

ADELAIDE CITY COUNCIL FINANCIAL STATEMENTS 2011-12	83
ADELAIDE PARK LANDS AUTHORITY ANNUAL REPORT 2011-12	118
RUNDLE MALL MANAGEMENT AUTHORITY ANNUAL REPORT 2011-12	145
WASTE CARE SA ANNUAL REPORT 2011-12	158

CERTIFICATION OF FINANCIAL STATEMENTS



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012 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.

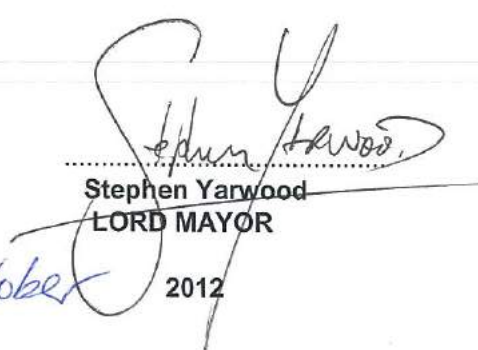

Peter Smith
CHIEF EXECUTIVE OFFICER

Dated the

22

day of

October 2012


Stephen Yarwood
LORD MAYOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
INCOME			
Rates	2	83,430	78,570
Statutory charges	2	15,921	12,641
User charges	2	54,950	56,017
Grants, subsidies and contributions	2	4,083	3,879
Investment income	2	1,519	467
Reimbursements	2	938	963
Other income	2	894	663
Total Income		161,735	153,200
EXPENSES			
Employee costs	3	55,600	51,342
Materials, contracts & other expenses	3	61,804	58,788
Depreciation, amortisation & impairment	3	39,561	25,600
Finance costs	3	757	1,728
Net loss - joint ventures & associates	19	78	38
Total Expenses		157,800	137,496
OPERATING SURPLUS / (DEFICIT)		3,935	15,704
Asset disposal & fair value adjustments	4	-5,340	20,723
Amounts received specifically for new or upgraded assets	2	5,474	1,958
Physical resources received free of charge	2	825	0
NET SURPLUS / (DEFICIT) transferred to Equity Statement		4,894	38,385
Other Comprehensive Income			
Share of other comprehensive income - joint ventures and associates		0	-24
Total Other Comprehensive Income		0	-24
TOTAL COMPREHENSIVE INCOME		4,894	38,361

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

BALANCE SHEET

AS AT 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	17,817	15,568
Trade & other receivables	5	7,378	7,865
Inventories	5	370	369
		25,565	23,802
Assets held for Sale	7	0	7,684
Total Current Assets		25,565	31,486
Non-current Assets			
Trade & other receivables	6	0	97
Assets Held for Sale	7	16,040	13,086
Equity accounted investments in Council businesses	6	109	187
Investment Property	7	3,159	3,251
Infrastructure, Property, Plant & Equipment	7	1,255,801	1,252,981
Total Non-current Assets		1,275,109	1,269,602
Total Assets		1,300,674	1,301,088
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8	17,641	20,505
Borrowings	8	4,228	3,892
Provisions	8	10,253	9,752
Total Current Liabilities		32,122	34,149
Non-current Liabilities			
Borrowings	8	2,751	6,444
Provisions	8	2,077	1,665
Total Non-current Liabilities		4,828	8,109
Total Liabilities		36,950	42,258
NET ASSETS		1,263,724	1,258,830
EQUITY			
Accumulated Surplus		824,132	814,560
Asset Revaluation Reserve	9	439,592	444,270
TOTAL EQUITY		1,263,724	1,258,830

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Accumulated Surplus \$'000s	Asset Revaluation Reserve \$'000s	TOTAL EQUITY \$'000s
2012			
Balance at end of previous reporting period	814,560	444,270	1,258,830
Net Surplus/(Deficit) for Year	4,894	0	4,894
Other Comprehensive Income			
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	4,678	-4,678	0
Balance at end of period	824,132	439,592	1,263,724
2011			
Balance at end of previous reporting period	772,081	448,388	1,220,469
Net Surplus/(Deficit) for Year	38,385	0	38,385
Other Comprehensive Income			
Share of other comprehensive income - joint ventures and associates	-24	0	-24
Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	4,118	-4,118	0
Balance at end of period	814,560	444,270	1,258,830

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

		2012 \$'000	2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		160,801	151,037
Investment receipts		1,519	467
Payments			
Operating payments to suppliers & employees		-119,337	-108,403
Finance payments		-757	-1,728
Net Cash provided by (or used in) Operating Activities		42,226	41,373
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts specifically for new or upgraded assets		5,474	1,958
Sale of replaced assets		868	751
Sale of surplus assets		1,190	39,582
Payments			
Expenditure on renewal / replacement of assets		-22,802	-21,035
Expenditure on new / upgraded assets		-21,347	-26,708
Net Cash provided by (or used in) Investing Activities		-36,617	-5,451
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayments of Borrowings		-3,475	-5,159
Net Cash provided by (or used in) Financing Activities		-3,475	-5,159
Net Increase (Decrease) in cash held		2,134	30,763
Cash & cash equivalents at beginning of period	11	15,148	-15,615
Cash & cash equivalents at end of period	11	17,282	15,148

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 2012

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 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.

1.4 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.

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.

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

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 & 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 & 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.

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 & Equipment

Office Furniture & Equipment	3 to 4 years
Vehicles and Road-making Equipment	2 to 8 years
Other Plant & Equipment	5 to 15 years

Building & 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 & Footpaths	15 to 40 years
Kerb & 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 & Telemetry	15 to 25 years
Traffic Signals	30 to 50 years
Lighting & Electricals	30 years
Bus Shelters	20 years
Parking Machines	10 years

Other Assets

Library Books	4 to 7 years
Artworks	indefinite

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.

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

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 & 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 & 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".

9 Employee Benefits

9.1 Salaries, Wages & 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	2.58% (2011, 5.1%)
Weighted average settlement period	5 years (2011, 2 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.

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

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.

10 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".

11 Joint Ventures and Associated Entities

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.

12 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.

13 GST Implications

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.
- 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.

14 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 & 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 & 1038 and Interpretations 2, 5, 10, 12, 19, & 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 & 113]
- AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

- 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 & 1038 and Interpretations 5, 9, 16 & 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 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 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 & 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 & AASB 2011-8 and Interpretation 14]
- AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]

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.

(Standards not affecting local government have been excluded from the above list.)

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 2 - INCOME	Notes	2012 \$'000	2011 \$'000
RATES REVENUES			
General Rates		84,134	79,225
Less: Mandatory rebates		-3,791	-3,574
Less: Discretionary rebates, remissions & write offs		-280	-286
		80,063	75,365
Other Rates			
Natural Resource Management levy		1,148	990
Rundle Mall Separate Levy		2,048	2,007
		3,196	2,997
Other Charges			
Penalties for late payment		234	265
		234	265
Less: Mandatory rebates		-60	-54
Less: Discretionary rebates, remissions & write offs		-3	-3
		83,430	78,570
STATUTORY CHARGES			
Development Act fees		1,349	1,212
Animal registration fees & fines		21	21
Parking fines / expiation fees		13,540	10,360
Food inspections fees / fines		34	35
Section 7 searches		42	45
Encroachments fees		309	297
Outdoor dining fees		292	355
Temporary parking control permits		163	149
Residential parking permits		29	35
Mobile cranes permits		0	30
Water systems fees		39	55
Other fees, fines, penalties & expiations		103	47
		15,921	12,641
USER CHARGES			
Adelaide Aquatic Centre charges		3,995	4,404
Adelaide Golf Links charges		1,936	1,810
Off-street parking		26,606	27,313
Adelaide Town Hall charges		1,083	1,013
Waste Management Fees		428	1,424
Property recovery		2,540	2,403
Rent & Hire of non-investment property		7,960	7,832
Parking fees		8,989	8,310
Compost sales		403	373
Bus Tickets Sales		87	160
Park Lands Events Fees		143	136
Street Markets Fees		0	92
Event Fees		323	334
Rundle Mall		238	300
Library Centre		94	71
Business Development		82	-
Sundry		43	42
		54,950	56,017

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 2 - INCOME	Notes	2012 \$'000	2011 \$'000
INVESTMENT INCOME			
Local Government Finance Authority		22	71
Banks & other		1,335	228
Investment property rental income		162	168
		1,519	467
REIMBURSEMENTS			
- for private works		766	515
- other		172	448
		938	963
OTHER INCOME			
Rebates received		0	129
Sundry		894	534
		894	663
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts specifically for new or upgraded assets		5,474	1,958
Other grants, subsidies and contributions		4,083	3,879
		9,557	5,837

The functions to which these grants relate are shown in Note 12.

Sources of grants

Commonwealth government	3,627	1,414
State government	5,894	4,421
Other	36	2
	9,557	5,837

Conditions over grants & 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	3,391	2,541
Less: expended during the current period from revenues recognised in previous reporting periods - Infrastructure	-3,121	-637
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions - Infrastructure	123	1,487
Unexpended at the close of this reporting period and held as restricted assets	393	3,391
Net increase (decrease) in restricted assets in the current reporting period	-2,998	850

PHYSICAL RESOURCES RECEIVED FREE OF CHARGE

Infrastructure	11	825	0
TOTAL PHYSICAL RESOURCES RECEIVED		825	0

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 3 - EXPENSES	Notes	2012 \$'000	2011 \$'000
EMPLOYEE COSTS			
Salaries and Wages		53,716	51,551
Employee leave expense		1,803	1,314
Superannuation - defined contribution plan contributions		4,471	5,014
Superannuation - defined benefit plan contributions	18	459	-311
Superannuation - unfunded superannuation liability		278	-518
Workers' Compensation Insurance		1,545	1,488
Income Protection Insurance		225	188
Less: Capitalised and distributed costs		-6,897	-7,384
Total Operating Employee Costs		55,600	51,342

Total Number of Employees

(Full time equivalent at end of reporting period)	701	670
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MATERIALS, CONTRACTS & OTHER EXPENSES**Prescribed Expenses****Auditor's Remuneration**

- Auditing the financial reports		40	39
- Other Services		24	35
Bad and Doubtful Debts		19	117
Elected members' expenses		324	283
Operating Lease Rentals - non-cancellable leases	17		
- minimum lease payments		4,778	4,506
Subtotal - Prescribed Expenses		5,185	4,980

Other Materials, Contracts & Expenses

Contractors		9,806	9,538
Energy		4,865	4,343
Maintenance		4,532	4,169
Legal Expenses		2,077	1,433
Levies paid to government			
- NRM levy		1,079	944
- Other Levies		423	474
Parts, accessories & consumables		4,172	4,655
Professional services		5,912	5,334
Sponsorships, contributions and donations		4,162	4,248
Contributions to Rundle Mall Marketing Authority		3,079	2,897
Contributions to Adelaide Park Lands Authority		121	94
Cash collection		375	379
Advertising and promotion		1,196	1,350
Insurance		1,965	1,907
Water		2,353	1,725
Security		1,331	1,144
External plant hire		373	502
Catering		926	931
Waste services		896	804
Cleaning		1,804	1,684
Communications		593	707
Rates and Taxes		721	758
Printing freight and postage		673	515

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 3 - EXPENSES	Notes	2012 \$'000	2011 \$'000
Training and development		762	735
Minor plant and equipment		346	282
Remediation		0	458
Bank charges		657	428
Entertainment - Council & civic events		39	136
Subscriptions		549	490
Searches		583	241
Registrations		177	185
Investment Property Expenses		53	121
Other		19	197
Subtotal - Other Materials, Contracts & Expenses		56,619	53,808
		61,804	58,788

DEPRECIATION, AMORTISATION & IMPAIRMENT

Depreciation

Land & Buildings	8,976	9,130
Infrastructure	11,567	10,988
Equipment, Furniture & Fittings	5,034	2,670
Other Assets	461	64

Impairment

Impairment of work in progress	2,959	2,748
Undergrounding of Power lines	3,850	0
Restoration of land to Park Lands	4,336	0
Impairment on transfer to assets held for sale	2,378	0
	39,561	25,600

FINANCE COSTS

Interest on short-term borrowings	335	851
Interest on Loans	422	877
	757	1,728

Note 4 - DISPOSAL OF ASSETS	Notes	2012 \$'000	2011 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		868	753
Less: Carrying amount of assets sold or disposed of		6,074	756
Gain (Loss) on disposal		-5,206	-3
Assets surplus to requirements			
Proceeds from disposal		1,190	39,582
Less: Carrying amount of assets sold or disposed of		1,324	18,855
Gain (Loss) on disposal		-134	20,727
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		-5,340	20,724

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 5 - CURRENT ASSETS	Notes	2012 \$'000	2011 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		16,986	11,358
Deposits at Call		831	4,210
		17,817	15,568
TRADE & OTHER RECEIVABLES			
Rates - General & Other		1,659	1,965
Council Rates Postponement Scheme			
Accrued Revenues		673	478
Debtors - general		2,635	3,820
GST Recoupment		1,015	1,132
Prepayments		1,513	554
Sundry			
Total		7,495	7,949
Less: Allowance for Doubtful Debts		117	84
		7,378	7,865
INVENTORIES			
Stores & Materials		74	79
Trading Stock		222	231
Other		75	59
		370	369

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

Note 6 - NON-CURRENT ASSETS	Notes	2012 \$'000	2011 \$'000
FINANCIAL ASSETS			
Other		0	97
TOTAL FINANCIAL ASSETS		0	97
EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
Adelaide Park Lands Authority	19	1	1
Waste Care SA	19	108	186
		109	187

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

2011 \$'000					2012 \$'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	7,592			7,592				
Non-Current Assets								
Non-Current Assets held for Sale	13,176			13,176	16,040			16,040
Non-Current Assets								
Park Land		388,400		388,400		388,432		388,432
Park Lands Improvements	51,328	7,718	-31,511	27,535	51,328	8,218	-32,589	26,957
Land	132,068			132,068	133,122			133,122
Buildings	399,194	17,074	-158,006	258,262	395,188	33,936	-165,509	263,616
Infrastructure	500,207	55,592	-229,161	326,638	498,428	77,948	-240,397	335,979
Equipment Furniture & Fittings		36,491	-21,170	15,320		43,129	-24,957	18,173
Other - WIP		90,951		90,951		75,828		75,828
Other	11,282	5,253	-2,728	13,807	11,282	5,601	-3,189	13,693
	1,094,079	601,478	-442,576	1,252,981	1,089,348	633,093	-466,641	1,255,801
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	1,107,257	601,478	-442,576	1,266,159	1,105,388	633,093	-466,641	1,271,840

Note 7 - INVESTMENT PROPERTY

Buildings & Structure	4,542	0	-1,291	3,251	4,542	0	-1,383	3,159
TOTAL INVESTMENT PROPERTY	4,542	0	-1,291	3,251	4,542	0	-1,383	3,159

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

2011 \$'000	Carrying amount movements during year \$'000					2012 \$'000	
CARRYING AMOUNT	Additions	Disposals	Depreciation	Impairment	Transfers	CARRYING AMOUNT	
	New/ Upgrade	Renewals					
Current Assets							
Assets held for Sale	7,592				-7,592		
Non-Current Assets							
Non-Current Assets held for Sale	13,178		-1,299	-2,377	6,537	16,040	
Non-Current Assets							
Park Land	388,400				32	388,432	
Park Lands Improvements	27,535			-1,063	-15	26,957	
Land	132,068				1,054	133,122	
Buildings	258,262	825	-3,679	-7,821	-9	263,616	
Infrastructure	326,638		-1,452	-11,567	22,356	335,979	
Equipment Furniture & Fittings	15,320		-969	-5,034	8,855	18,173	
Other - WIP	90,951	21,347			-11,144	75,828	
Other	13,807			-461	348	13,693	
	1,252,981	22,172	22,803	-6,100	-25,946	1,255,801	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	1,273,751	22,172	22,803	-7,399	-25,946	-13,545	1,271,840
2011 Totals	1,271,129	26,708	21,032	-19,611	-22,758	-2,748	1,273,751

Note 7 - INVESTMENT PROPERTY

Buildings & Structure	3,251	0	0	0	-92	0	0	3,159
TOTAL INVESTMENT PROPERTY	3,251	0	0	0	-92	0	0	3,159

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT & INVESTMENT PROPERTIES

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.

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.

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.

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 & 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 CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 8 - LIABILITIES

Notes	2012 \$'000		2011 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	9,444	0	6,435	0
Payments received in advance	1,600	0	1,185	0
Accrued expenses - employee entitlements	996	0	1,032	0
Accrued expenses - other	1,993	0	4,714	0
Deposits, Retentions & Bonds	6	0	5	0
Other	3,602	0	7,134	0
	17,641	0	20,505	0
BORROWINGS				
Bank Overdraft	535	0	420	0
Loans	3,693	2,751	3,472	6,444
	4,228	2,751	3,892	6,444

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

PROVISIONS

Employee entitlements (including oncosts)	9,960	1,098	9,444	910
Employee entitlements - unfunded superannuation liability	7	314	22	36
Other	286	665	286	719
	10,253	2,077	9,752	1,665

Movements in Provisions - 2012 year only (current & non-current)

	Other Provision
Opening Balance	1,005
(Less) Payments	-53
Closing Balance	952

Note 9 - RESERVES

	01/07/2011 \$'000	Transfers on Sale \$'000	30/06/2012 \$'000
ASSET REVALUATION RESERVE			
Land & Buildings	187,953	-4,190	183,763
Infrastructure	255,315	-488	254,827
Other	1,002		1,002
Total Infrastructure, Property, Plant & Equipment	444,270	-4,678	439,592
TOTAL	444,270	-4,678	439,592
2011 Totals	448,388	-4,118	444,270

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 CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

	Notes	2012 \$'000	2011 \$'000
CASH & FINANCIAL ASSETS			
Other unexpended amounts from other levels of Government		494	3,878
Other		337	332
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		831	4,210

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

Trade & Other Payables	8	831	4,210
		831	4,210

Note 11 - 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 Statement of Financial Position as follows:

	Notes	2012 \$'000	2011 \$'000
Total cash & equivalent assets	5	17,817	15,568
Less: Short-term borrowings	8	-535	-420
Balances per Cash Flow Statement		17,282	15,148

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

	3		
Net Surplus (Deficit)		4,894	38,385
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		28,417	22,852
Equity movements in equity accounted investments (increase) decrease		78	38
Non-cash asset acquisitions		-825	0
Grants for capital acquisitions treated as Investing Activity		-5,474	-1,958
Net (Gain) Loss on Disposals		5,340	-20,723
		32,430	38,594

Add (Less): Changes in Net Current Assets

Net (increase) decrease in receivables	584	-1,696
Net (increase) decrease in inventories	-1	18
Net increase (decrease) in trade & other payables	-2,864	2,408
Net increase (decrease) in other provisions	913	-700
Net (increase) decrease in Capital WIP Prior Year	11,165	2,748
Net Cash provided by (or used in) operations	42,226	41,372

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 11 (cont) - RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2012 \$'000	2011 \$'000
(c) Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical resources received free of charge	2	825	0
Amounts recognised in Income Statement		825	0

(d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts	500	500
Asset Finance - leasing	500	250
Corporate Credit Cards	332	600
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.

Note 12 - FUNCTIONS

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

	Income		Expenses		Operating Surplus (Deficit)		Grants included in Income		Total Assets held (Current & Non-Current)	
	Actual 2012 \$'000	Actual 2011 \$'000	Actual 2012 \$'000	Actual 2011 \$'000	Actual 2012 \$'000	Actual 2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Populous Capital City	445	1,432		2,821	445	-1,389	1,640			
Unique Heritage Park Lands & City Design	1,922	1,380	33,344	30,369	-31,422	-28,989	1,864		18,179	20,627
Accessible and Connected City	49,678	46,254	13,797	11,220	35,882	35,034	655	995	372,505	288,707
Culturally Vibrant City	10,947	10,217	22,938	19,334	-11,991	-9,117	1,656	2,099	708,204	723,602
Economically Prosperous City	2,510	2,541	8,107	5,486	-5,597	-2,945	180	48	144,805	223,975
Environmentally Sustainable City	50	48	1,359	1,247	-1,309	-1,199	44	2,246		
Delivering for our Future	97,099	91,328	78,255	67,477	18,843	23,851	3,518	450	56,982	44,177
TOTALS	162,652	153,200	157,800	137,954	4,852	15,246	9,557	5,838	1,300,675	1,301,088

Excludes net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & 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:

Populous Capital City

Residential Growth

Unique Heritage Park Lands & City Design

City Strategy & Policy, Public Realm, Development Assessment, Development Enforcement, City Planning, Office of the EM City Planning, Park Lands.

Accessible and Connected Capital City

On Street Services, On Street Parking Operations, UPark, City Traffic & Access.

Culturally Vibrant City

Adelaide Aquatic Centre, Strategy & Planning, Program Development, Community Engagement, Community Development, Community Safety, Compliance & Technical Services, Environmental Health Services, Golf Links, Library Services, Community Planning,

Regulatory Services Administration, Program Management, Unused Activities, Adelaide Town Hall, Event Management, Business Development.

Economically Prosperous City

Economic Development

Environmentally Sustainable City

Sustainable City

Delivering for our Future

Capital Works & Infrastructure Management, Finance & Risk, Marketing, Creative Services & Media, Customer Experience, Information Communication & Technology, People & Culture, Strategic Assets & Property Management, Strategic Procurement & Contract Management, City Design, Offices of CEO and General Managers, Office of the Lord Mayor, Office of the EM Vibrant City, Office of Corporate & Project Management.

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

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 & 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 & Associated Charges (including legals & 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 & conditions: Secured over the subject land, rates arrears attract interest of 9.25% (2011: 9%) 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 & 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 & 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 & 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 & State.</p> <p>Carrying amount: approximates fair value.</p>
Receivables - Retirement Home Contributions	<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 & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</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 & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Retirement Home Contributions	<p>Accounting Policy: To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.</p> <p>Terms & conditions: Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on</p> <p>Carrying amount: approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.</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 & conditions: secured over future revenues, loans may be either, repayable by equal six monthly instalments of principal & 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 CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 13 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2012	Receivable < 1 year \$'000	Receivable < 5 years \$'000	Receivable > 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Value \$'000
Financial Assets					
Cash & Equivalents	16,986			16,986	16,986
Receivables	6,689			6,689	6,689
Other Financial Assets	831			831	831
Total	24,506	0	0	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	0	7,718	6,979

NET FINANCIAL ASSETS (LIABILITIES)	19,956	-3,168	0	16,788	17,527
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2011	Receivable < 1 year \$'000	Receivable < 5 years \$'000	Receivable > 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Value \$'000
Financial Assets					
Cash & Equivalents	11,358			11,358	11,358
Receivables	6,843			6,843	6,843
Other Financial Assets	4,210			4,210	4,210
Total	22,411	0	0	22,411	22,411

Financial Liabilities

Payables	15,264			15,264	15,264
Current Borrowings	4,435			4,435	3,892
Non-Current Borrowings		6,549	634	7,183	6,444
Total	19,699	6,549	634	26,882	25,600

NET FINANCIAL ASSETS (LIABILITIES)	2,712	-6,549	-634	-4,471	-3,189
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NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 13 (cont) - FINANCIAL INSTRUMENTS

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

	30 June 2012 Weighted Average Interest Rate %	Carrying Value \$'000	30 June 2011 Weighted Average Interest Rate %	Carrying Value \$'000
Other Variable Rates	3.7	832	4.8	4,210
	4.0	16,986	5.3	11,358
		17,818		15,568

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

	30 June 2012 Weighted Average Interest Rate %	Carrying Value \$'000	30 June 2011 Weighted Average Interest Rate %	Carrying Value \$'000
Other Variable Rates	3.4	535	4.6	420
Fixed Interest Rates	5.9	6,444	6.0	9,916
		6,979		10,336

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 & 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.

Note 14 - COMMITMENTS FOR EXPENDITURE

	2012 \$'000	2011 \$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
These expenditures are payable		
Not later than one year	26,726	9,188

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 15 - FINANCIAL INDICATORS**2012****2011****2010**

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	4.8%	20.2%	11.7%
Rates - general & other less NRM levy			

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

Net Financial Liabilities Ratio

Net Financial Liabilities	7.3%	12.3%	37.6%
Total Operating Revenue less NRM levy			

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	77%	89%	97%
Depreciation expense			

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 CONT. FOR THE YEAR ENDED 30 JUNE 2012

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.

	2012 \$'000	2011 \$'000
Income	161,735	153,200
less Expenses	-157,800	-137,496
Operating Surplus / (Deficit) before Capital Amounts	3,935	15,704
add Capital Program Write-Off from Previous Years & Net gain / (loss) - joint ventures & associates	11,164	2,748
Funding surplus before capital amounts	15,099	18,452
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	22,802	21,035
less Depreciation, Amortisation and Impairment	-28,417	-22,852
less Proceeds from Sale of Replaced Assets	-868	-751
	-6,483	-2,568
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	21,347	26,708
less Amounts received specifically for New and Upgraded Assets	-5,474	-1,958
less Proceeds from Sale of Surplus Assets (including investment property and real estate developments)	-1,190	-39,582
	14,683	-14,832
Net Lending / (Borrowing) for Financial Year	6,898	35,852
Net Financial Liabilities at beginning of year	-18,728	-54,639
less / (add) net gain / loss joint ventures & associates	78	38
less / (add) decrease / increase in inventories	-1	20
Net Financial Liabilities at end of year	-11,752	-18,728

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

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:

	2012 \$'000	2011 \$'000
Not later than one year	5,445	10,096
Later than one year and not later than 5 years	11,821	23,318
Later than 5 years	31,298	35,471
	48,564	68,885

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:

	2012 \$'000	2011 \$'000
Not later than one year	5,441	5,012
Later than one year and not later than 5 years	21,931	20,500
Later than 5 years	43,912	41,155
	71,284	66,667

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

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 18 – SUPERANNUATION

Council supports two arrangements in respect of its employees: the Local Government Superannuation Scheme; and Corporation of the City of Adelaide Superannuation Plan sub-plan. Both arrangements are managed by Local Super.

Local Government Superannuation Scheme (the scheme)

The Scheme supporting the vast majority of Council employees, 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 based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9% in 2011/12; 9% in 2010/11). 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 Salarylink (Defined Benefit) scheme is 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 Scheme's Trustee based on advice from the Scheme's Actuary. The rate is currently 6.3% (6.3% in 2010/11) of "superannuation" salary.

The Salarylink Fund 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.

Actuarial Review at 30 June 2011

Council makes employer contributions to the Salarylink section of the Scheme at rates determined by the Trustee on the advice of the Scheme's Actuary. As required by the Trust Deed and superannuation law, an actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2011, determined that the Scheme was in a satisfactory financial position as at 30 June 2011.

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 2012

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 recommend that member contributions continue in full.

The general performance of the Scheme for 2012 have resulted in economic and political uncertainty in a weak period for global sharemarkets. The major factors driving markets higher were a fall in overseas unemployment rate and signs of an improving housing market in the world economy. The fund indicates a continuation of solid investment returns for members, with fixed interest and property markets remaining resilient and delivering solid returns on the portfolios.

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 2012 there were 7 active members.

Council makes employer contributions to the Scheme at rates determined by the Trustee on the advice of the Scheme's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Scheme's actuary, L C Brett, BSc., FIA, FIAA, of Brett and Watson Pty Ltd as at 30 June 2011, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities.

The deficit within the sub-plan is primarily attributed to poorer than expected investment returns earned by the assets supporting the sub-plan for the years ending 30 June 2008 and 30 June 2009. As a result, the contribution holiday period was suspended from 1 January 2010 in order for the sub-plan to return to a satisfactory financial position over time.

Following an updated actuarial assessment, the liability recorded in the 2011/12 Financial Statements as per AASB119 requirements is \$314,000, a change from a net liability of \$36,000 as at June 30 2011. 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 2012.

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 18 – SUPERANNUATION**Local Super – City of Adelaide Superannuation Plan: AASB119 disclosures**

	Year ending 30 June 2012 \$'000s	Year ending 30 June 2011 \$'000s
Amount recognised in the balance sheet		
a) Defined Benefit Obligation	2,567	2,741
b) Fair Value (MV) of Assets	-2,299	-2,710
c) Funded Status	267	31
d) Unrecognised (Gain)/Loss	n/a	n/a
e) Net (Asset)/Liability	267	31
f) Contributions Tax Reserve	47	5
Net (Asset)/Liability Recognised in Balance Sheet (Grossed up for Contributions Tax)	314	36

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

a) Current Service Cost	63	98
b) Member Contributions	-21	-30
c) Interest Cost	116	162
d) Expected (Return)/Loss on Assets	-177	-207
e) Actuarial (Gain)/Loss	393	-291
f) Plan Expenses	16	23
g) Net Expense	390	-245
h) Contributions Tax	69	-43
Net Expense Recognised in the Income Statement (Grossed up for Contributions Tax)	459	-288

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

a) Current Service Cost	72	63
b) Member Contributions	-18	-21
c) Interest Cost	65	116
d) Expected (Return)/Loss on Assets	-128	-177
e) Actuarial (Gain)/Loss	0	0
f) Plan Expenses	15	16
g) Net Expense	6	-3
h) Contributions Tax	1	0
Net Expense Recognised in the Income Statement (Grossed up for Contributions Tax)	7	-3

Reconciliation of defined benefit obligation

a) Defined Benefit Obligation at start of year	2,741	4,646
b) Service Cost	63	98
c) Interest Cost	116	162
d) (Benefit Payments)	-579	-2,047
e) Actuarial (Gain)/Loss	226	-118
Defined Benefit Obligation at end of year	2,567	2,741

Reconciliation of fair value of plan assets

a) Fair Value of Plan Assets as start of year	2,710	4,175
b) Employer Contributions	180	229
c) Member contributions	21	30
d) (Benefit Payments)	-579	-2,047
e) (Plan Expenses)	-16	-23
f) Contribution Tax	-27	-34
g) Expected Return on Assets	177	207
h) Asset Gain/(Loss)	-167	173
Fair Value of Plan Assets as end of year	2,299	2,710

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 18 (cont) – SUPERANNUATION

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 Assumptions

Discount rate (gross) at 30 June 2012: 2.58% p.a. (4.8% at 30 June 2011)

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 2012.

Expected return on assets: 5.87% p.a. (7.6% at 30 June 2011)

The expected returns for each asset class have been used as the basis for calculating the expected net rate of return on the assts supporting the defined benefits based on the Plan's target asset allocation.

Average Salary Increases: 4.0% p.a.

This is taken from the last actuarial investigation as at 30 June 2011.

Expenses: 0.28% of assets and 2% of salary

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 2011 actuarial investigation.

Note 19 - JOINT VENTURES & 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.

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.

	2012	2011
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
Opening Balance	186	248
Share in Operating Result	-78	-38
Share in other comprehensive income	0	-24
Share in Equity of Joint Operation	108	186

Expenditure Commitments

Operating Expenditures Payable

Not later than one year	50	48
	50	48

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS CONT. FOR THE YEAR ENDED 30 JUNE 2012

Note 19 (cont) - JOINT VENTURES & ASSOCIATED ENTITIES

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.

	2012	2011
Adelaide Park Lands Authority		
Council's respective interests are:	%	%
- interest in outputs of the joint operation	100	100
- ownership interest in the joint operation	100	100
- the proportion of voting power in the joint operation	100	100

Movements in Investment in Joint Operation	\$'000	\$'000
Opening Balance	1	0
Share in Operating Result	0	1
Share in Equity of Joint Operation	1	1

Rundle Mall Subsidiary

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.

	2012	2011
Rundle Mall Subsidiary		
Council's respective interests are:	%	%
- interest in outputs of the joint operation	100	100
- ownership interest in the joint operation	100	100
- the proportion of voting power in the joint operation	100	100

Note 20 - 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.

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 21 - CAPITAL CITY DEVELOPMENT & ECONOMIC DEVELOPMENT

Expenditure of \$3.43m was incurred in relation to Council's commitments under the Capital City Development Program. This represents 2.1% of total expenditure for the year ended 30 June 2012.

In accordance with the requirements of the City of Adelaide Act 1998, expenditure of \$15.2m was incurred for works, services and activities that directly related to Council's economic development program. This represents 9.2% of the total expenditure for the year ended 30 June 2012.

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

Report on the Financial Report

We have audited the accompanying financial report of Adelaide City Council “(the Council)”, which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, 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 Chief Executive Officer and the principal member of the council.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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 of the financial report that gives a true and fair view 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 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 of the Adelaide City Council presents fairly, in all material respects, the Council's financial position as at 30 June 2012 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.



PKF
Chartered Accountants



G K Edwards
Partner

Adelaide
22 October 2012



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012, the Council's Auditor, PKF Chartered Accountants, 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 blue ink, appearing to read 'PS'.

Peter Smith
CHIEF EXECUTIVE OFFICER

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

Allen Bolaffi
PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 22/10/12

Auditors Independence Declaration Under Section 22(5) of the Local Government (Financial Management) Regulations 2011 To The Mayor and Councillors of Adelaide City Council

I confirm that, for the audit of the financial statements of the Adelaide City Council for the year ended 30 June 2012, 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*.

PKF

PKF
Chartered Accountants

G K Edwards

G K Edwards
Partner

Adelaide
23 October 2012

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ADELAIDE
PARK LANDS
AUTHORITY
ANNUAL
REPORT 2011-12

ADELAIDE PARK LANDS AUTHORITY

ANNUAL REPORT 2011-12

INTRODUCTION

The Adelaide Park Lands Authority was established under the provisions of 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 purpose of the Authority as stated in its Charter is:

To act as a key 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.

In this context, the Authority is established by Statute to undertake in accordance with the powers conferred by its Charter, the Functions of the Authority, as set out at section 9 of the Adelaide Park Lands Act 2005, as follows:

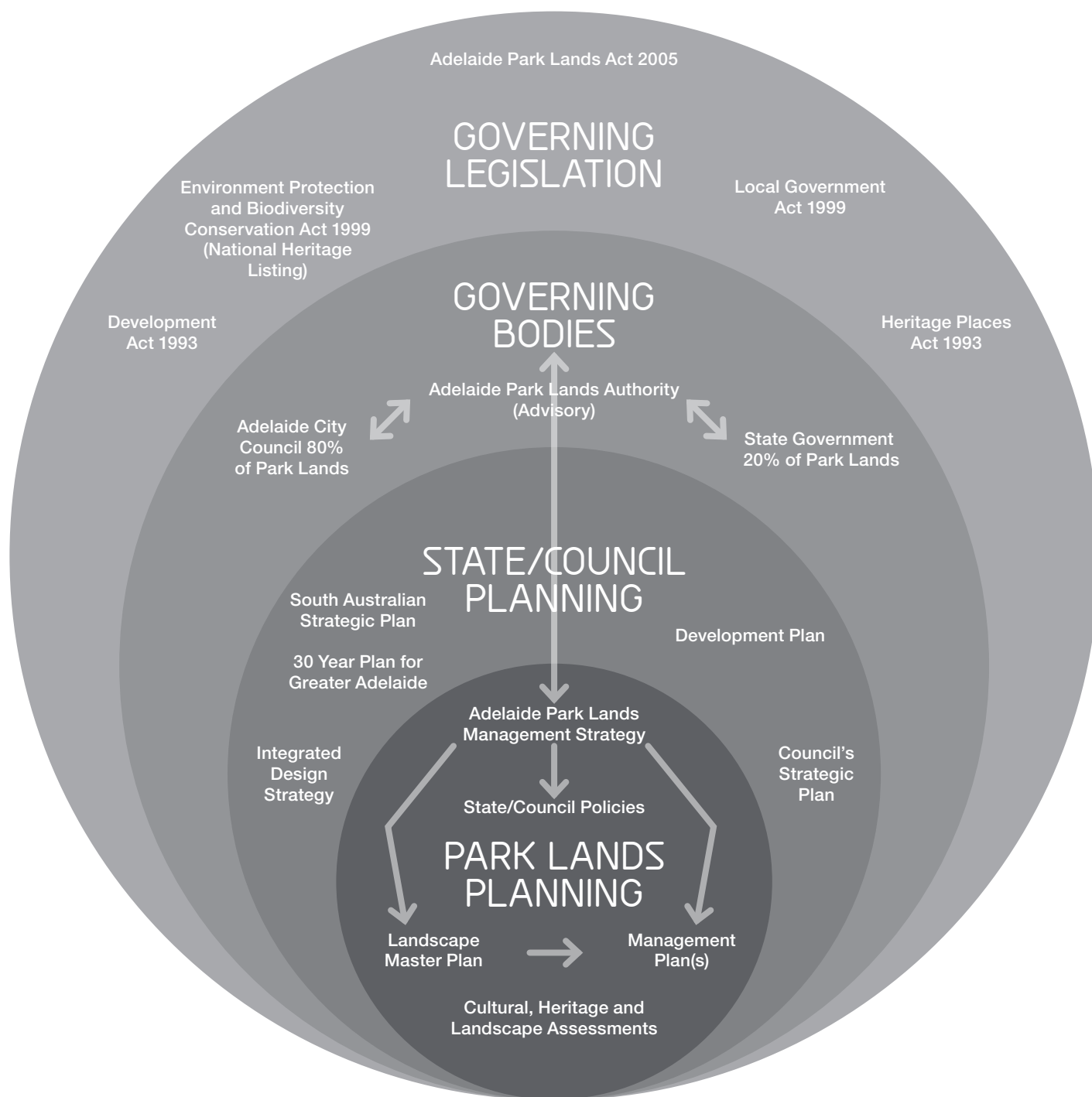
- » to undertake a key policy role with respect to the management and protection of the Adelaide Park Lands;
- » to prepare , and as appropriate, to revise the Adelaide Park Lands Management Strategy in accordance with the requirements of the Park Lands Act 2005;
- » to provide comments and advice on 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 fifth financial year from 1 July 2011 through to 30 June 2012.

GOVERNANCE 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.

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 2011 / 2012 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 newly elected Council.	Statute*
Ms Mary Marsland (Deputy Presiding Member) Appointment commenced 13 February 2012	Minister
Deputy Lord Mayor David Plumridge AM Appointment commenced 10 February 2011	Council
Councillor Anne Moran Appointment commenced 10 February 2011	Council
Councillor Michael Henningsen Appointment commenced 10 February 2011	Council
Councillor Anthony Williamson Appointment commenced 10 February 2011	Council
Hon. Frank Blevins Appointment commenced 18 February 2010	Minister
Ms Jane Chapman Appointment commenced 13 February 2012	Minister
Dr Rosemary Anne Sharp Appointment commenced 18 February 2010	Minister
Ms Gunta Groves Appointment commenced 18 February 2010	Minister
Hon. Ian Gilfillan Appointed 13 February 2011 as Deputy for Gunta Groves	Minister

* The Lord Mayor's appointment as Presiding Member is provided for in s 6 (1) of the Adelaide Park Lands Act 2005.

Meetings

The Authority is required to hold at least one ordinary meeting each calendar month. In the 2011-12 year, the Authority held 12 ordinary meetings and one special meeting (on 24 November 2011).

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 Yarwood (term commenced 6 December 2010)	12	10	1	1
Ms Mary Marsland (Dep. Presiding Member)	12	10	1	0
Councillor David Plumridge AM	12	9	1	1
Councillor Michael Henningsen	12	11	1	0
Councillor Anthony Williamson	12	11	1	1
Councillor Anne Moran	12	10	1	1
Hon. Frank Blevins	12	9	1	1
Dr Anne Sharp	12	11	1	1
Ms Jane Chapman	12	8	1	1
Ms Gunta Groves	12	11	1	1
Hon. Ian Gilfillan – Deputy for Gunta Groves (term commenced 13 February 2011)	1	1	0	0

ACHIEVEMENT OF AIMS AND OBJECTIVES

CORE RESPONSIBILITY – PROVISION OF ADVICE ON STRATEGIC PARK LANDS MATTERS

During the 2011-12 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. These are summarised below.

Clipsal 500 Adelaide Motor Sport Event

At its meeting in July 2011, in relation to the Clipsal 500 Adelaide Motor Sport Event held in the eastern Park Lands, the Authority advised the Minister responsible for the South Australian Motor Sport Act 1984, and also Council, that it held a number of concerns in relation to previous Clipsal 500 Adelaide events and requested that they be considered as part of the consultative process for the 2012 event. These areas of concern are identified in Attachment A.

The Authority invited the Chief Executive Officer of the South Australian Motor Sport Board to attend the meeting of the Authority scheduled for August 2011 to discuss these concerns. Mr Mark Warren, CEO of the SA Motor Sport Board, attended the September meeting of the Authority.

The following information in relation to the Clipsal 500 event was also provided at the request of the Authority:

1. Park Lands use fees foregone by Council;
2. Lost revenue from on-street parking; and
3. Other areas of contribution by Council.

Lease to Golf SA – North Adelaide

The Authority supported the granting of a five year lease to Golf SA for space within the North Adelaide Golf Club premises to enable the organisation to conduct golf programs from the North Adelaide Golf Course. Council subsequently endorsed the granting of a lease subject to public consultation being undertaken. The lease was granted in October 2011.

Park Lands Brand

Resulting from an adopted Marketing Strategy for the Park Lands, the Authority endorsed the use of the following new brand for the Park Lands, for such publications as a Website and Pocket Guide and on signage.



Park Lands Publications

The first print run of the new Park Lands Pocket Guide (cover below) was also achieved by the close of the financial year.



In addition, the Authority requested that Council administration work with the Adelaide Park Lands Preservation Association to develop additional publications around specialist interests in the Park Lands.

The first iteration of the new Park Lands website was also developed, the front page of which is shown below.



Riverbank Precinct

At its request, the Authority received a report regarding the early concept plans for the Riverbank Precinct and made a number of recommendations regarding the general desired character of the area, the required enhancements, the features which should be retained and important considerations (these recommendations can be seen in full in Attachment A).

Planning for the Precinct is an ongoing matter for Council and the State Government.

Parking on roads through the Park Lands

The Authority considered the extensive parking that occurs on the roads through the Park Lands and requested that a series of Guiding Principles be established to assist better planning as to where important vistas should be preserved, and where parking was necessary to support activities in the Park Lands.

These Guiding Principles were developed and tested at selected locations through the Park Lands. However it was agreed that the matter be deferred until the outcomes of Council's Integrated Movement Strategy for the City as a whole had been finalised, following public consultation.

Parking in the Park Lands associated with the Royal Adelaide Show

The Authority supported a recommendation of a Council Committee in response to a request from the Royal Agricultural and Horticultural Society for a long term parking agreement with Council which would provide sustainable levels of public parking in the Park Lands for the Royal Adelaide Show.

The Authority supported a 15 year agreement which:

- » Seeks to reduce parking on the Park Lands in the long term and replace this with greater use of public transport;
- » In the short term, shifts the focus of parking from semi-natural areas which contain remnant natural vegetation to turfed sporting areas; and
- » Ensures restoration and improved maintenance of the sporting fields.

Council subsequently supported a five year agreement (with rights to two 5 year renewal periods) with a number of conditions, which can be seen in full in Attachment A.

Old Netball Courts in Wirranendi (Park 23)

At the request of the Authority a report was provided concerning the probable costs and timeframes associated with removal of the old bitumen netball courts in Wirranendi.

The Authority responded with a recommendation that Council reconsider the future design and use of this area which takes into account the existing management directions for this area, new considerations resulting from the on-going use for public parking related to the Royal Show (as well as the long-term aim to reduce parking on the Park Lands) and new, compatible recreational, sporting and event uses. This reconsideration was undertaken through the review of the Community Land Management Plan for Wirranendi.

Adelaide High School – expansion of built form

The Authority received a presentation from the (then) Minister for Education and Children's Services regarding the proposal to construct a new southern wing on the Adelaide High School which would extend across the current roadway and into Ellis Park.

Following a subsequent report on the matter, the Authority advised both Council and the State Government that it could not support the expansion of the High School beyond the current site boundaries. The reason given for this position is because existing State and Council policy related to the Park Lands only supports the use of the Park Lands for outdoor recreational and sporting purposes and that buildings should be related to these primary uses.

The Authority further advised the State Government to pursue opportunities for expansion within the built form of the City. The Authority's resolution in full on this matter may be found in Attachment A.

Recognising a number of special circumstances for the school, Council subsequently approved the granting of a lease to enable the construction of a new southern wing for Adelaide High School, which extends across the adjacent roadway and into Ellis Park. This approval is on the proviso that there be no further expansions of the school into the Park Lands. Council further advised the Minister for Education and Child Development that there is a need to provide a long term solution for the future expansion of the school within the City. Council's resolution in full can be found in Attachment A.

Park Lands 10-Year Action Plan

The Authority received a report identifying Council's implementation of the actions arising from the 10-year Adelaide Park Lands Management Strategy. The report also considered a Funding Model for the Park Lands, with associated potential funding directions.

Brown Hill and Keswick Creeks Storm Water Management Plan

The Authority received a presentation regarding the on-going refinement of the storm water management plan, its implications for the Park Lands, and the intention to undertake public consultation.

The implications for the Park Lands are, primarily, the construction of a wetland floodwater storage system at the southern end of Victoria Park / Bakkabakkandi and the provision for a temporary stormwater detention area in Kurrangga (Park 20) through the construction of an earthen embankment.

The revised Plan is to be re-presented to the Authority.

Learn to ride Facility in Bonython Park / Tulya Wodli

The Authority supported the granting of a nine-year lease to the Minister for Police to establish a fenced facility in Bonython Park to allow children to learn to ride in a simulated road environment.

Council also supported the lease (which was submitted for public consultation) and construction of the facility subject to the perimeter fence being landscaped to the satisfaction of Council. The Minister of Police was also asked to give favourable consideration to the upgrade of the adjoining Police buildings.

Telecommunication Tower

The Authority advised Council to reject a proposal to erect a telecommunications tower in either the Golf Course or adjacent the North Adelaide Railway Station on War Memorial Drive, both of which involved a fenced area and associated equipment in a shed. The Authority added that if Council were to choose a site, that it would have less concern with the latter site, ie, adjacent the Railway Station.

The proponent subsequently withdrew its proposal in order to consider other options.

Parking associated with the construction of the New Royal Adelaide Hospital

The Authority supported a proposal to provide a temporary lease to an area of Park Lands adjacent Gaol Road for the parking of cars associated with the construction of the new Hospital, with the resulting income to be set aside for the redevelopment of Bonython Park.

The proponent subsequently withdrew its proposal due to fees which would have been charged for the lease.

Colonel Light Survey Marker

The Authority requested, and received, a report in relation to the Colonel Light Survey Marker, currently removed from its location in the Park Lands opposite the corner of West and North Terraces, due to the construction of the new Royal Adelaide Hospital.

The report identified how the monument, which marks the point from which the historic survey of the City commenced, would be returned to its original location and integrated within the plaza of the new hospital, given the importance of its historic location.

Adelaide Oval – Licence

The Authority provided confidential advice in relation to the provision of a Licence for a portion of the surrounds of Adelaide Oval to the Minister for Transport and Infrastructure, as required by the Adelaide Oval Redevelopment and Management Act 2011.

The Authority subsequently supported the granting by the Minister of a sub-licence to the Adelaide Oval Stadium Management Authority for the Licence Area, as also provided for in the above Act. Council also supported the sub-licence.

Park Lands Community Land Management Plan

The Authority endorsed a new framework for the Community Land Management Plan for the Adelaide Park Lands, as required by the Local Government Act 1999.

The Authority subsequently recommended that Council endorse (for consultation) draft plans for Tuttangga (Park 17), Wita Wirra (Park 18), Pityarrilla (Park 19), Kurrangga (Park 20), Walyo Yerta (Park 21), Minno Wirra (Park 21 West), Wikaparndo Wirra (Park 22), Wirranendi (Park 23), Tambawodli (Park 24) and Namungga (Park 25).

Council endorsed the new framework and the above plans for consultation.

Park Lands Philanthropic Foundation

As a result of the consideration of the Park Lands Funding Model, the Authority requested further work be undertaken regarding the costs and benefits of establishing a Park Lands Philanthropic Foundation. This work is still underway.

River Torrens Linear Park Management Plan

The Authority endorsed the post-consultation, finalised version of the Management Plan for the River Torrens Linear Park, noting that it was consistent with the Adelaide Park Lands Management Strategy.

North Adelaide Railway Station

The Authority recommended that Council seek expressions of interest for the use of the vacant North Adelaide Railway Station, which Council subsequently endorsed and undertook.

Park Lands opposite Bowden

In response to a presentation and report concerning the proposed redevelopment by the State Government of the Park Lands opposite the new Bowden development, the Authority provided conditional support for the preliminary concept plan subject to any changes being referred back for further consideration and a satisfactory outcome for the Soccer Club on the site. The Authority did not support the creation of an additional road and car park adjacent War Memorial Drive to service a relocated soccer club and asked that an alternative arrangement be found.

Council subsequently noted and supported this advice. The concept plan is being revisited by the proponent.

Community Land Management Plan for Tarndanya Womma (Park 26)

The Authority recommended that Council endorse a draft of the Community Land Management Plan for the area of the Park Lands which includes Elder Park, Pinky Flat and the Adelaide Oval precinct, as revised to ensure consistency with the new provisions of the Adelaide Oval Redevelopment and Management Act 2011.

In addition to some minor changes, the Authority recommended:

- » the inclusion of additional provisions regarding controlling parking in North Adelaide, reducing the effect of noise on nearby residents and institutions and requirements for consultation with the local community when planning events;
- » retention of a reference to Oval No 2 being available for public use, when not being used by the Licensee;
- » the identification of the exclusion of a stand of trees north of the Oval in relation to parking;
- » the inclusion of the date upon which construction of the redeveloped facilities is to finish;
- » the inclusion of reference to the provisions of the Adelaide Oval Redevelopment and Management Act 2011 regarding the development of a Public Transport Plan aimed at increasing the use of public transport; and
- » reviewing the existing hedge between Pennington Gardens and the Licence Area to provide better public access.

Subsequent to this, Council requested further changes to the draft CLMP, which it also then endorsed for consultation with the relevant Ministers.

Landscape Master Plan for Adelaide Oval Surrounds

At its February meeting, the Authority provided confidential advice regarding the proposed Landscape Master Plan for Pennington Gardens West and Creswell Gardens, adjacent Adelaide Oval. Council also considered the matter in confidence.

Proposed removal of White Cedar Avenue north of Adelaide Oval

In response to a request to Council from the State Government, the Authority advised Council that it did not support the proposed removal of the White Cedar Avenue in the Licence Area to the north of Adelaide Oval. In doing so the Authority noted an arborist's report which identified the trees as senescent (in decline).

Council resolved not to approve the removal of the trees.

Management of trees around Adelaide Oval during the construction period

The Authority advised Council of its support to:

- » Record and document the management of trees around Adelaide Oval during the construction period and under the control of the Stadium Management Authority and to provide an estimate of the value of the trees; and
- » Make the information freely available to the public of South Australia on the Council website (the resolution in full can be found in Attachment A).

This advice was not subsequently noted by Council.

Yew Trees

The Authority requested, and was supplied with, information regarding the removal of a Yew tree (*Taxus baccata*) from that section of Pennington Gardens which now forms part of the Core Area of Adelaide Oval. Information was also provided about other Yew Trees in the Park Lands.

Sporting Lease / Licence matters

The Authority provided confidential advice in relation to:

- » the use arrangements for Sporting Grounds in Warnpangga (Park 10) and Karrawirra (Park 12) - north of River Torrens, adjacent to Mackinnon Parade; and
- » the existing Licence for a sporting ground in the South Park Lands.

Business Plan Budget

The Authority approved, for consultation with Council, a Business Plan and Budget for 2012 / 13 which provides for:

- » its core activity of providing advice to Council and the State Government;
- » an increased budget for marketing initiatives; and
- » a provision for research into the feasibility of establishing a philanthropic foundation.

Council subsequently approved this Business Plan and Budget.

Dual naming of Squares

The Authority recommended to Council that it endorse dual Aboriginal and English names for the five Squares, recognising that Victoria Square / Tarndanyangga had already received a dual name. The names recommended, and subsequently endorsed by Council, were:

- » Hindmarsh Square / Mogata;
- » Hurtle Square / Tangkaira;
- » Light Square / Wauwe;
- » Wellington Square / Kudnarto; and
- » Whitmore Square / Ivaritji.

The Authority also recommended that Council investigate opportunities to install new forms of interpretive and audio signage in City Squares (in consultation with the Kaurna Nation Cultural Heritage Association and Kaurna Warra Pintyandi) to promote awareness and understanding of the newly adopted names.

Council endorsed this advice and the new dual names for the Squares.

Tambawodli (Park 24) Event Space

The Authority provided in-principle support for a concept plan for this new event site in the western Park Lands. The Adelaide Park Lands Management Strategy identifies the site as a major event and sporting area.

Council noted this advice and the concept for the purposes of design documentation and subsequent tender and construction.

Use of Tambawodli (Park 24) by Cirque du Soleil

The Authority advised Council that it was supportive of a long term agreement (up to 10 years of periodic use) being negotiated with Cirque du Soleil and that a permanent hard-stand surface be constructed on the site by Cirque du Soleil to support the intensive infrastructure and heavy traffic. This facility would form part of the design for the Tambawodli event space currently being developed for this site.

The Authority requested that the outcomes of the negotiations be reported back to the Authority for further consideration.

The Authority further recommended that Council:

- » consider a change of policy to maximise the use of this new hard surface facility by other like events in order to minimise the damage to other areas of the Park Lands; and
- » invest monies raised from the use of the site into improvements for the Park Lands.

Subsequently, Cirque du Soleil requested that negotiations for the long term arrangement be put on hold, reaffirming, however, their commitment to Adelaide performances over the summer of 2012 /13. Following this, Council deferred their decision for a 10 year agreement with Cirque du Soleil (including a dedicated hard surface facility) until such time Cirque du Soleil wish to recommence negotiations.

Advertising billboards along rail corridors in the Park Lands

The Authority requested information be provided concerning the presence of billboards along the rail corridors through the Park Lands (eg near intersection of Greenhill Road and Anzac Highway; south of Sir Donald Bradman Drive; and corner Port Road / Goal Road).

As a result of the information provided, the Authority resolved to write to the Minister for Transport seeking an assurance that the removal of these large advertising billboards would be addressed through the management plans being prepared for these land parcels.

The Authority expressed the view that these billboards compromise the Values which underpin the National Heritage Listing of the Adelaide Park Lands and City Layout and asked for the removal of the advertising billboards as soon as their current lease periods expire, but also whether the lease periods could be reduced or not renewed.

New bridge across River Torrens at the northern end of Bonython Park / Tulya Wodli

The Authority deliberated on a request from Electranet (electricity transmission supplier) to name a pedestrian / cyclist bridge, which it constructed across the River to carry electricity cables, the 'Electranet Community Footbridge'.

The Authority advised Council that it did not support the proposed name and recommended that Council determine a Kurna (Aboriginal) name in consultation with representatives of the Kurna community. The Authority also recommended that Council include recognition of Electranet's contribution on the naming plaque associated with the bridge.

Council subsequently adopted this advice and extended the naming process to an unnamed bridge adjacent the Zoo. Council also delegated finalisation of the plaque wording for the bridge in Bonython Park / Tulya Wodli to Council's CEO.

Following this, and supporting advice from the Authority, Council named the Bonython Park / Tulya Wodli bridge:

- » Karntu Waadlakatha / Lightning Bridge; and the footbridge constructed behind the Adelaide Zoo;
- » Kainkawirra Waadlakatha / Sir Douglas Nicholls Bridge.

Park Lands Visitation Numbers

The Authority requested Council's administration undertake a scoping study on the number of visits to Council managed Park Lands over one year, including those:

- » To leased and licenced areas;
- » To organised and informal sports (participants and spectators);
- » To commercial and community events;
- » By model plane and boat owners;
- » By Park Lands Trail users; and
- » Of wedding participants, walkers, runners, cyclists, dog walkers and tourists.

Subject to further consideration of the results, the Authority recommended that the statistics then be used to promote the Park Lands, in media releases, publications and on Council websites.

This work is in progress.

State Government Management Plans for land holdings in the Park Lands

In accordance with a statutory requirement of the Adelaide Park Lands Act 2005, the Authority considered Management Plans prepared by the University of South Australia, National Wine Centre and the Adelaide Botanic Gardens. The Authority advised both Council and the relevant State Government Agencies that it was satisfied the Management Plans met the requirements of the Adelaide Park Lands Act 2005 and that it supported their intent and management directives.

Council also adopted the same position.

Tree Planting in the Park Lands

The Authority requested that Council's tree planting plans for the coming financial year be provided for its consideration. This will occur early in the new financial year.

Park Lands – extent of hard surfaces and buildings

In response to ongoing debate and concerns regarding how much of the Park Lands were occupied by buildings and hard surfaces, the Authority requested a report identifying the current extent of this and how it has changed in recent times. The Council administration was asked to include the results of this analysis on the Park Lands website.

In summary, the research found that:

The extent of the Park Lands is nominally measured at 944.7 ha. Of this:

- » 54.3 ha is occupied by major roads and, of the remainder;
- » Council manages 727.5 ha or 81.7% (including the Squares and the River Torrens); and
- » The State Government manages 162.9 ha or 18.3% (including the built form along North Terrace, the Zoo, Botanic Park and Gardens, Cemetery, Adelaide High School and rail land).

Of the 702.2 ha of Park Lands under Council's custody (this figure excludes the Squares):

- » 3.3% (23 ha) is occupied by hard surface (mostly courts, car parks, minor roads); and
- » 1.6% (11.9 ha) by buildings; and

Of the 162.9 ha of Park Lands under the State Government's custody:

- » 36.2% (59 ha) is occupied by hard surface; and
- » 40.2% (65.5 ha) by buildings.

Noticeable changes over the past few decades have been:

- » The removal of many old tennis courts from the Council managed areas;
- » Road widening activity;
- » Construction and / or sealing of new paths;
- » Removal of old sports buildings from Council managed areas;
- » Net decrease in buildings on Council managed Park Lands – of 0.67 ha (0.1%);
- » The removal of 3.89 ha of buildings by State (and Federal) Government; and
- » The construction of 9.62 ha of buildings by State Government, leading to a net increase of 5.73 ha (3.5%).

The total land returned to Park Lands by Council in the last (approximately) 30 years is 14.75 ha, being largely a portion of Victoria Park / Bakkabakkandi (13.32 ha).

The total land returned to Park Lands by the State Government in the last (approximately) 30 years is 18.51 ha and includes (more recently):

- » SA Water land, western Park Lands – 5.4 ha;
- » Land west of Morphett Street Bridge – 3.2 ha; and
- » Land off Frome Road – 1.8 ha.

Significant areas of Park Lands constructed upon in recent years includes:

- » Wine Centre – 0.44 ha (although on a site largely occupied by buildings used by the Botanic Gardens);
- » Next Generation Centre – 0.41 ha; and
- » The New Royal Adelaide Hospital - 13 ha (on the site of the former rail yards).

Briefings

The Authority received briefings on the following matters:

- » Implications of the Minister's Capital City Development Plan Amendment for the Park Lands;
- » Finalised concept Plans for Victoria Square / Tarndanyangga;
- » State Government's plans for the Riverbank Precinct; and
- » Botanic Gardens Foundation.

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.

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 2010-11

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

Business Plan and Budget for the Authority – 2012-13

The Authority adopted a Business Plan and Budget for the 2012-13 financial year, which was subsequently endorsed by Council.

Field Trips

The Authority undertook two field trips this financial year:

- » the first in December which took in the redevelopment of Kingston Gardens, the site for the expansion of Adelaide High School, the new park being developed on the SA Water site in the western Park Lands, Bonython Park / Tulya Wodli, the site proposed for redevelopment opposite the Bowden Urban Village and the newly developed, fenced dog park in Ngampa Yerta (Park 5); and
- » the second in May, focussing on the sites in the eastern Park Lands used for the Clipsal 500 motor race.

The Presiding Member requested a discussion item on an upcoming agenda regarding future field trips, which has since occurred.

Performance Against Business Plan and Budget – for 2011 / 2012

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 2011 to June 2012 was adopted at its meeting held on 9 June 2011.

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 2012 contained \$1000.00, being a donation from the Adelaide Park Lands Preservation Association.

PERFORMANCE AGAINST 2011-12 BUSINESS PLAN

Outcome	Performance target	Performance measure	Achievements
CORE RESPONSIBILITY			
Advice provided to Council and the State Government on key strategic matters relating to the Adelaide Park Lands including: <ul style="list-style-type: none"> preparation and implementation of policies, management and project plans; implementation of Park Lands marketing initiatives; 	Provide advice as required to Council and the State Government on key matters relating to the Adelaide Park Lands	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	12 ordinary meetings were scheduled, and held, one in each calendar month. One special meeting was held in November to accommodate an urgent matter. Advice was provided on a range of matters including the following: Redevelopment of Adelaide Oval – Landscaping Master Plan, revised Community Land Management Plan and Licence; The conduct of the Clipsal 500 Adelaide event in the eastern Park Lands; A concept plan for a new event space in Tambawodli (Park 24); Riverbank Precinct Master Plan; The expansion of Adelaide High School; State Government Management Plans; and Lease for a Learn-To-Ride Facility in Bonython Park / Tulya Wodli. Presentations were provided on a number of those matters listed above

PERFORMANCE AGAINST 2011-12 BUSINESS PLAN

Outcome	Performance target	Performance measure	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	Two State Government re-appointments were made in February 2012
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 2011 – 2012 adopted 9 June 2011
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 2010 – 2011 was prepared and distributed prior to 30 September 2011
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 RELEVANT TO MATTERS IDENTIFIED IN THIS REPORT

Areas of concern for the Authority in relation to the Clipsal 500's use of the eastern Park Lands

1. Reducing the build / dismantle period (Prescribed Works Period) for the core event area in Victoria Park / Bakkabakkandi to 5 months, with further reductions for the peripheral areas;
2. Delaying the installation of extensive perimeter fencing by establishing and fencing smaller worksites, which will also improve safety;
3. Allowing the continuation of cycling on the Criterium track and other sporting / recreational activities in the Event Area for as long as possible during the Prescribed Works Period, without imposing unreasonable cost or other burdens on these normal Park Lands activities;
4. Earlier removal of peripheral infrastructure such as marquees and storage;
5. Early consultation with Council prior to any remediation work occurring;
6. Re-locating the contractors works compound from the southern to the northern end of Victoria Park / Bakkabakkandi;
7. Establishing and managing Tree Protection Zones;
8. Erecting pedestrian overpass as late as possible in the program;
9. Limiting the extent of the southern extension of the declared area in Victoria Park to the 2009 boundary;
10. Limiting visible advertising outside of the declared period to a reasonable minimum;
11. Protecting remnant vegetation and associated fauna habitats; and
12. Ongoing consultation with Council regarding the redevelopment of Victoria Park.

Response of the Authority in relation to the initial concept plan for the Riverbank Precinct

1. In accordance with the Statutory Principles pursuant to the Adelaide Park Lands Act 2005 and the positions expressed in the Adelaide Park Lands Management Strategy (as adopted by Council and the State Government), the Authority supports:

- 1.1. A reinvigorated and enhanced River Torrens / Karrawirra Parri landscape for the benefit of the general public, without over-developing it, that is, achieving a balance between providing high quality facilities to attract people to the Precinct and retaining the openness and accessibility to the general public;
- 1.2. Strengthened connections between the River and North Terrace;
- 1.3. A re-designed Festival Plaza with a more hospitable and attractive setting;
- 1.4. Enhancement of the associated Adelaide Oval precinct with improved public transport connections; and
- 1.5. The construction of a pedestrian bridge across the River from the Festival Centre Plaza, to the re-developed Oval;
2. The Authority considers that, given the narrow stretch of remaining green space between the built form and the River Torrens, any expansion of the existing built form footprint on the southern bank further towards the River jeopardises the integrity of the Park Lands;
3. The Authority considers acceptable enhancements to be:
 - 3.1. A Café closer to the water's edge, designed to be sympathetic to the Park Lands, including the River;
 - 3.2. A high quality play setting;
 - 3.3. The provision of improved shade through tree planting (which does not compromise the Elder Park events space);
 - 3.4. Water Features on the lake which also assist with water quality; and
 - 3.5. Public Art;
4. The Authority considers the retention of the following features to be essential:
 - 4.1. The Elder Park Rotunda (in-situ);
 - 4.2. The running circuit (with enhancements); and
 - 4.3. Popeye, rowing and paddleboat facilities;
5. The Authority urges the State Government to have due regard to the:
 - 5.1. National Heritage Values of the Park Lands;
 - 5.2. Remaining natural topography of the site;
 - 5.3. Well-being of the existing aquatic flora and fauna in the Torrens Lake;
 - 5.4. Water quality of the Lake;

Council Resolution - Royal Adelaide Show Parking – 23 August 2011

That Council:-

1. Notes the recommendation of the City Design & Character Policy Committee held on 2 August 2011 (Paragraph 4.3) and notes that the draft deed has subsequently been prepared for consideration by Council as Attachment A to Item 21 on the Agenda for the meeting of the Adelaide City Council held on 23 August 2011.
2. Notes the recommendation of the Adelaide Park Lands Authority meeting held on 11 August 2011 (Paragraph 4.5) and administrative advice that it would be appropriate for Council to endorse the Deed rather than the Adelaide Park Lands Authority.
3. Authorises the Chief Executive Officer to execute a Deed contained at Attachment A to Item 21 on the Agenda for the meeting of the Adelaide City Council held on 23 August 2011 between the Royal Agricultural & Horticultural Society South Australia Incorporate and The Corporation of the City of Adelaide for the provision of sustainable park lands parking, which contains the following provisions:
 - 3.1 An initial period of five 5 years with a further 2 renewals of 5 years (total period of agreement up to 15 years).
 - 3.2 The preparation a Public Transport/ Alternative Parking Plan to work in conjunction with the State Government and The Corporation of the City of Unley to progressively reduce the long term parking demand on the Park Lands for the Royal Adelaide Show.
 - 3.3 The ongoing interim use of portions of Minno Wirra, Wikaparndo Wirra and Wirranendi (Parks 21W, 22 and 23 respectively) for public car parking for a maximum of 2,650 vehicles for the period of the Show (excluding areas D & E referenced in map on page 17 required to support the three high attendance days of the Show);
 - 3.4 Relocating the parking (Areas D, E, F & G referenced in map on page 17) from areas where significant remnant native vegetation is known to occur in Minno Wirra (Park 21W) to the adjacent sporting fields with the exception that:

RESOLUTIONS OF THE AUTHORITY AND COUNCIL RELEVANT TO MATTERS IDENTIFIED IN THIS REPORT (cont.)

3.4.1 Two of the identified areas (Areas D & E referenced in map on page 17) may be used (given suitable ground conditions) for car public parking;

3.4.1.1 When the ground conditions on the sporting fields are unsuitable (until the sporting surfaces are improved); and

3.4.1.2 On up-to three occasions during the Show as over-flow areas on high attendances days;

3.5 Car parking operations would continue to be managed by Council;

3.6 A pricing structure for Show parking on the Park Lands that will not be increased each year beyond the Adelaide CPI, except by agreement;

3.7 A requirement, where reasonable and practicable, for U-Park to provide a limited number of cheaper off-street parking in City parking stations adjacent the tram and bus routes to encourage parking options other than on the Park Lands;

3.8 Develop, monitor and support the enhancement of the Adelaide Lutheran Sports Association ovals, notably providing a connection to the Glenelg Adelaide Pipeline recycled water supply, an initial series of treatments to improve the playing / parking surface, a contribution towards the annual maintenance program and any ongoing restoration following parking;

3.9 The availability of the identified areas ultimately being subject to suitable ground conditions at the time;

3.10 Evaluation of the deed at the end of the first year and then at least twice during the life of the deed (prior to renewal at the end of year 5 and end of year 10), which includes a review of space requirements in support of the aspiration goals for decreased dependence on the Parklands for parking; and

3.11 Terms to allow Council the first right of access to a contract for the operational management of off-street car parks at the Showground during the period of the Show for a financial consideration.

4. Requests the Administration to prepare a report detailing options available to Council that will provide for more effective control throughout the year over the car parking which occurs in Wikaparndo Wirra (Park 22) associated with the netball played in that Park.

5. Requests the Council to prepare a report detailing extent and costs of upgrading and maintenance regime of all parking areas in Parks 21 West and 22 for budget consideration and approval of Council.

Resolution of the Authority in respect to the proposed expansion of Adelaide High School, 10 November 2011

1. The Adelaide Park Lands Authority advises the State Government:
 - 1.1 That while it recognises the existing role of cultural and institutional buildings in the Park Lands, it cannot support the planned expansion of Adelaide High School beyond the current site boundaries given that:
 - 1.1.1 Neither the policies in the Adelaide Park Lands Management Strategy or the 30 Year Plan for Greater Adelaide support additional buildings in the Park Lands for other than outdoor recreation and sporting purposes; and
 - 1.1.2 The Adelaide (City) Development Plan clearly requires the High School's built form to be contained within the existing site; and
 - 1.2 To pursue expansion opportunities for the High School within the built form of the City, given the envisaged long term needs of educational facilities in the City.
2. The Adelaide Park Lands Authority advises Council:
 - 2.1 To withhold support for the planned expansion of Adelaide High School beyond the current site boundaries given that:
 - 2.1.1 The Adelaide Park Lands Management Strategy only supports additional buildings in the Park Lands for outdoor recreation and sporting purposes; and
 - 2.1.2 The Adelaide (City) Development Plan clearly requires the High School's built form to be contained within the existing site; and

3. The Adelaide Park Lands Authority notes that it is the responsibility of the proponent (the South Australian Government) to work with the Australian Government to establish the impact of the proposed Adelaide High School building expansion upon the Values attached to the National Heritage Listing of the Adelaide Park Lands and City Layout – and that the outcome of this will be reported to the Authority.

Resolution of Council regarding the expansion of Adelaide High School, 24 April 2012

That:

1. Council in its role as the custodian of Tambawodli (Park 24) in relation to the proposed building expansion of Adelaide High School into Ellis Park identified within Item 7 on the Agenda for the meeting of the City Design & Character Policy Committee held on 3 April 2012, advises the Minister for Education and Child Development that:

On the proviso that there be no further expansions of Adelaide High School into the Park Lands, it waives its Park Lands related policy in respect to the proposed expansion, in recognition of the:

 - 1.1 role which public institutions such as the Adelaide High School have always played in the Park Lands;
 - 1.2 valued contribution which the school makes to the City's educational sector, which is consistent with Council's strategic objective to improve and expand educational facilities in the City;
 - 1.3 valued contribution which the school makes to the adjacent Park Lands in terms of playing fields and associated facilities;
 - 1.4 pressure on enrolments and facilities which Adelaide High School is experiencing, particularly being the only public high school in the City;
 - 1.5 constraints of the historical site boundaries and associated architectural heritage considerations; and
 - 1.6 notes that the State Government has agreed to meet the costs associated with the realignment of the road and any impacts of the project on Ellis Park.

RESOLUTIONS OF THE AUTHORITY AND COUNCIL RELEVANT TO MATTERS IDENTIFIED IN THIS REPORT (cont.)

2. Council further advises the Minister that Council agrees to lease the land to the Minister for a period of 42 years (pursuant to the provisions of s 21 of the Adelaide Park Lands Act 2005) at effectively no charge.
3. Council further advises the Minister that there is a need to provide a long term solution for the future expansion of the school within the City.

Resolution of the Authority from 8 March 2012, regarding management of trees around Adelaide Oval during the construction period.

The Adelaide Park Lands Authority advises Council of its support to:

- A. Record and document, including by photo, the area of, and every tree within, the Park Land formerly under the control and care of the ACC and now under the control of the Stadium Management Authority (SMA) as well as Creswell and Pennington Gardens and to provide an estimate of the value of the trees using the Melbourne City Council method as a guide.
- B. Do a periodic photographic record of all the changes at significant junctures the SMA is proposing to – and does - effect on that part of the Park Lands that the SMA now controls Creswell and Pennington Gardens.
- C. Publish the information and material arising from A. and B. and make it freely available to the public of South Australia on the ACC website or other website that provides the public with information about the Park Lands.

CERTIFICATION OF FINANCIAL STATEMENTS

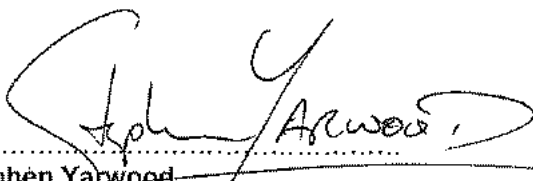
ADELAIDE PARK LANDS AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012 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

22

day of

October

2012

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
INCOME			
Grants, subsidies and contributions	2	120	94
Total Income		120	94
EXPENSES			
Materials, contracts & other expenses	3	120	94
Total Expenses		120	94
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 2012

	Notes	2012 \$'000	2011 \$'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 2012

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2012		
Balance at end of previous reporting period	1	1
Net Surplus for Year	-	-
Balance at end of period	1	1

2011		
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 2012

	Notes	2012 \$'000	2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		120	94
Payments			
Operating payments to suppliers & employees		(120)	(94)
Net Cash provided by (or used in) Operating Activities		-	-
Net Increase (Decrease) in cash held		-	-
Cash & cash equivalents at beginning of period		-	-
Cash & cash equivalents at end of period	5	-	-

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 2012

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 & 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.

6 GST Implications

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 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 & 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 & 1038 and Interpretations 2, 5, 10, 12, 19, & 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 & 113]

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

- AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & 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 & 1038 and Interpretations 5, 9, 16 & 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 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 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 & 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 & 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.

Note 2 - INCOME

	2012 \$'000	2011 \$'000
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	120	94
	120	94
SOURCES OF GRANTS		
Adelaide City Council	120	94
	120	94

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 3 - EXPENSES

	2012 \$'000	2011 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES		
PRESCRIBED EXPENSES		
Auditor's Remuneration		
- Auditing the financial reports	2	1
Subtotal - Prescribed Expenses	2	1
Other Materials, Contracts & Expenses		
Contractors	51	56
Advertising	27	10
Insurance	12	11
Sitting Fees	7	8
Training & Development	5	-
Consultants	11	-
Legal Expenses	5	-
Membership Fees	-	8
Subtotal - Other Materials, Contracts & Expenses	118	93
	120	94

Note 4 - CURRENT ASSETS

	2012 \$'000	2011 \$'000
CASH & 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	2012 \$'000	2011 \$'000
Total cash & 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	-	-

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.

	2012 \$'000	2011 \$'000
Income	120	94
less Expenses	(120)	(94)
Operating Surplus	-	-
Funding surplus	-	-
Net Lending / (Borrowing) for Financial Year	-	-

CERTIFICATION OF AUDITOR INDEPENDENCE


ADELAIDE PARK LANDS AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012, the Council's Auditor, PKF Chartered Accountants, 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



.....
Allen Bolaffi
PRESIDING MEMBER OF AUDIT COMMITTEE

Date:

22/10/12

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

Report on the Financial Report

We have audited the accompanying financial report of Adelaide Park Lands Authority ("the Authority"), which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, 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 statement by the lord Mayor.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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 of the financial report that gives a true and fair view 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 the Authority, 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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Chartered Accountants
& Business Advisers

Opinion

In our opinion the financial report of Adelaide Park Lands Authority presents fairly, in all material respects, the Authority's financial position as at 30 June 2012 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

A handwritten signature in black ink, appearing to be 'PKF'.

PKF

Chartered Accountants

A handwritten signature in black ink, appearing to be 'G K Edwards'.

G K Edwards
Partner

Adelaide
23 October 2012

Auditors Independence Declaration Under Section 22(5) of the Local Government (Financial Management) Regulations 2011 To The Mayor and Councillors responsible for the Adelaide Park Lands Authority

I confirm that, for the audit of the financial statements of the Adelaide Park Lands Authority for the year ended 30 June 2012, 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*.



PKF
Chartered Accountants



G K Edwards
Partner

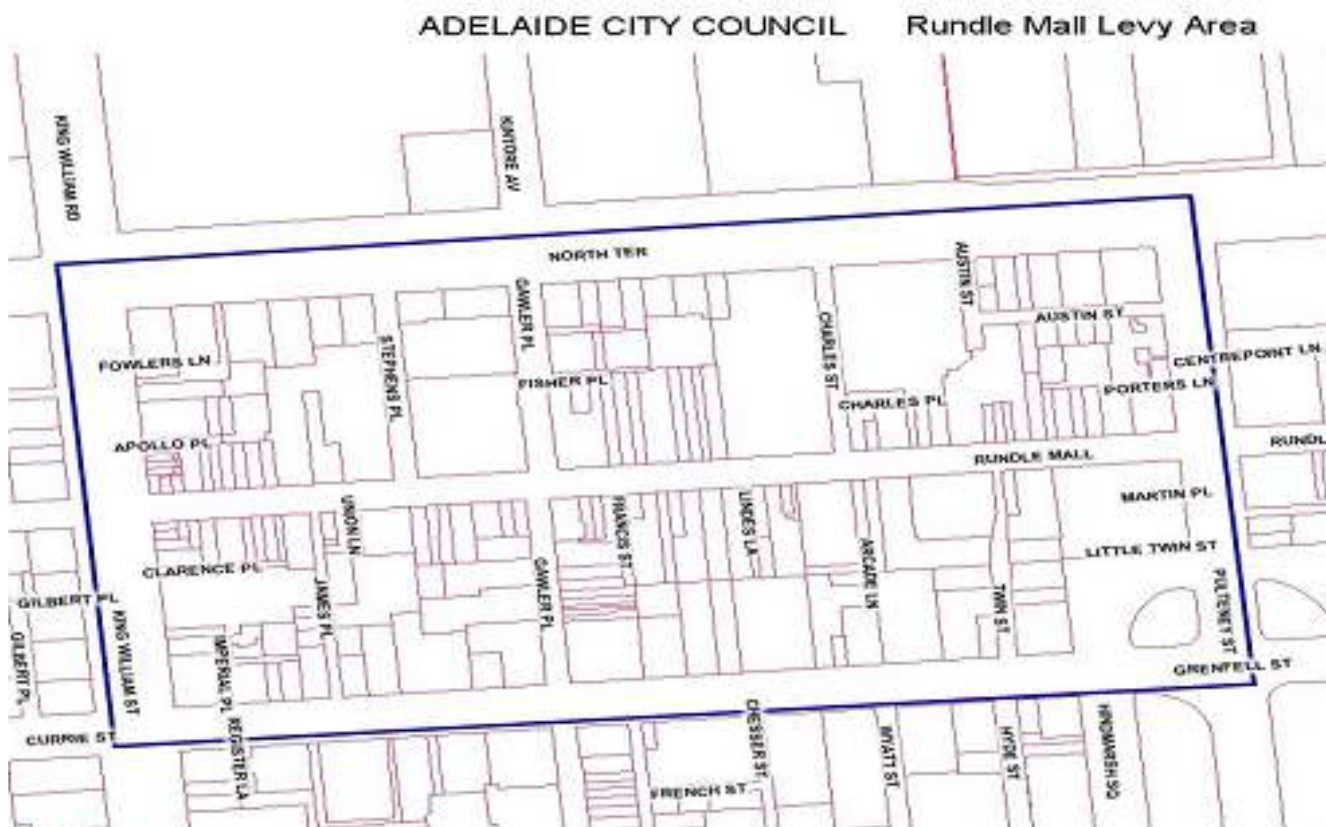
Adelaide
23 October 2012

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RUNDLE MALL MANAGEMENT AUTHORITY ANNUAL REPORT 2011-12



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 (RMMA) 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 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 and was established in October 2008 to meet the challenges and opportunities facing Rundle Mall in a competitive retail and commercial market place.

The Authority is governed by a Board of Directors representing business, retail, property and Council interests. The Authority is managed by a General Manager and small number of marketing, events, promotions and administration staff.

The Authority'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 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 approximately 700 retail stores and 200 service based businesses, the precinct includes 15 arcades and centres, South Australia's three largest 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 year and employing in the vicinity of 5,000 people, Rundle Mall remains the retailing heart of South Australia.

The above map delineates the boundaries of the Rundle Mall precinct:

Rundle Mall Management Authority Annual Report 2011–12

FOR THE YEAR ENDED 30 JUNE 2012

Strategic Vision

The RMMA Board has developed a 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

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 & 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 General Manager developed a Business Plan to allocate and guide the expenditure of the marketing fund throughout 2011-12. 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.

RMMA Board of Directors July 2011 to June 2012

Board Member	Organisation	Term
Theo Maras - Chairman	Maras Group	2 years
John Samartzis – Deputy Chairman	John Samartzis Consulting	2 years
Stephen Yarwood	Adelaide City Council	2 years
Houssam Abiad	Adelaide City Council	2 years
Eric Granger	Secrets Shh...	2 years
Kiki Magro	City of Walkerville	2 years
Ian Darbyshire	KNX Consultants	2 years
Bruce Rippin	Urban Directions	2 years

Meeting Attendances July 2011 to June 2012

Board Member	Board Meetings Attended
Theo Maras	12
Kiki Magro	12
John Samartzis	12
Houssam Abiad	11
Bruce Rippin	11
Ian Darbyshire	11
Stephen Yarwood	9
Eric Granger	8

FOR THE YEAR ENDED 30 JUNE 2012

Key Strategies July 2011 – June 2012

- » 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

Key Achievements July 2011 – June 2012

- » Successful completion of the Rundle Mall Masterplan providing a new vision for the future of the Rundle Mall precinct
- » Public Holiday trading in the Rundle Mall Precinct and City of Adelaide, as recognised by legislative amendments to the Shop Trading Hours Act 1977
- » Recognition as a designated Tourist Precinct
- » Greater collaboration with a diverse range of stakeholders including retailers, property owners, neighbouring precincts, government and media
- » The drafting of a retail investment attraction strategy to communicate Rundle Mall's credentials as the premier retail destination in South Australia for local, national and international retailers
- » With appreciation to Adelaide City Council, a funding commitment of \$30M to implement Stage 1 of the Rundle Mall Masterplan
- » The commencement of detailed design and documentation for Stage 1 of an upgrade to Rundle Mall's public realm
- » Growth in online relevance via Rundle Mall websites, social media and Rundle Mall TV
- » Production of two editions of UNIQUE Style on Rundle magazine and a greater presence in outdoor media, newspapers, television, radio and magazines
- » An increase in events and activation including roving street theatre, fashion parades, launches, school holiday entertainment, competitions, Christmas entertainment and initiatives to support early evening weekday trading

Funding

The Rundle Mall Management Authority manages various marketing, events and promotions for the benefit of the precinct. 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 0.0264 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.

Rundle Mall Differential Separate Rate

In the 2011/2012 Financial Year, the Differential Rate provided approximately \$2.02M 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.

Adelaide City Council Administrative Budget

Council provided net funds of \$744,894 through an operating project to provide for office facilities, staff, security, sitting fees, administrative overhead and internal charge backs including cleaning and finance audit.

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 hereby confirms that there were no funds carried forward into the 2011/12 Financial Year as a result of all programs being fully funded and expended in the 2010/11 Financial Year.

CERTIFICATION OF FINANCIAL STATEMENTS

RUNDLE MALL MANAGEMENT AUTHORITY

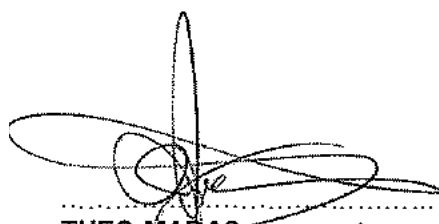
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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 2012 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 22 day of October 2012

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
INCOME			
Grants, subsidies and contributions	2	3,274	3,064
Total Income		3,274	3,064
EXPENSES			
Materials, contracts & other expenses	3	3,274	3,064
Total Expenses		3,274	3,064
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 2012

	2012	2011
NET ASSETS	-	-
TOTAL EQUITY	-	-

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2012		
Balance at end of previous reporting period	-	-
Net Surplus for Year	-	-
Balance at end of period	-	-
2011		
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 2012

	Notes	2012 \$'000	2011 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating receipts		3,274	3,064
Payments			
Operating payments to suppliers & employees		(3,274)	(3,064)
Net Cash provided by (or used in) Operating Activities		-	-
Net Increase (Decrease) in cash held		-	-
Cash & cash equivalents at beginning of period		-	-
Cash & cash equivalents at end of period	4	-	-

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

Rundle Mall Management Authority Annual Report 2011–12

NOTES TO, AND FORMING PART

OF, THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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 & 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 2012

6 GST Implications

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 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 & 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 & 1038 and Interpretations 2, 5, 10, 12, 19, & 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 & 113]
- AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & 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 & 1038 and Interpretations 5, 9, 16 & 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 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 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 & 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 & 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.

Note 2 - INCOME

	2012 \$'000	2011 \$'000
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions	3,274	3,064
	3,274	3,064
Sources of grants		
Adelaide City Council	3,274	3,064
	3,274	3,064

NOTES TO, AND FORMING PART OF, THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Note 3 - EXPENSES

	2012 \$'000	2011 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES		
PRESCRIBED EXPENSES		
Auditor's Remuneration		
- Auditing the financial reports	3	2
Subtotal - Prescribed Expenses	3	2
Other Materials, Contracts & Expenses		
Advertising	1,853	1,408
Contractors and Professional Services	818	856
Printing	204	417
Security	155	146
Plant & Equipment Hire	95	108
Premises Hire and Associated Costs	57	56
Minor Assets, Furniture & Fittings and Materials	24	16
Catering	18	13
Insurance	11	11
Car Parking	3	1
Telephone	6	4
Fringe Benefits Tax	1	13
Bad Debts	4	-
Sundry	22	13
Subtotal - Other Materials, Contracts & Expenses	3,270	3,062
	3,274	3,064

Note 4 - 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.

	2012 \$'000	2011 \$'000
Balances per Cash Flow Statement	-	-
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus (Deficit)	-	-
Net Cash provided by (or used in) operations	-	-

Note 5 - UNIFORM PRESENTATION OF FINANCES

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.

	2012 \$'000	2011 \$'000
Income	3,274	3,064
less Expenses	(3,274)	(3,064)
Operating Surplus	-	-
Net Lending / (Borrowing) for Financial Year	-	-

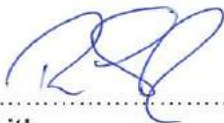
RUNDLE MALL MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012, the Council's Auditor, PKF Chartered Accountants, 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



.....
Allen Bolaffi
PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 22/10/12

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF THE RUNDLE MALL MANAGEMENT AUTHORITY

Report on the Financial Report

We have audited the accompanying financial report of Rundle Mall Management Authority ("the Authority"), which comprises the balance sheet as at 30 June 2012, the statement of comprehensive income, 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 statement by Chair of the board.

Board's Responsibility for the Financial Report

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

Auditor's Responsibility

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 of the financial report that gives a true and fair view 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 the board of the Authority, 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 of Rundle Mall Management Authority presents fairly, in all material respects, the Authority's financial position as at 30 June 2012 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.



PKF
Chartered Accountants



G K Edwards
Partner

Adelaide
23 October 2012

Auditors Independence Declaration Under Section 22(5) of the Local Government (Financial Management) Regulations 2011 To The Mayor and Councillors responsible for the Rundle Mall Management Authority

I confirm that, for the audit of the financial statements of the Rundle Mall Management Authority for the year ended 30 June 2012, 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*.

PKF

PKF
Chartered Accountants

G K Edwards

G K Edwards
Partner

Adelaide
23 October 2012

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WASTE CARE SA ANNUAL REPORT 2011-12

CHAIRMAN'S REPORT

I am now in the second year of my 4 year term as Chairman of Waste Care SA. The composition of the Board changed slightly during the year with the resignation of Mr Sam Green from the City of Prospect around February this year. Mr Green has been replaced by Cr Ashley Dixon and the Deputy Board Member for Adelaide City Council is now Mr Sean McNamara.

I take this opportunity to thank the outgoing Members and welcome the new representatives to the Board.

Waste Care SA has again met it's Budget for the year and has now built up a reasonable cash reserve. This has allowed the Board to no longer charge subscriptions to Member Councils for the coming financial year while still maintaining disposal rates at or below inflation.

Transpacific Industries Group Ltd (TPI) operate the WCSA facility under contract and have found the year challenging given the slow down in the South Australian economy. It is pleasing to note that TPI still met all its requirements under the Operations Agreement based on the 6 monthly compliance audits conducted by Waste Care SA.

A further challenge for the waste industry was the introduction of the Carbon Tax. The Board and Member Councils spent considerable time assessing the impact on Local Government to ensure that only the actual cost of the Carbon Tax payable on Member Councils tonnes would be paid to TPI. This negotiation continues but the recommended position to be taken by WCSA is not to pay an up-front estimate of the future Carbon tax liability for domestic waste but to guarantee the payment of the Carbon Tax when it is collected by the ATO.

The first part of the year involved the Board overseeing an exhaustive assessment of the environmental and economic impacts to WCSA in the event it purchased Lot 25 from the Adelaide City Council. The Board considered a confidential report on this matter in December 2011 and decided not to proceed with the sale and this decision has been endorsed by Member Councils. Once the decision was taken regarding the land purchase, WCSA turned its attention to its future operations past the first 10 year term of the Project Agreement with TPI.

A workshop was convened in June with Board Members to canvas all the options regarding the future of Waste Care SA. The consensus view from the workshop was to further evaluate an option to extend the agreement with TPI for a further 5 years and negotiate an extension to the buy-back option at the end of the 5 year extension. A further workshop is to be convened later in the year and the outcomes from this work will see a new 5 year business plan in consultation with Member Councils.

The Board agreed to fund community tours for Member Councils at the Wingfield Waste & Recycling Centre through KESAB who operate the Education Centre sponsored by the site partners including Waste Care SA. The feedback from my community in Campbelltown was excellent. Education is a high priority for Waste Care SA.

Waste Care SA also assisted in the study funded by Zero Waste SA regarding medium density domestic waste collection challenges as a result of the 30 year plan for Greater Adelaide.

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.

The coming year will see the Board of Waste Care SA set the new strategic direction so that the key objective of competitive waste processing infrastructure is maintained for Member Councils.

I would like to present to you the Waste Care SA Annual Report for the 2011/ 2012 financial year.



John Kennedy

BOARD MEMBERS

Adelaide City Council

Mr Michael Sedgman	Board Member
Mr Sean McNamara	Deputy Board Member

City of Charles Sturt

Cr Juliann Andriani	Board Member
Ms Jan Cornish	Deputy Board Member

City of Prospect

Cr Ashley Dixon	Board Member
Mr Mark Goldstone	Deputy Board Member

City of Campbelltown

Cr John Kennedy	Chairman
Mr Kevin Lowe	Deputy Board Member

City of Norwood, Payneham & St Peters

Mr Peter Perilli	Deputy Chairman
Cr John Frogley	Deputy Board Member

Corporation of the Town of Walkerville

Cr David Whiting	Board Member
Mr Lyndon Prior	Deputy Board Member

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 2011/2012 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 Simon Jenner as State Manager—SA Post Collections during the year to assist Mr Geoff Webster who has been promoted to a national role within TPI.
- » A compliance audit was undertaken in October 2011 and March 2012 to ensure that TPI meet all the requirements of the Project Agreement.
- » The Mitcham Council continued to deposit some of their domestic waste at the WCSA facility.
- » TPI were successful in receiving a Zero Waste SA grant to establish commercial and industrial waste recovery infrastructure at the WCSA facility. This improvement to the site is subject to a development application and confirmation from WCSA of future tenure for TPI past December 2014.
- » TPI conducted regular maintenance on the site as required under the project agreement and also gained approval from the Environment Protection Authority (EPA) to receive waste under the Waste to Resources - Environment Protection Policy. This has resulted in a new EPA licence for the WCSA facility current to the 31st October 2016.

Wingfield Waste & Recycling Centre (WWRC)

- » The Wingfield Interpretive Centre show cases environmental sustainability through contemporary learning at Adelaide's largest waste management and transfer facility. Approximately 1,000 vehicles per day deliver waste to the Wingfield site for processing of one million tonnes of waste each year. The Wingfield Interpretive Centre facilitates interactive learning and

education for all ages relevant to recycling, resource recovery, waste management and transfer system. The facility also demonstrates use of organics, water harvesting and re-use of construction and demolition waste.

- » The Executive Officer attends bimonthly WWRC Marketing Committee Meetings which are convened by the Adelaide City Council and attended by other tenants of the WWRC (TPI, AMCOR, Adelaide Resource Recovery and Jeffries). The key issues during the year related to water supply for fire fighting better signage around the entrances to the WWRC. There was progress on both these issues with SA Water and the Department of Planning, Transport and Infrastructure respectively.

Financial Management & Reporting

- » The Audited Financial Statements for WCSA to June 2012 with a comparison to June 2011 are on page 4 and show that WCSA met its budget for the year and has cash reserves around \$500,000.
- » The board has approved this year's budget without the need to charge any subscriptions to Member Councils given the strong WCSA bank balance.
- » With the decision not to proceed with the purchase of Lot 25 from the Adelaide City Council, the board has commenced planning for the future of WCSA past December 2014 (the initial 10 year term of the project agreement). A workshop was convened with the board in June and the development of a new strategic plan will evolve over the remainder of this year.
- » WCSA has its loans to fund the WCSA facility with the Local Government Finance Authority and received a bonus of \$11,322 during the year.
- » The board and Member Councils took a keen interest on the cost impacts of the carbon tax that was introduced from the 1st of July this year. The recommended strategy from the Audit Committee was to only pay the actual cost of the carbon tax when it falls due, rather than an estimate up front for the future tax liability that would be paid for domestic waste over a 42 year period based on an agreed model

in the carbon tax legislation. Negotiations regarding this position are progressing with TPI in accordance with the operations agreement.

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.
- » The revised Charter has operated throughout the year and sets the strategic framework for the new business plan with a planning horizon to June 2016.

Broader Local Government & Member Council Issues

- » WCSA responded to the Zero Waste SA funded study titled State Waste Management Guidance for Medium Density, High Density and Multi-Unit Developments in Metropolitan Adelaide.



Trevor Hockley
EXECUTIVE OFFICER

CERTIFICATION OF FINANCIAL STATEMENTS



Waste Care SA

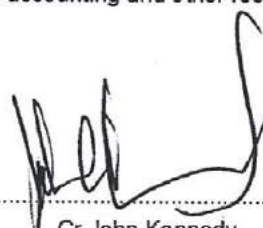
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2012

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 2012 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
CHAIR PERSON

Dated 13th September 2012

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
INCOME			
Members Contributions		-	134,317
Investment Income		21,082	23,865
Sundry Income		-	4,649
Commercial Activities	2	1,350,848	1,366,663
TOTAL INCOME		1,371,930	1,529,494
EXPENSES			
Materials contracts & other Services	3	582,829	554,694
Finance Costs	3	756,111	771,341
Depreciation amortisation & impairment	3	361,271	364,170
TOTAL EXPENSES		1,700,211	1,690,205
NET (DEFICIT)		(328,281)	(160,711)
OTHER COMPREHENSIVE INCOME			
Changes in revaluation of property plant & equipment		-	(100,000)
TOTAL COMPREHENSIVE INCOME		(328,281)	(260,711)

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 30 JUNE 2012

		2012	2011
ASSETS	Note	\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents		494,511	608,403
Receivables		667,016	468,766
Total Current Assets	4	1,161,527	1,077,169
NON-CURRENT ASSETS			
Plant & Equipment	5	11,215,238	11,576,509
Total Non-Current Assets		11,215,238	11,576,509
TOTAL ASSETS		12,376,766	12,653,678
LIABILITIES			
CURRENT LIABILITIES			
Trade & other payables		625,389	576,129
Other Current Liabilities		14,452	12,342
Short Term Loan		-	1,681,600
Total Current Liabilities	6	639,841	2,270,071
NON-CURRENT LIABILITIES			
Long Term Loan	7	11,281,600	9,600,000
Total Non-Current Liabilities		11,281,600	9,600,000
TOTAL LIABILITIES		11,921,441	11,870,071
NET ASSETS		455,325	783,607
EQUITY			
Accumulated Deficit		(1,044,675)	(716,393)
Asset Revaluation Reserve	8	1,500,000	1,500,000
TOTAL EQUITY		455,325	783,607

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$ Inflows (Outflows)	2011 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Members Contracts & Other Services		(605,306)	(547,707)
Receipts			
Members contributions		15,013	134,317
Commercial Activities		1,215,764	1,371,028
Investment Income		21,082	23,865
Sundry Income		-	4,649
Net cash Provided by operating activities	9	646,553	986,152
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Finance Charges		(760,445)	(771,341)
Net cash (Used in) other activities		(760,445)	(771,341)
Net increase in cash held		(113,892)	214,811
Cash at beginning of the year		608,403	393,592
Cash at end of the year	4	494,511	608,403

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

2012	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		(716,393)	1,500,000	-	783,607
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies	-	-	-	-	-
Restated Opening Balance		(716,393)	1,500,000	-	783,607
Net Surplus/ (Deficit) for Year		(328,282)	-	-	(328,282)
Other Comprehensive Income	-	-	-	-	-
Changes, on revaluation of infrastructure, property, plant & equipment	5(a),8	-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		-	-	-	-
Balance at end of period		(1,044,675)	1,500,000	-	455,325

2011	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		(555,682)	1,600,000	-	1,044,318
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		(555,682)	1,600,000	-	1,044,318
Net Surplus/ (Deficit) for Year		(160,711)	-	-	(160,711)
Other Comprehensive Income		-	-	-	-
Gain on revaluation of infrastructure, property, plant & equipment	5(a),8		(100,000)		(100,000)
Transfers between reserves		-	-	-	-
Funds from Member Councils		-	-	-	-
Balance at end of period		(716,393)	1,500,000	-	783,607

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncement of the Australian Accounting Standards Board and the requirements of the Local Government Act 1999. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. 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:

Constituent Council	Equity Share%
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
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.

Accounting Policies

The following is a summary of the material accounting policies adopted by the Subsidiary in the preparation of the financial report:

(a) Income Tax

Waste Care SA operated 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) Infrastructure Plant and Equipment etc

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation, amortisation 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:

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 RRWTS. 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 AASB116 and is due again on 30 June 2014.

(c) Cash Assets, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand 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.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

(e) Revenue

Revenue from the sale of services is recognised upon the 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.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

(f) 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.

(g) 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.

(h) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(i) 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.

(j) Critical Accounting Estimates and Judgments

The Subsidiary evaluates estimates and judgments 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.

(k) Going Concern Basis

The Board of Management of WCSA notes the accumulated deficit of \$1,044,675. 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 has prepared the financial statements on a going concern basis.

(l) 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 128 Investments in Associates and Joint Venture

AASB 2010-6 Amendments to Australian Accounting Standards [AASBs 1 & 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, & 1038 and Interpretations 2, 5, 10, 12, 19, & 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, AASB 1231, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]

AASB 2011-5 Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, AASB 128 & AASB 131]

AASB 2011-7 Amendments to Australian Accounting Standards arising from Consolidation and Joint Arranges Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]

AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 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, & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131, & 132]

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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 & 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 & 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.)

The Authority 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 consequence cannot be estimated until a revised accounting standard is issued.

NOTE 2: REVENUES	Notes	2012 \$	2011 \$
Gate Fees for delivery		357,858	370,802
Commercial Contributions		982,898	979,979
Jeffries Profit Share		10,092	15,882
		1,350,848	1,366,663

NOTE 3: EXPENSES

MATERIALS CONTRACTS AND OTHER EXPENSES

Prescribed Expenses			
Audit fees Y/E 2012		5,046	4,071
Board Fees and expenses		421	741
Operating Leases		205,140	196,410
Sub Total Prescribed Expenses		210,608	201,222
Other Materials Contracts & Expenses			
Managerial Services		204,580	202,551
Council Rates		65,904	64,743
Emergency Services Levy		6,990	12,792
Consultancy Costs		1,898	5,313
Sundry		1,913	2,294
Legal expenses		2,028	380
Insurance		66,819	65,399
Promotion Costs		-	-
Education Wingfield		6,200	-
Feasibility Study Purchases lot 25		15,890	-
Sub Total Other Materials Contracts & Expenses		372,221	353,472
		582,829	554,694

FINANCE COSTS

Loan Interest		755,776	771,096
Bank Charges		335	245
		756,111	771,341

DEPRECIATION & AMORTISATION

Capitalised Interest	1(b)	23,608	23,608
Disbursement Sum	1(b)	4,562	4,562
Depreciation	1(b)	333,101	336,000
		361,271	364,170

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 4: CURRENT ASSETS	Notes	2012 \$	2011 \$
Cash at Bank		494,511	608,403
Receivables		667,016	468,766
		1,161,527	1,077,169

NOTE 5: NON CURRENT ASSETS

Plant & Equipment			
RRWTS - at Cost	1(b)	11,000,000	11,000,000
Revaluation	5(a)	1,500,000	1,500,000
		12,500,000	12,500,000
Disbursement - at Cost		45,612	45,612
Capitalised Interest - at Cost		236,084	236,084
		12,781,696	12,781,696
Less amortised disbursement and capitalised interest		(225,357)	(197,187)
Less Depreciation	5(b)	(1,341,101)	(1,008,000)
		11,215,238	11,576,509

NOTE 5(a): The revaluation was conducted by Knight Frank Valuations SA on 30 June 2011 with the revalued amount assessed as \$12.5 million. The RRWTS has been revalued in accordance with the Revaluation Model as per AASB116.

NOTE 5(b): The Board of Waste Care SA has resolved that depreciation expense be charged against the Waste Care SA facility on a straight line basis for the remaining life of the lease from 1st July 2008. The lease with the Adelaide City Council has 34.5 years remaining that equates to a depreciation expense of \$331101 per year being charged to the profit and loss account of Waste Care SA. Member Councils have previously resolved that depreciation expense is not required to be funded pursuant to Clause 1.8.9 of the Waste Care SA charter given that WCSA has a compulsory purchase option at \$11 million which can be exercised December 2014.

NOTE 6: CURRENT LIABILITIES

Creditors		625,389	576,129
Net GST payable		-	-
GST Payable		51,901	42,668
GST Claimable		(42,749)	(38,626)
		9,152	4,042
Other Current Liabilities		5,300	8,300
Short term Loans		-	1,681,600
		639,841	2,270,071

Waste Care SA has all its loans through the LGFA and these finance contracts now all mature at or around December 2014 which is the initial term of the Project Agreement with TPI.

NOTE 7: NON CURRENT LIABILITIES

Long term Loans		11,281,600	9,600,000
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NOTE 8: ASSET REVALUATION RESERVE

Related to Resource Recovery & Waste Transfer Station (RRWTS)			
Balance bought forward 2011		1,500,000	1,600,000
Revaluation as per AASB116	5(a)		(100,000)
Closing Balance 2012		1,500,000	1,500,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 9: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET DEFICIT RESULTING FROM OPERATIONS

	Notes	2012 \$	2011 \$
Net Surplus (Deficit) Resulting from Operations		(328,281)	(160,711)
Change in operating assets and liabilities		-	-
(Increase)/Decrease in debtors		(198,250)	46,811
(Increase)/(Decrease) in GST Payable		5,110	(1,355)
Increase/(Decrease) in Creditors and Provisions		47,592	(37,604)
Non-Operating/ Non-Cash Items			
Amortisation		28,170	28,170
Depreciation		333,101	336,000
Finance Charges		756,111	771,341
Other Expenses		3,000	3,500
Net cash Provided by operating activities		646,553	986,152

NOTE 10: LEASING COMMITMENTS

Payable not later than one year	208,836	201,552
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NOTE 11: 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	Fair value of fixed interest rate instruments maturing within one year	Fair value of fixed interest rate instruments maturing Due >1 less 5	Fair value of fixed interest rate instruments maturing Due > 5 Yrs	Fair value of non-interest bearing instruments
Financial Assets:						
Cash	0.75%	494,511	-	-	-	-
Receivables	0.00%	-	-	-	-	667,016
Total Financial Assets		494,511	-	0	-	667,016
Financial Liabilities:						
LGFA Loan Fixed	6.61%	-	-	11,281,600	-	-
Creditors and Provisions	0.00%	-	-	-	-	639,841
Total Financial Liabilities		0	0	11,281,600	0	639,841

(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;

- Trade and other debtors - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts.
- The LGFA investments included in Financial Assets above, are capital guaranteed.

(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 or 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 the financial instruments held by the Authority, the costs associated with their settlement would not be material, and hence, have not been considered.

CERTIFICATION OF AUDITOR INDEPENDENCE

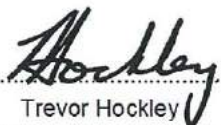
Waste Care SA

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2012**

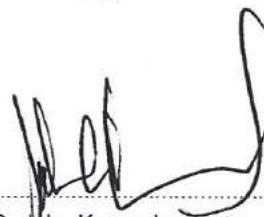
CERTIFICATION OF AUDITOR INDEPENDENCE

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 2012, 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 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A (2) Local Government (Financial Management) Regulations 1999.



Trevor Hockley
EXECUTIVE OFFICER



Cr John Kennedy
PRESIDING MEMBER
AUDIT COMMITTEE

Dated the 13th day of September 2012



Accountants | Business and Financial Advisers


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 2011/2012 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
14th September 2012
Adelaide


TREVOR D HIRTH
Partner

HLB Mann Judd (SA) Pty. Ltd. ABN: 30 815 473 800

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Page 14



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE BOARD OF WASTE CARE SA

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 2012, 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.

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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.

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 2012 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
14th
HLB MANN JUDD
September 2012
Adelaide

Trevor Hirth
TREVOR HIRTH
Partner

HLB Mann Judd (SA) Pty. Ltd. ABN: 30 815 473 800

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