councils we will also examine other potential categories of procurement.

REWARD AND RECOGNITION EVENT

Our annual Reward and Recognition Event recognises excellence and innovation in procurement. It has a particular emphasis on the value of partnership and collaboration.

In 2012-13, the event was held on 3 August. Eighty people attended, representing the six G6 councils, 19 suppliers and other special guests.



Inducted to the Council Solutions Hall of Fame: Rob Bosley receives his award from City of Tea Tree Gully CEO, Di Rogowski



Awards were provided in four categories, in addition to induction into our Hall of Fame. The winners were as follows:

2013 COUNCIL SOLUTIONS REWARD AND RECOGNITION WINNERS

Hall of Fame Induction: **Rob Bosley**

For displaying an outstanding commitment to the success of the G6 through historic efforts in co-drafting the original proposal and ongoing support, including the caretaker period between CEOs.

G6 Contractor of the Year: **Downer EDi Works Pty Ltd**

For working together with the G6 to streamline processes, improve efficiencies, explore new technologies and innovations and identify sustainable solutions that contribute to our economic, environmental and social outcomes.

G6 Council Ambassador: **Malcolm Eagles**

For actively supporting the G6 group in its drive to achieve its vision to be recognised as a world-class, collaborative procurement group through his active contribution and strong leadership skills in the G6 contract development teams.

Best Innovation: **Peter Levett**

For bringing benefits to the G6 and councils' ratepayer base through his ongoing dedication and collaboration with Downer EDi to improve practices, efficiencies and overall quality of services.

Contract Development Team of the Year: **The Roadworks Team**

Malcolm Eagles, Adam Kelly, Peter Levett, John Mauro, Paul Wreford

For contributing to significant benefits for councils by consistently representing the interests of their individual council while also considering the needs of the other G6 councils for the greater benefit of the group.



RECOGNITION FOR COUNCIL SOLUTIONS

Council Solutions received two awards during the year: for spearheading ground-breaking partnerships and for carbon emissions reductions from its innovative roadworks contract.

In April 2013 we received a commendation in the Local Government Managers Australia (LGMA) Leadership Excellence Awards. The commendation, for the Partnerships in Growth category, recognised the historic partnership achievements of the G6 councils and the transformational model and objectives of Council Solutions. Our partnership approach was recognised for its ability to reduce duplication, increase value, and drive innovation.



Receiving the LGMA Partnerships in Growth commendation, L to R: Nick Leaver, award presenter Mick Petrovski (the Office for State/Local Government Relations), and Gavin Webster (Adelaide City Council)

We were also recognised for our roadworks-bituminous treatments contract. Over the life cycle of road pavement, the approach taken in the contract will save 742.5 tonnes of CO₂-equivalent emissions, a significant win for both the community and the environment. This is through the innovative early adoption of recycled components (RAP) and warm mix within the pavement. This innovation also represents a cost saving to our clients.



HUMAN RESOURCES

STAFF RESOURCES

As at 30 June 2013, Council Solutions employed eight staff. Six staff were employed on long-term contracts representing 4.6 FTEs. A further two staff members, representing 1.0 FTEs, were appointed on temporary, short-term contracts to establish the policy and governance framework of the organisation and assist with communications and marketing.

During this transition period, employment contracts were held with the Adelaide City Council as host organisation. Staff will be transferred or recruited to direct employment with Council Solutions during 2013-14.

WORK HEALTH AND SAFETY

Council Solutions is developing a comprehensive suite of work health and safety policies and procedures. In 2012-13, during the transition, Council Solutions operated under the work health and safety (incorporating injury management) framework of the Adelaide City Council.

There were no notifiable occupational health and safety occurrences during the year.

WORKERS COMPENSATION AND MUTUAL LIABILITY

Council Solutions registered for and complies with the Local Government Association Workers Compensation Scheme and the LGA Mutual Liability Scheme.

In 2012-13, there were no claims under either scheme.

EQUAL OPPORTUNITY

Council Solutions complies with the *Equal Opportunity Act 1984*. The principles of equal opportunity were applied to all staff recruitment and appointments during the year.

Council Solutions has developed a policy and guidelines on equal opportunity which is expected to be adopted early in 2013-14.

DISABILITY

Council Solutions' main workplace (25 Pirie Street, Adelaide) complies with disability access standards.



GOVERNANCE AND COMPLIANCE

FREEDOM OF INFORMATION

During 2012-13, freedom of information was managed by Adelaide City Council on behalf of Council Solutions.

There were no freedom of information requests from 1 July 2012 to 30 June 2013.

Enquiries or requests for information under the *Freedom of Information Act 1991* should be forwarded to Freedom of Information Request, Council Solutions, Adelaide City Council, GPO Box 2252, Adelaide SA 5000.

WHISTLEBLOWERS

Council Solutions complies with the *Whistleblowers Protection Act 1993*. It has developed a policy and guidelines on whistleblowers which is expected to be adopted early in 2013-14.

No disclosures were received under the Whistleblowers Protection Act during the year.

GRIEVANCES

For the reporting period 20 December 2012 to 30 June 2013 there were no grievances recorded.

ENVIRONMENTAL SUSTAINABILITY

Council Solutions has environmental sustainability embedded as a principle within its procurement program.

BOARD MEETINGS AND ATTENDANCE

The Board of Management was appointed subsequent to 20 December 2012.

Three meetings of the board were held from this establishment date to 30 June 2013. The attendance by board members at each meeting is as follows:

	Meeting 1: 6 February 2013	Meeting 2: 26 March 2013	Meeting 3: 8 May 2013
Catherine Cooper (Chair)	Not appointed	✓	✓
Mark Dowd	✓	✓	✓
John Harry	✓	✓	✓
Di Rogowski		✓	✓
Mark Searle	✓	✓	✓
Peter Smith	✓	✓	✓
Mark Withers	✓	✓	✓



LIST OF DOCUMENTS AVAILABLE TO THE PUBLIC

List of registers

(required to be kept under the Local Government Act 1999)

- Board Members Register of Interests
- CEO, Council Solutions Register of Interests

List of policies

(approved in 2012-13)

- Procurement Policy



FINANCIAL MANAGEMENT AND REPORTS

Council Solutions ended the year in a sound financial position. At 30 June we recorded a surplus of \$89,000.

In 2012-13, the Adelaide City Council continued financial assistance on our behalf. The independent auditor's report attests that financial management during the year met statutory and professional reporting requirements.

Council Solutions will operate an independent financial management system in the new financial year, which will continue to be supported by the Adelaide City Council.

FINANCIAL REPORTS

Our financial statements provide a formal insight into Council Solutions' financial health.

The financial statements consist of four financial reports and explanatory notes supporting the reports.

The four financial reports are:

- Statement of Comprehensive Income
- Balance Sheet
- Statement of Changes in Equity
- Cash Flow Statement.

In summary, these reports show:

Total equity as at 30 June 2013: \$365,000

Each constituent council's equity share at 30 June 2013: \$60,800

Our accumulated surplus at 30 June 2013 was \$222,000

Council Solutions received \$493,000 in revenue during 2012-13, the primary sources being rebates on contracts.

Council Solutions' operating expenditure for 2012-13 was \$272,000 with most significant expenses including contract staffing through Adelaide City Council.

As at 30 June 2013, Council Solutions held \$444,000 worth of current and non-current assets.

Total liabilities, current and non-current, were recorded at \$79,000.

CERTIFICATION OF FINANCIAL STATEMENTS

The certification of financial statements is a declaration from the CEO, Council Solutions and the chair of the Board of Management, that in their opinion, the financial statements are presented fairly and have met all applicable statutory and professional reporting requirements.

**INDEPENDENT AUDITOR'S REPORT**

The auditor's report is an independent statement attesting to the fairness of presentation of our financial statements. The report confirms that our financial statements have been presented in accordance with applicable statutory and professional reporting requirements.

Our financial statements were audited by accounting firm BDO.

In 2012-13, Council received a clear audit of its financial statements.



AUTHORITY FINANCIAL SUMMARY REPORT

Statement of Comprehensive Income	\$000s
Income	494
Less: Operating expenses	272
Operating Surplus for the year	222
Total other comprehensive income	-
Net Surplus for the year	222
Comprehensive result for the year	222

Statement of Comprehensive Income

First section summarises the Authority's financial performance.

Statement of Changes in Equity	\$000s
Initial contribution by owners	143
Comprehensive result for the year	222
Total Authority net worth at 30 June 2012	365

Statement of Changes in Equity

Summarises the changes in the Authority's net worth.

Cash Flow Statement	\$000s
Operating activities	3
Investing activities	-
Financing activities	-
Net increase in cash	3
Cash balances at 1 July 2011	-
Cash balances at 30 June 2012	3

Cash Flow Statement

Summarises our cash receipts and payments and shows the net increase or decrease in our cash balances.

Balance Sheet	\$000
Current assets	444
Non current assets	-
Total assets	444
Current liabilities	79
Non current liabilities	-
Total liabilities	79
Net community assets	365
Accumulated surplus	222
Reserves	143
Total Authority net worth at 30 June 2012	365

Balance Sheet

Shows what we own (assets) and what we owe (liabilities) at the end of the year. The difference between our assets and our liabilities is our net worth.



AUDITED FINANCIAL STATEMENTS

COUNCIL SOLUTIONS REGIONAL AUTHORITY

General Purpose Financial Reports for the year ended 30 June 2013

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**COUNCIL SOLUTIONS REGIONAL AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013
CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Council Solutions Regional Authority's financial position at 30 June 2013 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.


Nicholas Leaver
CHIEF EXECUTIVE OFFICER


CHAIR OF THE BOARD

Date:

**COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013**

	Notes	2013 \$'000
INCOME		
Rebates	2	493
Other Income	2	<u>1</u>
Total Income		<u>494</u>
EXPENSES		
Materials, contracts & other expenses	3	<u>272</u>
Total Expenses		<u>272</u>
OPERATING SURPLUS / (DEFICIT)		<u>222</u>
NET SURPLUS / (DEFICIT)		<u>222</u>
Total Other Comprehensive Income		<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>222</u>

This Statement is to be read in conjunction with the attached Notes.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY
BALANCE SHEET
as at 30 June 2013**

	Notes	2013 \$'000
ASSETS		
Current Assets		
Cash and cash equivalents		3
Receivables		441
Total Current Assets	4	<u>444</u>
Non-Current Assets		
Other Non-Current Assets		-
Total Non-Current Assets		<u>-</u>
Total Assets		<u>444</u>
LIABILITIES		
Current Liabilities		
Trade & Other Payables		5
Other Current Liabilities		74
Total Current Liabilities		<u>79</u>
Non-Current Liabilities		
Other Non-Current Liabilities		-
Total Non-Current Liabilities		<u>-</u>
Total Liabilities	5	<u>79</u>
NET ASSETS		<u>365</u>
EQUITY		
Accumulated Surplus		222
Share Capital		143
TOTAL EQUITY		<u>365</u>

This Statement is to be read in conjunction with the attached Notes.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2013**

	Initial Contribution by Owners	Accumulated Surplus	Total
2013	\$'000	\$'000	\$'000
Net Surplus for Year		222	222
Transactions with Owners in their Capacity as Owners;			
Initial Contribution by Owners	143		143
Balance at end of period	143	222	365

**COUNCIL SOLUTIONS REGIONAL AUTHORITY
CASH FLOW STATEMENT
for the year ended 30 June 2013**

	Notes	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Receipts</u>		
Operating receipts		3
<u>Payments</u>		
Operating payments to suppliers & employees		—
Net Cash provided by (or used in) Operating Activities		3
Cash to be paid by Other Receivables		—
Net Increase (Decrease) in cash held		3
Cash & cash equivalents at beginning of period		—
Cash & cash equivalents at end of period	B	3

This Statement is to be read in conjunction with the attached Notes

Council Solutions Regional Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

Constituent Council	Equity Share
Adelaide City Council	1/6 th
City of Charles Sturt	1/6 th
City of Marion	1/6 th
City of Onkaparinga	1/6 th
City of Salisbury	1/6 th
City of Tea Tree Gully	1/6 th

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 1 May 2011.

1 Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

Accounting Policies

2 Income recognition

Rebate Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Councils) with a Rebate.

3 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition.

4 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

The Authority does not have any employees. All employees are employed through Adelaide City Council, one of the Constituent Council. Those employees are then contracted to the Authority.

6 GST Implications

Council Solutions Regional Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax":

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

7 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

8 Critical Accounting Estimates and Judgements

The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the authority.

Accounts receivable are reviewed at each reporting date to establish the collectability.

9 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2013 reporting period.

- AASB 7 Financial Instruments: Disclosures
- AASB 9 Financial Instruments
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-6, AASB 2010-7, AASB 2011-7, AASB 2011-8, AASB 2011-10, AASB 2012-5, AASB 2012-6, and AASB 2012-10.

(Standards not affecting local government have been excluded from the above list.)

The Authority is of the view that none of the above new standards will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

The Australian Accounting Standards Board is currently reviewing AASB 1004 *Contributions*. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

**COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013**

Note 2 - INCOME

	2013 \$'000
REBATES	
Rebates	493
	<u>493</u>
OTHER INCOME	
Reimbursements	1
	<u>1</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 3 - EXPENSES

	2013 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES	
Advertising	5
Audit Fees	5
Consultant Fees	9
Entertainment Costs	2
Insurance	15
Legal Fees	7
Contractors	176
Recruitment	10
Telephone	3
Training and Development	31
Catering	0
Fringe Benefits Tax	4
Sundry	4
	<u>272</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 4 - CURRENT ASSETS

	2013 \$'000
CASH & CASH EQUIVALENTS	
Cash at Bank	3
	<u>3</u>
RECEIVABLES	
Accounts Receivables	28
Accrued Income	206
Receivable from Adelaide City Council - Initial Contribution	143
Receivable from Adelaide City Council - Cash Collected on Behalf of Council Solutions	64
	<u>441</u>
	<u>444</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 5 - LIABILITIES

	2013 \$'000
TRADE & OTHER PAYABLES	
Accruals	5
	<u>5</u>
OTHER CURRENT LIABILITIES	
Income Protection & Journey Insurance	2
Payable to Adelaide City Council	72
	<u>74</u>
	<u>79</u>

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet.

	2013 \$'000
Cash at Bank	3
Balances per Cash Flow Statement	3
 (b) Reconciliation of Change in Net Assets to Cash from Operating Activities	
Net Surplus (Deficit)	222
Net (Increase) in Receivables	(298)
Net Increase in Current Liabilities	79
Net Cash provided by (or used in) operations	3

COUNCIL SOLUTIONS REGIONAL AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

Note 7 - FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Authority's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those applicable financial assets and liabilities is as follows:

	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments maturing within One Year \$'000	Fair Value of Fixed Interest rate Instruments maturing > 1 Year \$'000	Fair Value of Fixed Interest rate Instruments Due less 5 Yrs \$'000	Fair Value of Fixed Interest rate Instruments Due > 5 Yrs \$'000	Fair Value of Non-Interest Bearing Instruments \$'000
Financial Assets:						
Cash	2.3%	3	-	-	-	-
Receivables	0.0%	-	-	-	-	441
Total Financial Assets		3	-	-	-	441
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	5
Total Financial Liabilities		-	-	-	-	5

(b) Credit Risk

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted.

The Authority's exposure to credit risk is summarised as follows:

Receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

(c) Net Fair Value

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability.

The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of financial instruments held in the Authority, the cost associated with their settlement would not be material, and hence, have not been considered.

COUNCIL SOLUTIONS REGIONAL AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the year ended 30 June 2013, the Council's Auditor, BDO, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 21(2) Local Government (Financial Management) Regulations 2011.



Nicholas Leaver
CHIEF EXECUTIVE OFFICER



PRESIDING MEMBER OF AUDIT COMMITTEE

Date:



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AUSTRALIA

**AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 22(5) OF THE LOCAL
GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 2011
TO COUNCIL SOLUTIONS REGIONAL AUTHORITY**

I confirm that, for the audit of the financial statements of Council Solutions Regional Authority for the period ended 30 June 2013, I have maintained by independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

A handwritten signature in blue ink, appearing to read 'G K Edwards'.

G K Edwards
Director

BDO Audit (SA) Pty Ltd
Adelaide, 9 October 2013

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF THE COUNCIL SOLUTIONS REGIONAL AUTHORITY

We have audited the accompanying financial report of Council Solutions Regional Authority, which comprises the balance sheet as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive Officer and Chair of the Board.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Finance Management) Regulations 2011*, and for such internal controls as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO Audit (SA) Pty Ltd ABN 33 161 379 086 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (SA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms.



Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Council Solutions Regional Authority as at 30 June 2013, and its financial performance and cash flows for the period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Finance Management) Regulations 2011*.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that appears to read 'G K Edwards'.

G K Edwards
Director

Adelaide, 9 October 2013





25 Pirie Street Adelaide
South Australia 5000
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