ADELAIDE CITY COUNCIL AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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Adelaide City Council

General Purpose Financial Statements for the year ended 30 June 2019

Certification of Financial Statements

We have been authorized by the Council to certify the financial statements to their final form

In our opinion:

- Inclaction parying financial statements comply with the Local Covernment Act 1999, Local Gevernment (Financial Management): Regulations 2011 and Australian Accounting Standards.
- the linancial statements present a bue and fair wew of the Council's financial position at 30 June.
 2015 and the results of its operations and cash flows for the financial year.
- nternal controls implemented by the Council provide a reasonable assurance that the Council's fibancial records are complete, accurate and reliable and where effective throughout the financial year.
- The Enancies statements accurately reflect the Council's accounting and other records.

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Paler Scargel ACTING CHIEF EXECUTIVE OFFICER

Date: 2 October 2015

Martin Hatse LORD MAYOR

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

		Consolidated	Consolidated
\$'000	Notes	2015	2014
INCOME			
Rates Revenues	2a	94,812	91,845
Statutory Charges	2b	17,482	17,417
User Charges	2c	61,445	60,625
Grants, Subsidies and Contributions	2g	6,387	3,998
Investment Income	2d	689	570
Reimbursements	2e	915	1,109
Other Income	2f	66	383
Net Gain - Equity Accounted Council Businesses	19	-	61
Total Income		181,796	176,008
EXPENSES			
Employee Costs	За	64,458	62,493
Materials, Contracts & Other Expenses	Зb	71,160	70,357
Depreciation, Amortisation & Impairment	Зс	36,558	33,783
Finance Costs	3d	483	489
Net loss - Equity Accounted Council Businesses	19	30	78
Total Expenses		172,689	167,200
OPERATING SURPLUS / (DEFICIT)		9,107	8,808
Asset Disposal & Fair Value Adjustments	4	(8,404)	(7,192)
Amounts Received Specifically for New or Upgraded Assets	2g	938	559
Physical Resources Received Free of Charge	2i		13,259
NET SURPLUS / (DEFICIT)		1,641	15,434
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	42,986	(5,815)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	-	120
Net Actuarial Gains on Defined Benefit Plan	9b	197	342
Total Other Comprehensive Income		43,183	(5,353)
TOTAL COMPREHENSIVE INCOME		44,824	10,081

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2015

\$'000	Notes	Consolidated 2015	Consolidated 2014
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	6,149	7,581
Trade & Other Receivables	5b	6,414	9,705
Other Financial Assets	5c	273	190
Inventories	5d	400	425
Subtotal		13,236	17,901
Non-Current Assets Held for Sale	7a	810	5,156
Total Current Assets		14,046	23,057
Non-Current Assets			
Financial Assets	6a	1,182	1,294
Equity Accounted Investments in Council Businesses	6b	157	187
Investment Property	7a	2,642	2,527
Infrastructure, Property, Plant & Equipment	7a	1,329,932	1,280,737
Other Non-Current Assets	6c	1,001	659
Total Non-Current Assets		1,334,914	1,285,404
Total Assets		1,348,960	1,308,461
I JABILITIES			
Current Liabilities	20	01.044	04.042
Current Liabilities Trade & Other Payables	8a 8b	21,244	24,043
LIABILITIES Current Liabilities Trade & Other Payables Borrowings Proviniona	8b	10,500	11,021
Current Liabilities Trade & Other Payables Borrowings Provisions		10,500 12,524	11,021 11,766
Current Liabilities Trade & Other Payables	8b	10,500	11,021 11,766
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities	8b 8c	10,500 12,524 44,268	11,021 11,766 46,830
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables	8b 8c 8a	10,500 12,524 44,268 293	11,021 11,766 46,830 118
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings	8b 8c 8c 8a 8a 8b	10,500 12,524 44,268 293 -	11,021 11,766 46,830 118 1,736
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings Provisions	8b 8c 8a	10,500 12,524 44,268 293 - 1,470	11,021 11,766 46,830 118 1,736 1,672
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings Provisions Total Non-Current Liabilities	8b 8c 8c 8a 8a 8b	10,500 12,524 44,268 293 - 1,470 1,763	11,021 11,766 46,830 118 1,736 1,672 3,526
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings Provisions Total Non-Current Liabilities	8b 8c 8c 8a 8a 8b	10,500 12,524 44,268 293 - 1,470	11,021 11,766 46,830 118 1,736 1,672 3,526
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings Provisions Total Non-Current Liabilities Total Liabilities	8b 8c 8c 8a 8a 8b	10,500 12,524 44,268 293 - 1,470 1,763	11,021 11,766 46,830 118 1,736 1,672 3,526 50,356
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings Provisions Total Non-Current Liabilities Notal Liabilities NET ASSETS	8b 8c 8c 8a 8a 8b	10,500 12,524 44,268 293 - 1,470 1,763 46,031	11,021 11,766 46,830 118 1,736 1,672 3,526 50,356
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings Provisions Total Non-Current Liabilities Total Liabilities NET ASSETS EQUITY	8b 8c 8c 8a 8a 8b	10,500 12,524 44,268 293 - 1,470 1,763 46,031	11,021 11,766 46,830 118 1,736 1,672 3,526 50,356 1,258,105
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities	8b 8c 8c 8a 8a 8b	10,500 12,524 44,268 293 - 1,470 1,763 46,031 1,302,929	11,021 11,766 46,830 118 1,736 1,672 3,526 50,356 1,258,105 823,660
Current Liabilities Trade & Other Payables Borrowings Provisions Total Current Liabilities Non-Current Liabilities Trade & Other Payables Borrowings Provisions Total Non-Current Liabilities Total Non-Current Liabilities NET ASSETS EQUITY Accumulated Surplus	8b 8c 8a 8a 8b 8c	10,500 12,524 44,268 293 - 1,470 1,763 46,031 1,302,929 823,103	11,021 11,766 46,830 118

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

Consolidated			Asset		
		Accumulated	Revaluation	Other	Total
\$'000	Notes	Surplus	Reserve	Reserves	Equity
2015					
Balance at the end of previous reporting period		823,660	433,777	668	1,258,105
a. Net Surplus / (Deficit) for Year		1,641	-	-	1,641
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	42,986	-	42,986
- Defined Benefit Actuarial Gain		-	-	197	197
Other Comprehensive Income		-	42,986	197	43,183
Total Comprehensive Income		1,641	42,986	197	44,824
c. Transfers between Reserves		(2,198)	-	2,198	-
BALANCE AT THE END OF PERIOD		823,103	476,763	3,063	1,302,929
2014					
Balance at the end of previous reporting period		808,106	439,592	326	1,248,024
a. Net Surplus / (Deficit) for Year		15,434	-	-	15,434
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(5,815)	-	(5,815)
- Share of OCI - Equity Accounted Council Businesses	19	120	-	-	120
- Defined Benefit Actuarial Gain		-	-	342	342
Other Comprehensive Income		120	(5,815)	342	(5,353)
Total Comprehensive Income		15,554	(5,815)	342	10,081

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

\$'000	Notes	Consolidated 2015	Consolidatec 2014
\$ 000	INOLES	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts		183,854	176,504
Investment Receipts		689	570
Payments			
Operating Payments to Suppliers and Employees		(137,646)	(137,036
Finance Payments		(483)	(489
Net Cash provided by (or used in) Operating Activities	11b	46,414	39,549
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		938	559
Sale of Replaced Assets		561	
Sale of Surplus Assets		5,837	2,968
Sale of Real Estate Developments		-	17,954
Receipt of Shared Equity Contribution		285	
Payments			
Expenditure on Renewal/Replacement of Assets		(28,848)	(19,794
Expenditure on New/Upgraded Assets		(24,549)	(46,160
Development of Real Estate for Sale		-	(8,990
Net Cash provided by (or used in) Investing Activities		(45,776)	(53,463
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		-	10,529
Proceeds from Bonds & Deposits		187	526
Payments			
Repayments of Borrowings		(2,257)	(521
Net Cash provided by (or used in) Financing Activities		(2,070)	10,534
Net Increase (Decrease) in Cash Held		(1,432)	(3,380
	11	7,581	10,961
plus: Cash & Cash Equivalents at beginning of period	11	7,001	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 as 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 these Notes.

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 South Australian *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.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

- 1. Adelaide Central Market Authority
- 2. Adelaide Park Lands Authority
- 3. Rundle Mall Management Authority

Other entities in which Council has an interest but does not control are reported in Note 19.

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.

The Federal Government has paid amounts of untied financial assistance grants which have been recognised on receipt. The 2014/15 financial year reflects the receipt of one full year's allocation plus an additional advanced payment of \$365,994. This advance payment reflects 37% of the total to be 2015/16 financial year allocation.

The actual amounts of untied grants received during the reporting periods are disclosed in Note 2.

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 costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

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

5.2 Other Real Estate Held for Resale

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

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

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

Capital works still in progress at balance date are recognised as Infrastructure, Property, Plant and Equipment.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds the materiality threshold established by Council. 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. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed 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 20 years
Vehicles and Road-making Equipment	2 to 8 years
Other Plant & Equipment	5 to 20 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	25 to 100 years
Paving & Footpaths	30 to 70 years
Kerb & Gutter	70 to 120 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	15 to 25 years
Lighting and Electricals	20 to 30 years
Electrical Switch Boards	30 years
CCTV	10 years
Bus Shelters	20 years
Parking Machines	10 years
Sports Fields	5 to 45 years
Trees	20 to 100 years
Green Assets	5 Years
Statues & Monuments	Indefinite
Other Assets	
Library Books	1 to 7 years
Artworks	indefinite

6.5 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 inflows 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.

6.6 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 Investment Property

Investment property comprises buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Investment property is carried at fair value, representing an in-house valuation based on a capitalisation method. Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Investment Income".

Full revaluations are carried out every three to five years with an appropriate management review each year in between the full revaluations.

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.

8 Payables

8.1 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.

8.2 Payments Received in Advance, Retentions and Deposits

Amounts other than grants 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.

9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings 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".

10 Employee Benefits

10.1 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 avg. discount rate3.02% (2014, 3.55%)Weighted avg. settlement period5 years (2014, 5 years)

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

10.2 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 (9.5% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Scheme.

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

Corporation of the City of Adelaide Scheme

The Scheme, closed to new members, supports Defined Benefit membership only. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains are recognised through Other Comprehensive Income 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.

11 Provisions

11.1 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11.2 Provision for Carbon Tax

Council operates a landfill whose receivals are deemed to exceed 25,000 tonnes of carbon dioxide equivalent (CO_2e) emissions annually. In assessing Council's future liability to "carbon tax" regard as been had to the quantity and types of refuse received, estimated future CO_2e type gas emissions, estimates of the likely timing of such emissions, the potential offsets by collection of emitted gases and other methods, and estimates of future CO_2e permit prices.

All remaining liability under the original legislation is still recognised in the current reporting period, but Federal Government decisions on the disposal of amounts collected in advance of future liability have not yet been advised.

The resulting estimated liability and timing of future payments has been converted to present value using government guaranteed securities rates with similar terms.

12 Construction Contracts

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

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

13 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.

14 Leases

Leases arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

15 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & 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.

16 New, Revised or Amended Accounting Standards and Interpretations Adopted

Council has elected to early adopt the amendments to AASB 13 Fair Value Measurement for the annual reporting period commencing 1 July 2014. The amendments provide relief for not-for-profit public sector entities from making certain specified disclosures about the fair value measurement of assets within the scope of AASB 116 Property Plant and Equipment which are primarily held for their current service potential rather than to generate future net cash flows. The amendments are mandatory for the annual reporting periods commencing on or after 1 July 2016.

As a result of early adopting, Council is no longer required to disclose the following information

- For recurring and non-recurring fair value measurements categorised within Level 3 of the fair value hierarchy, quantitative information about the significant unobservable inputs used in the fair value measurements;
- For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the amount of total gains and losses for the period included in profit or loss that is attributable to the change in unrealised gains or losses relating to the assets held at the end of the reporting period, and then line item(s) in profit or loss in which those unrealised gains or losses are recognised; and
- For recurring fair value measurement categorised within Level 3 of the fair value hierarchy, a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in these inputs to a different amount might result in a significantly higher or lower fair value measurement. Where there are interrelationships between those inputs and other unobservable inputs used in the fair value measurement, the disclosure of a description of those interrelationships and of how they might magnify or mitigate the effect of changes in the unobservable inputs of the fair value measurement.

17 Accounting Standards Issued but not yet Effective

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- Fair value and
- Amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

AASB 2014 - Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

18 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

19 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Note 2: Income

\$'000	Cons Notes	olidated 2015	Consolidated 2014
(A) RATES REVENUES			
General Rates			
General Rates		94,486	91,109
Less: Mandatory Rebates		(4,414)	(3,861)
Less: Discretionary Rebates, Remissions & Write Offs		(397)	(353)
Total General Rates		89,675	86,895
Other Rates			
Natural Resource Management Levy		1,386	1,375
Rundle Mall Separate Levy		3,533	3,298
Total Other Rates		4,919	4,673
Other Charges			
Penalties for Late Payment		218	277
Total Other Charges		218	277
TOTAL RATES REVENUES		94,812	91,845
(B) STATUTORY CHARGES			
Development Act Fees		1,132	1,123
Animal Registration Fees & Fines		26	21
Parking Fines / Expiation Fees		14,933	15,077
Other Fees, Fines, Penalties and Expiations		97	59
Encroachments Fees		306	268
Food Inspections Fees/Fines		43	55
Outdoor Dining Fees		486	419
Residential Parking Permits		31	39
Section 7 Searches		82	70
Temporary Parking Control Permits		293	237
Water Systems Fees		53	49
TOTAL STATUTORY CHARGES		17,482	17,417

Note 2: Income (continued)

\$'000	Consolidated Notes 2015	
		2014
(C) USER CHARGES		
Adelaide Aquatic Centre Charges	4,347	5,404
Adelaide Golf Links Charges	1,742	1,762
Adelaide Town Hall Charges	1,060	790
Bus Ticket Sales	2	-
Business Development	12	-
Compost Sales	544	. 549
Event Fees	322	480
Library Centre	33	24
Off-Street Parking	31,155	30,144
Park Lands Events Fees	617	490
Parking Fees	10,767	10,558
Property Lease	8,137	7,763
Property Recovery	2,152	2,042
Rundle Mall	538	406
Sundry	17	3
Waste Management Fees	-	. 210
TOTAL USER CHARGES	61,445	60,625
(D) INVESTMENT INCOME		
Interest on Investments	24	6
- Local Government Finance Authority - Banks & Other	24	
	191	
Investment Property Rental Income Financial Instrument - Fair Value Increase / (Decrease)	256	
TOTAL INVESTMENT INCOME	689	
		0.0
(E) REIMBURSEMENTS		
Private Works	786	935
Other	129	174
TOTAL REIMBURSEMENTS	915	1,109
(F) OTHER INCOME		
Sundry	66	383
TOTAL OTHER INCOME	66	

Note 2: Income (continued)

01000		onsolidated	Consolidated
\$'000	Notes	2015	2014
(G) GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts Received Specifically for New or Upgraded Assets		938	559
Other Grants, Subsidies and Contributions		6,387	3,998
TOTAL GRANTS, SUBSIDIES, CONTRIBUTIONS		7,325	4,557
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		1,473	1,326
State Government		5,690	2,792
Other		162	439
TOTAL		7,325	4,557
(ii) Conditions over grants & contributions			
Grants and contributions which were obtained on the condition that they be exp		oses or in a futur	e period, but
which are not yet expended in accordance with those conditions, are as follows	8.		
Unexpended at the close of the previous reporting period		81	80
Less:			
Expended during the current period from revenues recognised in previous report	rting periods		
Infrastructure		(81)	-
Plus:			
Amounts recognised as revenues in this reporting period but not yet expended	in accordance with the co	nditions	
Infrastructure		278	1
Unexpended at the close of this reporting period		278	81
NET INCREASE (DECREASE) IN ASSETS SUBJECT TO CONDITIONS IN			
CURRENT REPORTING PERIOD		197	1
(H) PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
Roads, Bridges & Footpaths		-	13,259

Tiodos, Enoges & Footpaths	10,200
TOTAL PHYSICAL RESOURCES RECEIVED FREE OF CHARGE	- 13,259

Note 3: Expenses

		Consolidated	Consolidated
\$'000	Notes	2015	2014
(A) EMPLOYEE COSTS			
Salaries and Wages		65,846	60,903
Employee Leave Expense		551	2,394
Superannuation - Defined Contribution Plan Contributions		6,026	5,507
Superannuation - Defined Benefit Plan Contributions		180	180
Superannuation - Unfunded Superannuation Liability	18	(152)	(462)
Workers' Compensation Insurance		704	1,453
Income Protection Insurance		224	248
Less: Capitalised and Distributed Costs		(8,921)	(7,730)
TOTAL OPERATING EMPLOYEE COSTS		64,458	62,493
Total number of Employees			
Number of Employees (full time equivalent at end of reporting period)		649	657
Number of Employees (temporary full time equivalent at end of reporting period)		152	118
(B) MATERIALS, CONTRACTS AND OTHER EXPENSES (i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		44	43
- Other Services		33	32
Bad and Doubtful Debts		(76)	97
Carbon Tax Expense		(10)	24
Elected Members' Expenses		404	386
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		6,442	5,630
Subtotal - Prescribed Expenses		6,847	6,212
		0,011	-,
(ii) Other Materials, Contracts and Expenses			
Advertising and Promotion		3,075	2,876
Bank Charges and Cash Collection		1,137	967
Catering		361	401
Cleaning		2,274	2,123
Communications		584	532
Contractors		11,297	10,816
Contractual Expenses		264	142
Energy and Water		7,945	7,896
Entertainment - Council and Civic Events		111	59
External Plant Hire		758	897
Insurance		1,540	2,299
Investment Property Expenses		138	127
Legal Expenses		1,771	1,725
			1,655

Note 3: Expenses (continued)

\$'000	Consolidate Notes 20	
<i>х</i> осо		
(ii) Other Materials, Contracts and Expenses (continued)		
Maintenance	4,49	97 4,857
Minor Plant and Equipment	2	77 406
Parts, Accessories & Consumables	4,8	15 4,977
Printing, Freight and Postage	60	50 559
Professional Services	5,0	78 5,141
Project Related Expenditure		
- Drainage and Waterways	8	78 2
- Initiation and Data Collection	90	60 651
- IT Corporate System	78	30 499
- Lighting and Electrical	1;	36 (70)
- Park Lands and Squares	3	54 2,859
- Plant and Equipment	4	40 (133)
- Property	1,3'	16 1,916
- Roads and Footpaths		- 54
- Street Furniture	1,8 [.]	15 639
- Transportation	(48	0) -
Rates and Taxes	5	74 617
Registrations	17	71 174
Searches	54	14 520
Security	1,50	39 1,595
Sponsorships, Contributions and Donations	5,0 ⁻	10 4,305
Subscriptions	68	37 594
Training and Development	7.	10 672
Waste Services	1,00)8 954
Other	1.	18 143
Less: Capitalised and Distributed Costs	(33	0) (301)
Subtotal - Other Material, Contracts & Expenses	64,3	13 64,145
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES	71,10	60 70,357

TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES

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Note 3: Expenses (continued)

\$'000	Notes	Consolidated 2015	Consolidated 2014
2 000	INOLES	2015	2014
(C) DEPRECIATION, AMORTISATION AND IMPAIRMENT			
(i) Depreciation and Amortisation			
Buildings & Other Structures		10,454	8,952
Park Land Improvements		2,984	3,086
Infrastructure			
- Stormwater and Drainage		2,960	1,151
- Bridges		2,301	775
- Footpaths		2,625	5,554
- Kerb & Water table		821	854
- Public Lighting		2,869	2,898
- Roads		5,482	2,482
- Ticket Machines		337	257
- Traffic Signals		1,054	1,604
- Urban Elements		1,564	614
Plant & Equipment		1,214	1,390
Library Books		15	371
Equipment, Furniture and Fittings		1,799	2,150
Subtotal		36,479	32,138
(ii) Impairment			
Impairment on Transfer to Assets Held for Sale		79	
Sports Fields and Park Land Improvements		-	1,320
Lighting		-	169
Fountains & Statues		-	156
Subtotal		79	1,645
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT		36,558	33,783
(D) FINANCE COSTS			
Interest on Loans		483	489
TOTAL FINANCE COSTS		483	489

Note 4: Asset Disposal & Fair Value Adjustments

		Consolidated	Consolidated
\$'000	Notes	2015	2014
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		561	-
Less: Carrying Amount of Assets Sold		(798)	(1,672)
Gain (Loss) on Disposal		(237)	(1,672)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		5,837	2,968
Less: Carrying Amount of Assets Sold		(5,323)	(2,727)
Gain (Loss) on Disposal		514	241
REAL ESTATE DEVELOPMENT ASSETS			
Proceeds from Disposal		-	19,438
Less: Carrying Amount of Assets Sold		-	(24,753)
Gain (Loss) on Disposal		-	(5,315)
FAIR VALUE ADJUSTMENTS			
Investment Property - Fair Value Increase / (Decrease)		211	(446)
Revaluation Decrements Expensed		(8,892)	-
Total Fair Value Adjustments		(8,681)	(446)
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		(8,404)	(7,192)

Note 5: Current Assets

Other

TOTAL INVENTORIES

	Consolidated	Consolidated
\$'000 Note:	s 2015	2014
(A) CASH & CASH EQUIVALENTS		
Cash on Hand at Bank	5,422	7,144
Deposits at Call	727	437
TOTAL CASH & CASH EQUIVALENTS	6,149	7,581
(B) TRADE & OTHER RECEIVABLES		
Rates - General & Other	1,335	1,661
Accrued Revenues	1,057	793
Debtors - General	1,957	5,104
GST Recoupment	1,205	1,419
Prepayments	895	836
Subtotal	6,449	9,813
Less: Allowance for Doubtful Debts	(35)	(108)
TOTAL TRADE & OTHER RECEIVABLES	6,414	9,705
(C) OTHER FINANCIAL ASSETS (INVESTMENTS) Ergo Apartments - Shared Equity Loans	273	190
TOTAL OTHER FINANCIAL ASSETS (INVESTMENTS)	273	190
Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13		
(D) INVENTORIES		
Stores & Materials	174	169
Trading Stock	160	206

66

400

50

425

Note 6: Non-Current Assets

\$ '000	Notes	Consolidated 2015	Consolidated 2014
(A) FINANCIAL ASSETS			
Ergo Apartments - Shared Equity Loans		1,182	1,294
TOTAL FINANCIAL ASSETS		1,182	1,294
(B) EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
Council Solutions Regional Authority	19	102	122
Waste Care SA	19	55	65
TOTAL EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES		157	187
(C) OTHER NON-CURRENT ASSETS			
Employee Entitlements (unfunded superannuation asset)		1,001	659
TOTAL OTHER NON-CURRENT ASSETS		1,001	659

Note 7a (i): Infrastructure, Property, Plant & Equipment

		as	at 30/6/2014		
		At	At	Accumulated	Carryin
\$ '000	Fair Value Level	Fair Value	Cost	Dep'n	Valu
Non-Current Assets Held for Sale					
Land Held for Sale	2	5,156	-	-	5,15
Capital Work in Progress		-	27,336	-	27,33
Land					
Land - Crown	3	-	388,400	-	388,40
Land - Other	2	104,384	-	-	104,384
Land - Other	3	4,290	-	-	4,29
Buildings					
Buildings	2	286,226	-	119,529	166,69
Buildings	3	163,812	-	80,977	82,83
Park Land Improvements	3	73,045	-	36,763	36,28
Infrastructure					
- Stormwater and Drainage	3	104,358	-	55,358	49,00
- Bridges	3	54,164	-	26,264	27,90
- Footpaths	3	115,023	-	34,693	80,33
- Footpath Landscaping	3	2,831	-	-	2,83
- Kerb & Water table	3	62,126	-	17,066	45,06
- Public Lighting	3	88,318	-	30,325	57,99
- Roads	3	215,469	-	94,417	121,05
- Statues & Fountains	3	13,958	-	828	13,13
- Ticket Machines	3	2,947	-	1,648	1,29
- Traffic Signals	3	22,813	-	7,196	15,61
- Urban Elements	3	28,904	-	1,694	27,21
Other					
Civic Collection		-	11,282	-	11,28
Equipment, Furniture and Fittings		-	29,978	21,654	8,32
Library Books		-	6,398	4,724	1,67
Plant & Equipment		-	16,260	8,449	7,81
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		1,347,824	479,654	541,585	1,285,89
Comparatives		1,097,038	663,103	493,796	1,266,34

Note 7a (ii): Investment Property

Buildings and Structures	2	2,527	-	-	2,527
TOTAL INVESTMENT PROPERTY		2,527			2,527
Comparatives		4,542	-	1,475	3,067

Note 7a (i): Infrastructure, Property, Plant & Equipment (continued)

Asset Movements during the Reporting Period

	Asset Ac	dditions	WDV	Depreciation	Impairment Loss
\$ '000	New / Upgrade	Renewals	of Asset Disposals	Expense (Note 3c)	(recognised in P/L) (Note 3c)
Non-Current Assets Held for Sale					
Land Held for Sale	-	-	(4,346)	-	
Capital Work in Progress	27,194	31,909	(1,004)	-	
Land					
Land - Crown	-	-	-	-	
Land - Other	-	-	-	-	
Land - Other	-	-	-	-	
Buildings					
Buildings	-	-		(5,734)	
Buildings	-	34	-	(4,625)	
Park Land Improvements	-	-	-	(2,984)	
Infrastructure					
- Stormwater and Drainage	-	-	-	(2,960)	
- Bridges	-	-	-	(2,301)	
- Footpaths	-	-	-	(2,625)	
- Footpath Landscaping	-	-	-	-	
- Kerb & Water table	-	-	-	(821)	
- Public Lighting	-	-	-	(2,869)	
- Roads	-	-	-	(5,482)	
- Statues & Fountains	-	-	-	-	
- Ticket Machines	-	-	-	(337)	
- Traffic Signals	-	-	-	(1,054)	
- Urban Elements	-	-	-	(1,564)	(79
Other					
Civic Collection	-	-	-	-	
Equipment, Furniture and Fittings	-	-	(23)	(1,799)	
Library Books	-	-	-	(15)	
Plant & Equipment	-	-	(748)	(1,214)	
TOTAL INFRASTRUCTURE, PROPERT PLANT & EQUIPMENT	Y, 27,194	31,943	(6,121)	(36,384)	(79
Comparatives	74,827	19,793	(29,152)	(32,044)	(1,642

Note 7a (ii): Investment Property

Buildings and Structures	-	-	-	(95)	-
TOTAL INVESTMENT PROPERTY				(95)	-
Comparatives	-	-	-	(94)	-

Note 7a (i): Infrastructure, Property, Plant & Equipment (continued)

Asset Movements during the Reporting Period

Adjustments & Transfers	Project Related Expenditure (Note 3b)	Revaluation Increments/ Decrements to P&L - Investment Properties (Note 4)	Revaluation Decrements to P&L (Note 4)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)
		-	-	-	
	()				
(55,117)	(5,798)	-	-	-	
	-	-			
_		-			
-	-	-	-	-	
3,599 10,783	-	-	-	-	
(1. 170)					
(1,479)	-	-	-	-	
2,202	_		_	_	(2
		-		-	48,97
10,727	-	-		(7)	
-				-	
673	-	-	-	(2)	
7,014	-	-	(6,548)	(8,448)	
7,637	-	-	-	-	(1
(13,130)	-	-	-	-	
106	-	-	-	-	43
1,288	-	-	(2,343)	-	
22,006	-	-	-	-	2,07
1,175	-	-			
316		-		_	
2,200		-		-	
-	(5,798)	-	(8,891)	(8,457)	51,44
-	(6,420)	-	-	(5,815)	

Note 7a (ii): Investment Property (continued)

-	-	210	-	-	-
-		210			-
-	-	-	-	-	-

Note 7a (i): Infrastructure, Property, Plant & Equipment (continued)

	as at 30/6/2015						
\$ '000	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value			
Non-Current Assets Held for Sale				Faluo			
Land Held for Sale	810	-	-	810			
Capital Work in Progress	-	24,520	-	24,520			
Land							
Land - Crown	-	388,400	-	388,400			
Land - Other	104,384	-	-	104,384			
Land - Other	4,290	-	-	4,290			
Buildings							
Buildings	286,420	3,472	125,330	164,562			
Buildings	163,745	10,817	85,535	89,027			
Park Land Improvements	64,398	-	32,580	31,818			
Infrastructure							
- Stormwater and Drainage	106,533	-	58,318	48,215			
- Bridges	155,893	-	81,316	74,577			
- Footpaths	125,961	-	37,536	88,425			
- Footpath Landscaping	2,831	-	-	2,831			
- Kerb & Water table	62,796	-	17,886	44,910			
- Public Lighting	72,224	-	25,082	47,142			
- Roads	223,092	-	99,899	123,193			
- Statues & Fountains	-	-	-				
- Ticket Machines	3,384	-	1,885	1,499			
- Traffic Signals	22,585	-	9,077	13,508			
- Urban Elements	59,334	-	9,686	49,648			
Other							
Civic Collection	-	11,282	-	11,282			
Equipment, Furniture and Fittings	-	30,854	23,177	7,677			
Library Books	-	6,714	4,739	1,975			
Plant & Equipment	-	16,427	8,378	8,049			
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	1,458,680	492,486	620,424	1,330,742			
Comparatives	1,347,824	479,654	541,585	1,285,893			

Note 7a (ii): Investment Property (continued)

Buildings and Structures	3,280	-	638	2642
TOTAL INVESTMENT PROPERTY	3,280		638	2642
Comparatives	2,527	-	-	2527

Note 7b: Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

VALUATION OF ASSETS

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs. Where there is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other Information

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. With subsequent addition at cost, this remains as the basis of recognition of nonmaterial asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement. In the case of land, current replacement cost is taken to be the fair value.

Note 7b: Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Highest and best use

Much of the land under Council's care and control has been declared as community land under the provisions of the Local Government Act 1999.

Council's principal role as a provider of services to the community, promotes alignment with strategic outcomes as opposed to outright revenue generation. The highest and best use is taken to be the highest and best use available to Council, with a rebuttable presumption that the current use is the "highest and best use" incorporating such restrictions as mentioned above.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Park Lands Improvements

Park Lands Improvement assets were valued by Council officers at depreciated current 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 using the market approach during the reporting period ended 30 June 2014 by independent valuers.

Buildings

Building assets were valued using either the market or depreciated current replacement cost approach during the reporting period ended 30 June 2014 by independent valuers.

Infrastructure

Infrastructure assets including, roads, footpaths, stormwater drainage, kerb and water table were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2014. The remaining classes within infrastructure assets were valued by Council officers at depreciated current replacement cost during the reporting period ended 30 June 2015. For assets such as significant bridges where internal expertise is not available, external valuers are utilised.

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 not 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 17.

Note 8: Liabilities

		Co	nsolidated	Consolidated		
		2015	2015	2014	2014	
\$ '000	Notes	Current	Non Current	Current	Non Current	
(A) TRADE AND OTHER PAYABLES						
Goods & Services		13,030	-	13,510	118	
Payments Received in Advance		1,293	293	2,189	-	
Accrued Expenses - Employee Entitlements		1,174	-	1,025	-	
Accrued Expenses - Other		3,692	-	5,650	-	
Deposits, Retentions & Bonds		713	-	526	-	
Other		1,342	-	1,143	-	
TOTAL TRADE AND OTHER PAYABLES		21,244	293	24,043	118	
(B) BORROWINGS					. =	
Loans		10,500	-	11,021	1,736	
TOTAL BORROWINGS		10,500	-	11,021	1,736	
All interest bearing liabilities are secured over the future revenues	s of the Counc	il				
(C) PROVISIONS						
Employee Entitlements (including oncosts)		12,038	1,418	11,297	1,624	
Provision for Taxation - Carbon Tax		-	52	4	48	
Employee Entitlements (unfunded superannuation liability)		-	-	7	-	
Other		486	-	458	-	
TOTAL PROVISIONS		12,524	1,470	11,766	1,672	

2015 (CURRENT & NON-CURRENT)	Carbon Tax	Other
Opening Balance	52	458
Add Remeasurement Adjustments	-	28
Closing Balance	52	486

Note 9: Reserves

		Increments	;		
Consolidated	1/7/2014	(Decrements)	Transfers	30/6/2015	
\$ '000					
(A) ASSET REVALUATION RESERVE					
Land & Buildings	254,166			254,166	
Park Land Improvements	10,739	-	_	10,739	
Infrastructure					
- Stormwater and Drainage	9,120	(27)	-	9,093	
- Bridges	7,869	48,978	-	56,847	
- Footpaths	31,120	(7)	-	31,113	
- Kerb & Water table	57,980	(2)	-	57,978	
- Public Lighting	8,448	(8,448)	-	-	
- Roads	45,013	(14)	-	44,999	
- Statues & Fountains	3,730	-	-	3,730	
- Ticket Machines	-	431	-	431	
- Urban Elements	4,589	2,075	-	6,664	
Other Assets	1,003	-	-	1,003	
TOTAL ASSET REVALUATION RESERVE	433,777	42,986		476,763	
Comparatives	439,592	(5,815)	-	433,777	
(B) OTHER RESERVES					
Defined Benefit - Unfunded Superannuation Liability	668	197		865	
ACMA Renewal & Enhancement Reserves			2,198	2,198	
TOTAL OTHER RESERVES	668	197	2,198	3,063	
Comparatives	326	342	-	668	

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Defined Benefit Superannuation Reserve

This reserve is used to record the actuarial gains & losses on the Corporation of the City of Adelaide Superannuation Plan (CCASP) in line with AASB 119 requirements.

Adelaide Central Market Asset Renewal and Enhancement Reserves

Adelaide Central Market Authority Charter 2014 clauses 1.8.2 and 1.8.3 required the establishment of capital renewal and enhancement reserves to provide for the cost of undertaking capital expenditure in relation to the maintenance and upkeep of existing improvements and infrastructure in the Market.

Note 10: Assets Subject to Restrictions

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

		Consolidated	Consolidated
\$ '000	Notes	2015	2014
CASH & FINANCIAL ASSETS			
Open Space Contributions		-	81
Other		367	360
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		367	441
The following liabilities, included in Note 8, may be discharged from restricted ass	ets in the first ir	istance:	
Trade and Other Payables		367	441
TOTAL		367	441

Note 11: Reconciliation to Statement of Cash Flows

\$ '000	Notes	Consolidated 2015	Consolidated 2014
(A) RECONCILIATION OF CASH			
Cash Assets comprise highly liquid investments with short periods to maturity s	, .	•	
end of the reporting period as shown in the Statement of Cash Flows is recond	iled to the related	l items in the Balance Sl	heet as follows:
Total Cash & Equivalent Assets	5	6,149	7,581
BALANCES PER STATEMENT OF CASH FLOWS	-	6,149	7,581
(B) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FROM O Net Surplus/(Deficit)	PERATING ACT	TVITIES	15,434
Non-Cash Items in Income Statements		1,041	10,404
Depreciation, Amortisation & Impairment		36,558	33.783
Fair Value Adjustments		8,681	446
Equity Movements in Equity Accounted Investments (Increase)/Decrease		30	17
Non-Cash Asset Acquisitions		-	(13,259)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(938)	(559)
Net (Gain) Loss on Disposals		(277)	6,746
		45,695	42,608
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		3,364	(279)
Change in Allowances for Under-Recovery of Receivables		(73)	-
Net (Increase)/Decrease in Inventories		25	34
Net (Increase)/Decrease in Other Current Assets		(342)	359
Net Increase/(Decrease) in Trade & Other Payables		(2,811)	(3,392)
Net Increase/(Decrease) in Unpaid Employee Benefits		535	1,000
Net Increase/(Decrease) in Other Provisions		21	(781)
NET CASH PROVIDED BY (OR USED IN) OPERATIONS		46,414	39,549

Note 11: Reconciliation to Statement of Cash Flows (continued)

		Consolidated	Consolidated
\$ '000	Notes	2015	2014
(C) NON-CASH FINANCING AND INVESTING ACTIVITIES			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	-	13,259
Amounts recognised in Income Statement		-	13,259
Total Non-Cash Financing & Investing Activities		-	13,259
(D) FINANCING ARRANGEMENTS			

Unrestricted access was available at balance date to the following lines of credit:						
Bank Overdrafts	500	500				
Corporate Credit Cards	600	600				
Short Term Draw Down Facilities	45,000	60,000				

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

Note 12a: Functions

Details of these Functions/Activities are provided in Note 12(b).									
				OPERATING		GRA	NTS	TOTAL ASS	ETS HELD
				SURF	SURPLUS		JDED	(CURR	ENT &
INCO	OME	EXPE	NSES	(DEF	(DEFICIT)		OME	NON-CU	RRENT)
Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
1,951	2,390	33,501	37,957	(31,550)	(35,567)	158	382	-	-
51,785	50,770	12,335	12,342	39,450	38,428	162	-	155,569	143,634
1,939	1,829	5,585	5,690	(3,646)	(3,861)	15	21	246,614	375,335
9,367	9,719	17,175	21,241	(7,808)	(11,522)	1,189	1,080	775,855	598,474
3,990	3,759	6,276	6,024	(2,286)	(2,265)	27	152	115,257	130,554
47	81	4,658	5,291	(4,611)	(5,210)	57	81	-	-
112,717	107,399	93,129	78,577	19,588	28,822	5,717	2,841	55,675	60,464
181,796	175,947	172,659	167,122	9,137	8,825	7,325	4,557	1,348,960	1,308,461
	Actual 2015 1,951 51,785 1,939 9,367 3,990 47 112,717	2015 2,390 1,951 2,390 51,785 50,770 1,939 1,829 9,367 9,719 3,990 3,759 47 81 112,717 107,399	INCOME EXPE Actual Actual Actual 2015 2014 2015 1,951 2,390 33,501 51,785 50,770 12,335 1,939 1,829 5,585 9,367 9,719 17,175 3,990 3,759 6,276 47 81 4,658 112,717 107,399 93,129	INC○ME EXPENSES Actual Actual Actual 2015 2014 2015 2014 1,951 2,390 33,501 37,957 51,785 50,770 12,335 12,342 1,939 1,829 5,585 5,690 9,367 9,719 17,175 21,241 3,990 3,759 6,276 6,024 47 81 4,658 5,291 112,717 107,399 93,129 78,577	INC○ME EXPENSES OPERA SURF Actual Actual Actual OPERA 2015 2014 Actual Actual Actual 2015 2014 2015 2014 2015 1,951 2,390 33,501 37,957 (31,550) 51,785 50,770 12,335 12,342 39,450 1,939 1,829 5,585 5,690 (3,646) 9,367 9,719 17,175 21,241 (7,808) 3,990 3,759 6,276 6,024 (2,286) 47 81 4,658 5,291 (4,611) 112,717 107,399 93,129 78,577 19,588	INC→ME EXPENSES OPERATING SURPLUS (DEFICIT) Actual Actual Actual Actual 2015 2014 2015 2014 2015 1,951 2,300 33,501 37,957 (31,550) (35,667) 51,785 50,770 12,335 12,342 39,450 38,428 1,939 1,829 5,585 5,690 (3,646) (3,861) 9,367 9,719 17,175 21,241 (7,808) (11,522) 3,990 3,759 6,276 6,024 (2,286) (2,265) 47 81 4,658 5,291 (4,611) (5,210) 112,717 107,399 93,129 78,577 19,588 28,822	INCOME EXPENSES OPERATING SURPLUS (DEFICIT) GRA INCLU IN INC Actual Actual Actual Actual INCIN INCLU Actual Actual Actual Actual Actual Actual INCO 1951 2014 2015 2014 2015 2014 2015 1,951 2,390 33,501 37,957 (31,550) (35,567) 158 51,785 50,770 12,335 12,342 39,450 38,428 162 1,939 1,829 5,585 5,690 (3,646) (3,861) 15 9,367 9,719 17,175 21,241 (7,808) (11,522) 1,189 3,990 3,759 6,276 6,024 (2,286) (2,265) 27 47 81 4,658 5,291 (4,611) (5,210) 57 112,717 107,399 93,129 78,577 19,588 28,822 5,717	INCOME EXPENSES OPERATING SURPLUS (DEFICIT) GRANTS INCLUDED IN INCOME Actual Actual	INCOME EXPENSES OPERATING SURPLUS (DEFICIT) GRANTS INCLUDED IN INCOME TOTAL ASS (CURR NON-CU Actual I

Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).

Revenues and expenses exclude 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.
Note 12b: Components of Functions

The activities relating to Council functions are as follows:

City of Great Places City Design and Transport, City Planning and Public Realm

Accessible City

City Parking and Business Services, Adelaide Park Lands Authority

Creative City Vibrant City

Liveable City
City Community, Active City, City Safety and Customer Services

Prosperous City
City Growth and Investment, Rundle Mall Management Authority

Environmentally Sustainable City

City Sustainability & Park Lands

Corporate

Adelaide Central Market Authority, Office of the CEO, Media Relations, City & Corporate Governance, GM City Culture & Community Services, Marketing & Creative Services, Capital Works, GM City Infrastructure & Public Works, Infrastructure Management, Public Realm, City Design & Transport, City Planning & Development, City Sustainability & Park Lands, GM City Planning & Design, Rundle Mall Management Authority, Finance & Risk, GM Finance & Business Services & Property Development

RECOGNISED FINANCIAL INSTRUMENTS

BANK, DEPOSITS AT CALL, SHORT TERM DEPOSITS

Accounting Policy:

Carried at lower of cost and net realisable value; Interest isrecognised when earned.

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.

Carrying Amount:

Approximates fair value due to the short term to maturity.

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.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.65% (2014: 0.67%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance). **Accounting Policy:**

Carried at nominal value.

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 State and Federal Governments.

Carrying Amount:

Approximates fair value.

RECEIVABLES

Rates & Associated Charges (including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Fees & Other Charges

Other Levels of Government

Note 13: Financial Instruments (continued)

Shared Equity Contribution	Accounting Policy: Accounted for in accordance with AASB 13. Terms & Conditions: In accordance with AASB 13, the fair value measurement of the financial asset has been assessed as a Level 2. The valuation adopted a sale price comparison approach where the sales prices of comparable property in a similar location are adjusted for differences in key attributes such as car parks, bathrooms and outdoor areas. Carrying Amount: Fair value.
LIABILITIES Creditors and Accruals Interest Bearing Borrowings	Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues. Terms & Conditions: Liabilities are normally settled on 30 day terms. Carrying Amount: Approximates fair value. Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.
Finance Leases	 Terms & Conditions: Secured over future revenues, loans may be either, repayable by equal six monthly instalments of principal and interest, or interest only. Loans are procured via a tender process and interest rates are secured at drawdown. Carrying Amount: Approximates fair value. Accounting Policy: Accounted for in accordance with AASB 117.

Note 13: Financial Instruments (continued)

				Total	
	Due	Due > 1 year	Due	Contractual	Carrying
\$ '000	< 1 year	$\& \le 5 \text{ years}$	> 5 years	Cash Flows	Values
2015					
Financial Assets					
Cash & Equivalents	6,149	-	-	6,149	6,149
Receivables	2,979	-	-	2,979	2,979
Other Financial Assets	1,455	-	-	1,455	1,455
TOTAL FINANCIAL ASSETS	10,583	-	-	10,583	10,583
Financial Liabilities					
Payables	19,951	-	-	19,951	19,951
Current Borrowings	10,500	-	-	10,870	10,500
Non-Current Borrowings	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	30,451	-	-	30,821	30,451
2014					
Financial Assets					
Cash & Equivalents	7,581	-	-	7,581	7,581
Receivables	5,789	-	-	5,789	5,789
Other Financial Assets	1,484	-	-	1,489	1,489
TOTAL FINANCIAL ASSETS	14,854	-	-	14,854	14,854
Financial Liabilities					
Payables	21,854	118	-	21,972	21,972
Current Borrowings	11,134	-	-	11,134	11,021
Non-Current Borrowings	-	1,901	_	1,901	1,736
TOTAL FINANCIAL ASSETS	32,988	2,019	-	35,007	34,729
The following interest rates were applicable		30 June 2	015	30 June 20)14
to Council's Borrowings at balance date:		Weighted Avg	Corrections		
		Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates		3.60%	10,500	3.50%	11,021
Fixed Interest Rates		0.00%		5.30%	2,257
		5100 / 0	10,500		13,278

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.

Note 13: Financial Instruments (continued)

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 allowance 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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing 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 averse manner.

Note 14: Commitments for Expenditure

		Consolidated	Consolidated
\$ '000	Notes	2015	2014
CAPITAL COMMITMENTS			
Capital expenditure committed for at the reporting date b	ut not recognised in the financial statemer	ts as liabilities:	
Drainage & Waterways		735	19
Initiation & Data Collection		90	80
IT Corporate System		269	15
Lighting & Electrical		281	16
Park Lands & Squares		2	10
Plant & Equipment		1,480	555
Property		1,458	1,546
Property Investments		597	925
Strategic Priorities		2,619	13,674
Streetscapes		65	198
Transportation		285	103
Urban Elements		14	177
		7,895	17,318

These expenditures are payable:		
Not later than one year	7,895	17,318
	7,895	17,318

Note 15: Financial Indicators

Consolidated

	Amounts	Indicator	Indicator Prior Period	
\$ '000	2015	2015	2014	2013

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.

1. OPERATING SURPLUS RATIO				
Operating Surplus	9,107	10%	10%	(13%)
Rates - General & Other Less NRM levy	93,426			

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

1A. ADJUSTED OPERATING SURPLUS RATIO				
	<u>8,741</u>	9%	10%	(14%)
	93,426			

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

2. NET FINANCIAL LIABILITIES RATIO				
Net Financial Liabilities	32,013	18%	18%	13%
Total Operating Revenue	181,796			

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.

3. ASSET SUSTAINABILITY RATIO

Net Asset Renewals	31,382	90%	59%	115%
Infrastructure & Asset Management Plan required expenditure	35,030			

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.

Note 16: Uniform Presentation of Finances

\$ '000	Consolidated 2015	Consolidated 2014
The following is a high level summary of both operating and capital investment activiti Presentation Framework basis.	es of the Council prepared on a sir	nplified Uniform
All Councils in South Australia have agreed to summarise annual budgets and long-te	erm financial plans on the same ba	sis.
The arrangements ensure that all Councils provide a common 'core' of financial inform each Council's finances.	nation, which enables meaningful	comparisons of
Income	181,796	176,008
less Expenses	(172,689)	(167,200)
Operating Surplus / (Deficit)	9,107	8,808
add Project Related Expenditure	5,798	6,417
FUNDING SURPLUS BEFORE CAPITAL AMOUNTS	14,905	15,225
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	31,943	19,793
less Depreciation, Amortisation and Impairment	(36,558)	(33,783
less Proceeds from Sale of Replaced Assets	(561)	
Subtotal	(5,176)	(13,990)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	27,194	60,82
(including Investment Property & Real Estate Developments)		
less Amounts Received Specifically for New and Upgraded Assets	(938)	(559
less Proceeds from Sale of Surplus Assets	(5,837)	(22,406
(including Investment Property & and Real Estate Developments)		
Subtotal	20,419	37,856
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(338)	(8,641)
	(6665)	(0,011

Note 17: Operating Leases

\$ '000	Consolidated 2015	Consolidated 2014
LEASES PROVIDING REVENUE TO THE COUNCIL		
Council owns various buildings, plant and other facilities that a practicable) in accordance with the published revenue policy. investment property in Note 2.	•	

(i) 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.

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

2,644	2,727
5,494	5,028
27,488	27,286
35,626	35,041
	5,494 27,488

LEASES INCURRING EXPENDITURE FOR THE COUNCIL

(ii) Lease Payment Commitments of Council

These lease obligations are predominately for the operating lease of buildings.

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

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

Not later than one year	6,083	5,906
Later than one year and not later than 5 years	25,631	25,208
Later than 5 years	39,735	48,482
	71,449	79,596

Note 18: Superannuation

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

Marketlink (Accumulation Fund) Members

Marketlink receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings in accordance with superannuation guarantee legislation (9.50% in 2014/15; 9.25% in 2013/14). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2013/14) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of salary for Salarylink members to their Marketlink account. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue. The Salarylink section is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent full actuarial investigation was conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2015. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

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 2015 there were 6 active members.

Following an updated actuarial assessment, the asset recorded in the 2014/15 Financial Statements as per AASB119 requirements is \$1,001,000. The asset 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 2015.

Contributions to Other Superannuation Schemes

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

Note 18: Superannuation (continued)

\$ '000	Consolidated 2015	Consolidated 2014
Statewide Super – Corporation of the City of Adelaide Superannuation Pl	an:	
AASB119 disclosures		
Amount Recognised in the Balance Sheet		
Defined Benefit Obligation	2,718	2,877
Fair Value (MV) of Assets	(3,569)	(3,437)
Funded Status	(851)	(560)
Unrecognised (Gain)/Loss	(001)	(000)
Net (Asset)/Liability	(851)	(560)
Contributions Tax Reserve	(150)	(300)
NET (ASSET)/LIABILITY RECOGNISED IN BALANCE SHEET	(130)	(33)
(GROSSED UP FOR CONTRIBUTIONS TAX)	(1,001)	(659)
Expense Recognised in the Income Statement for the year to 30 June 20	15	
Current Service Cost	66	72
Member Contributions	(20)	(22)
Interest Cost	(18)	65
Expected (Return)/Loss on Assets	-	(128)
Actuarial (Gain)/Loss	-	(241)
Plan Expenses	7	15
Net Expense	35	(239)
Contributions Tax	6	(42)
NET EXPENSE RECOGNISED IN THE INCOME STATEMENT	44	(004)
(GROSSED UP FOR CONTRIBUTIONS TAX)	41	(281)
Projected Expense to be Recognised in the Income Statement for the year	ar to 30 June 2016	
Current Service Cost	67	66
Member Contributions	(17)	(19)
Plan Expenses	13	7
Net Interest on the Net Defined Benefit Liability / (Asset)	(18)	(18)
Net Expense	45	36
Contributions	7	6
NET EXPENSE RECOGNISED IN THE INCOME STATEMENT	52	42
(GROSSED UP FOR CONTRIBUTIONS TAX)		

Note 18: Superannuation (continued)

\$ '000	Consolidated 2015	Consolidated 2014
Statewide Super – Corporation of the City of Adelaide Superannuation Plan:		
AASB119 disclosures (continued)		
Reconciliation of Defined Benefit Obligation		
Defined Benefit Obligation at Start of Year	2,877	2,695
Service Cost	72	82
Interest Cost	79	81
(Benefit Payments)	(376)	-
Actuarial (Gain)/Loss	66	19
DEFINED BENEFIT OBLIGATION AT END OF YEAR	2,718	2,877
Reconciliation of Fair Value of Plan Assets		
Fair Value of Plan Assets as start of year	3,437	2,819
Employer Contributions	160	195
Member Contributions	20	26
(Benefit Payments)	(376)	-
(Plan Expenses)	(7)	(17)
Contribution Tax	(25)	(29)

Expected Return on Assets	97	83
Asset Gain/(Loss)	263	360
FAIR VALUE OF PLAN ASSETS AS END OF YEAR	3,569	3,437

FINANCIAL ASSUMPTIONS:

Discount rate (gross) at 30 June 2015: 2.32% p.a. (2.99% at 30 June 2014) As the expected future term of the liabilities is 5 years, the discount rate is based on the 5 year Government Bond Rates as at 30 June 2015.

Average Salary Increases: 4.0% p.a. Taken from the last actuarial investigation as at 30 June 2014.

Expenses: 0.06% of assets and 1.40% of salary This is based on advice from Statewide Super in August 2013.

Note 19: Joint Ventures and Associated Entities

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

(i) JOINT VENTURE ENTITIES

(a) Carrying Amounts

Name of Entity	Principal Activity	2015	2014
Council Solutions Regional Authority	Promotion of procurement and service delivery	102	122
Waste Care SA	Operation of a Resource Recovery Waste Transfer Station (RRWTS)	57	67
TOTAL CARRYING AMOUNTS - JOINT VENTURE ENTITIES		159	189

Council Solutions Regional Authority

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

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.

		est in Ig Result	Owne Share o	•	Propor Voting	
Name of Entity	2015	2014	2015	2014	2015	2014
Council Solutions Regional Authority	17%	17%	17%	17%	17%	17%
Waste Care SA	24%	24%	24%	24%	17%	17%

(c) Movement in Carrying Amounts

	Council Solutions Regional Authority		Waste Care SA	
	2015	2014	2015	2014
Opening Balance	122	61	67	25
Share in Operating Result	(20)	61	(10)	(78)
Share in Other Comprehensive Income	-	-	-	120
COUNCIL'S EQUITY SHARE IN THE JOINT VENTURE ENTITY	102	122	57	67

Note 19: Joint Ventures and Associated Entities (continued)

\$ '000 Consolidated		lidated 2014
(d) Share of Joint Venture Entities Expenditure Commitments		
Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as lia	hilities:	
	0111103.	
(e) Operating Expenditures Payable		
Not later than one year		26
		26

Note 20: Subsidiaries

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described in Note 1(c).

Adelaide Central Market Authority (ACMA)

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

Adelaide Park Lands Authority (APLA)

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

Rundle Mall Management Authority (RMMA)

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.

Council's Interest in Subsidiary	Interest in Outputs	Ownership	Voting Rights
Adelaide Central Market Authority (ACMA)	100%	100%	100%
Adelaide Park Lands Authority (APLA)	100%	100%	100%
Rundle Mall Management Authority (RMMA)	100%	100%	100%

Note 21: 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 these is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the 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.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance. Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs.

All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

The Corporation is disputing an accusation of breach of licence relating to the capping of land at the Wingfield site.

4. LAND COMPULSORY ACQUISITION

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

Note 22: Capital City Development and Economic Development

Expenditure of \$20.0m was incurred in relation to Council's commitments under the Capital City Development Program. This represents 10.88% of total expenditure for the year ended 30 June 2015.

In accordance with the requirements of the City of Adelaide Act 1998, expenditure of \$8.85m was incurred for works, services and activities that directly related to Council's economic development program. This represents 4.81% of the total expenditure for the year ended 30 June 2015.

Note 23: Events after the Statement of Financial Position Date

No matters or circumstances has arisen since 30 June 2015 that has significantly affected, or may significantly affect Council's operations, the results of those operations, or the Council's state of affairs in future financial years.



Tel: -61 8 7324 6000 Fax: -61 8 7324 6111 Weivy.bdo.com.au swiel 7, 500 Centre 420 kmg William Street Aagla-W SA 5000 GPO Sex 2018, Adelator SA 500 ASTRALIN

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

We have audited the accompanying financial report of Adelaide City Council, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equily and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive Officer and the Lord Mayor, for the consolidated entity comprising the Council and the entities is controlled at the year's end or from time to time during the financial year.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

Curresponsibility is to express an optimon 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 missiatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the council's internal control. An audit procedures that are appropriate in the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council's officers, as well as evaluating the overall presentation of the financial report.

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

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Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

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BDO Audit Partnership (SA)

G K Edwards Partner Adelaide. // October 2015



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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF ADELAIDE CITY COUNCIL

We have audited the compliance of Adelaide City Council (the Council) with the requirements of Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that Financial transactions relating to the receipt, expenditione and investment of money, acquisition and disposal of property and Incurring of Liabilities for the period 1 July 2014 to 30 June 2015 have been conducted property and In Accordance with Law.

The Council's Responsibility for the Internal Controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the Local Government Act 1999 in relation to Internal Controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities have been conducted property and in accordance with law.

Our Responsibility

Our responsibility is to express a conclusion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law in all material respects. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Buard, in order to provide reasonable assurance that, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2014 to 30 June 2015. ASAE 3100 also recurse us to comply with the relevant ethical requirements of the Australian professional accounting bodies. Our procedures included assessing the controls of the Council based on the criteria in the Better Practice Model—Internal Financial Controls, specificably:

- Obtaining an understanding of controls in relation to the receipt, expenditure and Envestment of money, the acquisition and disposal of property and the eccurring of habilities.
- Evaluating management's assessment of these controls.
- Assessing the risk that a material weakness exists.
- Testing and evaluating the design and implementation of controls on a sample basis based on the assessed risks

These procedures have been undertaken to form a conclusion as to whether the Council has complied in all material respects, with the Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of mowey, acquisition and disposal of property and incurring of liabilities have been conducted property and in accordance with taw, for the period 1 July 2014 to 30 June 2015.

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Inherent Limitations

Because of the inherent limitations of any compliance procedure. It is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with Section 125 of the Local Government Act. 1999 in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with Section 125 of the Local Government Act. 1999 in relation to the Internal Controls specified above are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

In our opinion, the Council bas complied, in all material respects, with Section 125 of the Local Government Act 1999 in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, ecquisition and disposal of property and incurring of Ilabilities have been conducted property and in accordance with law for the period 1 July 2014 to 30 Julie 2015.

BDD Audit Partnership (SA)

G K Edwards Partner Adetaide . 64 October 2015



Tel: -61 8 7024 8000 Esc: -61 8 7024 6001 www.bdo.com.au Level 7, 600 GW Cre 420 King Walham Sweet Adelaice SA 5000 GPD 804 2013, Adelaide SA 500-LISTRAIRE

CERTIFICATION OF AUDITOR INDEPENDENCE.

I confirm that, for the audit of the financial statements of the Adelaide City Council for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES (10 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Seard. In accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

G R Edwards Partner BDO Audit Partnership (SA) Adelaide, GH, October 2015

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Attachment 9

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

2 October 2015

Mr Seoff Edwards Partner BDO 7/420 King William Street ADELAIDE SA 5300

This representation letter is provided in connection with your as&it of the financial report of the Adelaide City Council for the year ended 30 June 2015 for the purpose of expressing an opinion as to whether the financial report is, in all invaterial respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999, City of Adelaide Act 1998 and the Local Government (Financial Management) Regulations 2011.

We confirm to the best of our knowledge and belief, having made such enquines as we considered necessary for the purpose of appropriately oforming pursielyes that:

Financial report

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

Information provided

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

Accounting standards

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

Assets

18 We have considered the requirements of AASB 156 – Impairment of Assets when assets og the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount.

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- 19. We have considered the projects held in the Capital VIP and considered that all of these assets will meet the recognition ordena of AASB 116 Property, Plant and Equipment.
- 20. The entity has satisfactory till e to all assets, and there are no litens or encumbrances on such assets nor has any asset been pledged as collateral. Allowing of property plant and equipment that have allowing or are otherwise unusably.
- 21 We have no plans to abandon lines of product or other plans or intentions that will result in any excession obsolete inventory, and no inventory is stated at an amount in excession retinoalisable value.

Liebilities and commitments

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

Contingent liabilities

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

Events after the reporting data

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

Publication on web site

32. Wetviespect to publication of the tinancial report on our wabsite, we acknowledge that

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

Other

- The disclosures of luxancial indicators per Note 15 have been prepared and presented in conformity with Local Government (Financial Management) Regulations 2011.
- 34. The disclosures of Lancial information per Note 20 have been prepared and presented in conformity with City of Adelande Act 1998.

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

Management has reviewed line Prisincial report, the contonis of which have been approved by the appropriate officers of this Authority. Further, all material tacks known to us which could affect the financial report have been made communicated to you.

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

Yours faithfully

..... ing Chief Executive Officer

Acting General Manager Strategic Finance & Business Services

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Adelaide City Council

General Purpose Financial Statements for the year ended 20 June 2015

Certification of Auditor Independence

To the best of our knowledge and balar, we contern that, for the purpose of the audit of Adetaide City Council for the year ended 30 June 2015, the Council's Auditor, SDO has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act

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

Peter Scargill ACTING CHIEF EXECUTIVE OFFICER

Date: 2 October 2015

David Powell PRESIDING MEMBER, AUDIT CONMITTEE

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ADELAIDE CENTRAL MARKET AUTHORITY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

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ADELAIDE CENTRAL MARKET AUTHORITY ANNUAL REPORT 2014-15

The 2014–15 period was the second full year of operation for the Adelaide Central Market Authority (ACMA) after its formal establishment in October 2012. A new ACMA Board Chairman, Mr Nick Begakis AO, was appointed on 1 July 2014 and a new Board was assembled from July 2014 through to March 2015 when the final Board Member, Mr Andrew Jonats was appointed on 16 March 2015.

The ACMA Board as at 30 June 2015 included the following members:

Mr Nick Begakis AO (Chairman), Mr Peter Khoury (Deputy Chair), Mr Dominic Lagana, Councillor Megan Hender (Central Ward Councillor, Adelaide City Council), Mr Bill Zaharis (TAG Chairman), Ms Loewn Steel and Mr Andrew Jonats.

Gavin Webster took on the role of Acting ACMA CEO from January 2014 to 30 March 2015 on secondment from his primary duties as Program Manager - City Parking & Business Services in Adelaide City Council's Administration. On 18 March 2015 Aaron Brumby commenced in the role of ACMA General Manager with Gavin Webster returning to his primary role in Adelaide City Council Administration.

A key priority for the ACMA Board was the creation of an Adelaide Central Market Authority Strategic Plan for 2015 to 2018. The Strategic Plan was presented to Adelaide City Council (Our Shareholder) in the form of a workshop at the Economic & Community Development Committee on 17 February 2015 after individual consultation with all Councillors of Adelaide City Council and meetings with Market Traders (Our Stakeholders) at the Adelaide Central Market. The Strategic Plan was then formally approved by the Adelaide City Council on 24 March 2015. After approval, the final Strategic Plan was shared with Market Traders through an after-hours Trader Briefing Session. The adoption of the Strategic Plan was a key milestone for ACMA, as it set the vision for the future of the Authority: "To be the world's leading food and produce market".

Following the establishment and approval of the Strategic Plan 2015–2018, ACMA prepared a supporting Business Plan for 2015-16. The Business Plan details specific actions to be undertaken in support of the Strategic Plan, and was approved by Adelaide City Council on 30 June with a supporting financial budget for the 2015–16 financial year.

For most of 2014–15, the Trader Advisory Group (TAG) was chaired by Mr Franz Knoll of Barossa Fine Foods. Mr Franz Knoll had been the TAG Chairman since ACMA was established. Upon the expiry of the TAG Chairman's two-year term in March 2015, Mr Bill Zaharis of Thompson Fruit & Veg and Central Fresh Fruiters was elected Chairman in accordance with the TAG Terms of Reference and ACMA Charter 2014. We thank Mr Franz Knoll for his service to the role of TAG Chairman and ACMA Board representation in accordance with the Adelaide Central Market Authority Charter 2014. Following the appointment of the new Chairman, twelve TAG committee members were elected in April 2015.

The ACMA Administration saw a number of new staff appointments, including the engaging of General Manager Mr Aaron Brumby; Marketing Manager – Strategic Projects Ms Jess Sheridan; and Digital Marketing Co-ordinator Ms Alisha Peeters. The two new marketing positions reflect the importance of developing the marketing and promotional activities of the Adelaide Central Market outside of traditional formats and methods.

After consultation with TAG, ACMA offered all traders the opportunity to vote on Core Trading Hours, to gauge stallholder sentiment for changing Wednesday's current voluntary trading day into a Core Trading day, which would require all traders to open for the full day. The result was a majority vote in support of maintaining existing Trading Hours without change.

A significant business initiative introduced by ACMA in 2014–15 was the Adelaide Central Market Food Business Incubator Program. This program offered assistance and guidance to South Australian entrepreneur's interested in establishing new food businesses involved in the distribution or adaption of Market sourced produce for the people of Adelaide and the 228,000 workers and visitors who come into the City of Adelaide every weekday. Six businesses joined the incubator program, as it continued to develop opportunities to enhance the prosperity of the Market and its traders.

Finance and Reporting

The full year financial result ended with a net surplus of funds of \$864,000 which was (\$261,000) adverse to the budget of \$1,124,000. The Administration budget was (\$9,000) adverse to budget due to unbudgeted maternity leave cover costs. The Market carpark was adverse to budget by (\$129,000) due to a (\$72,000) impact from transactional reduction and (\$57,000) expenditure which was budgeted as capital renewal/enhancement but determined to be operational at EOFY. The Market Complex budget was (\$123,000) adverse to budget due to expenditure which was budgeted as capital renewal/enhancement but determined to be operational at EOFY.

The ACMA Balance Sheet as of 30 June 2015 reflects net assets totalling \$2,799,000 which was an increase of \$864,000 from the opening balance of \$1,935,000 at 1 July 2014. The balances of the capital enhancement and capital renewal reserves, as required by the ACMA Charter 2014, have been reported.

Operations

ACMA continues to consider customer and trader safety as one of its highest priorities. The 2014–15 year saw the following cumulative results of reported medical treated injuries:

- 42 medically treated incidents from 1 July 2014 to 30 June 2015
- Of the 42 incidents, four were slips, 11 trips, 11 falls and 16 incidents attributed to other factors
- 15 reportable incidents were referred to Safework SA, while 27 cases were non-reportable incidents.

ACMA continued to implement new strategies and operational activities to the Market, to reduce the number of injuries occurring within the Market and Market Car Park requiring medical treatment. Nine fitouts/refurbishments were completed by Adelaide Central Market Traders during 2014–2015 including the following traders:

- Le Souk
- Comida
- Olive tree
- Latvian Lunchroom
- Coffee Bean Shop
- Piroshky Café
- Tony's Juice Bar
- Sevenhill Fine Food
- Island Pure

During 2014–15 the following key operational improvements were completed:

- Two-way radio communication upgrade, providing better coverage and duress function to all ACMA radios.
- Introduction of market carts for trader merchandise displays in front of Market stalls.
- Significant repairs were completed on the roof spanning the Adelaide Central Market with a total investment of \$120,862.
- Air-curtains were installed and commissioned at all entrances to improve the all year-round efficiency of air-conditioning and to reduce the effects of strong winds entering the Market.
- Additional exhaust extraction was installed on the Eastern Roadway in support of new traders who required exhaust for cooking facilities.
- LED lighting upgrades were completed to all entrances into the Market to lift light levels, provide more efficient lighting and a more inviting ambience.
- Remedial repairs were undertaken to the main waste compactor to tie-over until a new waste management facility is established in 2015-16.

Marketing

Approximately \$408,000 was spent on marketing and promotional activities for the Adelaide Central Market by the ACMA. A number of key events and campaigns were undertaken to provide greater brand awareness. Tactical marketing activities included:

Market Week: 2 to 6 September 2014

To celebrate the start of spring and all things 'Central Market', the annual Market Week was held once again, with the aim of increasing customer visitations and purchases at the Market through community engagement and activation. The week-long program of activities included a range of low cost and free activities such as State Opera Live, daily happy-hour specials, appreciation classes, cooking demonstrations, Market lunch boxes and the Fine Food Forage, along with a host of entertainment and musical performances.

Major seasonal campaigns: Christmas 2014 & Easter 2015

Both major campaigns commenced with a predominantly abovethe-line radio and print campaign, supported by direct mail, digital, outdoor and in Market advertising.

The campaigns for Christmas and Easter both featured new offerings such as fresh Christmas tree sales and an Easter egg hunt to entice young families.

Christmas also included the annual Tree of Goodness with OzHarvest, gift hampers and significant PR activity.

Santos Tour Down Under: 21 to 24 January 2015

To coincide with the Tour Down Under activities in Victoria Square, the Adelaide Central Market encouraged its customers and Tour Down Under visitors to explore the 'Market Espresso Garden' on Grote Street: a unique place to park their bike, enjoy their Market goodies and sit in the sunshine with a coffee. The activity was marketed towards city workers and included 'walk-up' coffee sales, along with a 'Shop n Win' completion to win a bike.

Community Kitchen agreement: U-Install-It/Farquhar Group – planning commenced February 2015

ACMA and the Farquhar Group partnered to create a permanent kitchen for the western wall of the Gouger Street dining area. The kitchen was provided at no capital cost to ACMA, other than the connection of services. In addition to weekly cooking demonstrations by Traders or chefs, the kitchen was also established to encourage the South Australian multicultural community to use the U-Install-It Community Kitchen as part of national day celebrations or to recognise a day of celebration important to a particular culture.

FIVEaa Outside Broadcast Agreement: March 2015 to present

Nova Entertainment has partnered with ACMA on the installation of a digital ISDN line into the Gouger Street dining area. This created the opportunity for live outside broadcasts to be undertaken without the added imposition of cost for external cables and extensive technical infrastructure. The cost of installation was borne by Nova Entertainment, who had expressed keen interest in regular outside broadcasts during the Michael Keelan and Will Goodings shows on FIVEaa. The ISDN line is accessible to any station, including television for live crosses, such as weather and news reports.

Tower Competition: February to June 2015

In February 2015, the Adelaide Central Market – Market Tower Competition was launched. The competition encouraged architects, designers, students and anyone with a creative idea and passion for the future direction of the Market Tower to submit ideas on how the 115-year-old tower could be best utilised, as it has consistently been vacant since its construction. The competition garnered significant media interest, with over 21 teams registering and 19 submissions provided to ACMA. The entries were then assessed by an expert judging panel, which collated a list of its top seven ideas, and selected an overall winner, a runner-up, and a student prize.

A 'People's Choice Award' was also promoted in media, and encourage people to visit the Market to view the submissions and vote for their favourite idea. In return, one customer won a \$100 Market voucher for participating. The 'People's Choice Awards' received 357 entries in Market, with the winners of the expert panel and People's Choice awards to be announced in early 2015-16.

Australian Mushroom Growers Association: June 2015

ACMA have rekindled a close connection with Pam Tobin from the Australian Mushroom Growers Association. Pam has had many years' experience with the Market – from trader relationships via her Food Studio business, through to demonstrations and event hosting. ACMA invited the 'Mighty Mushroom man' to hand out recipes and meet and greet traders and children.

Australian Meat Industry Council: June 2015

ACMA agreed to host the 2015 South Australian State Sausage King Grand Final on Friday, 14 July 2015 as well as the 2015 Apprentice Final. The event offered Market customers the opportunity to see a keen competition and witness the State's finest young apprentices strive to create the best tasting combination.

The Best of SA

FIVEaa featured a different business each day for twelve days, showcasing the iconic and successful local businesses that have thrived in South Australia. Through run-of-station promotions and interviews, and an outside broadcast with FIVEaa's Will Goodings, the Market was able to share its stories and give listeners the opportunity to be part of the celebrations and sample the best that South Australia has to offer.

Leasing

Seven new Traders were introduced into the Market during 2014–15, bringing a diverse range of multicultural flavours, which further enhances the international atmosphere of the market, and now includes Spanish, Algerian and Latvian cuisine. Importantly, each of these businesses makes and sells takeaway and extended shelf-life artisan foods onsite and are not cafés in style or produced food. The Adelaide Central Market continues to provide the greatest range of European, Australian and Asian cuisine in one location in South Australia.

Through 2024–15, a total of 24 lease renewals were completed for existing Market Traders. This represents over 30% of all leases in the Market.

Adelaide Central Market Car Park

The full year financial result for the carpark was Gross Receipts of \$5,392,000 less discounts of \$72,000 resulting in a net revenue position of \$5,319,000. This is an increase on last financial year of \$229,000 and is reflective of a number of key tariff changes, and in particular, higher occupancy rates for full day parking on Mondays.

Total vehicle numbers for the financial year 2014–15 were 1,122,000 compared to last year's result of 1,118,000 vehicles. This represented an increase in vehicle numbers of 4,000 vehicles or 0.004%, the positive growth is against the trend experienced by other CBD UPark Carparks for 2014–15.

Car Park operating expenditure was \$35,000 more than 2013–14 and \$57,000 favourable to the 2014–15 budget excluding rent paid to Adelaide City Council. The total car park expenditure for 2014–15 was \$3,786,000.

The tariff levels and occupancy rates for the Car Park are under constant review, with the ACMA Board establishing a Car Park Sub-committee to consider initiatives and incentive programs that grow the occupancy levels of the Car Park.

Conclusion

The relationship between the ACMA and Market Traders continues to strengthen in a collaborative fashion with significant dedication by ACMA Board Members and the Market Office team in being present and active on the Market floor and ACMA Board Members in engaging in regular communication with Traders. For the 2014– 15 year 73 Market Talks were issued to Traders communicating important information to Traders, as well as seven afterhours Trader Briefing sessions.

In closing, we would like to take this opportunity, on behalf of the ACMA Board & Administration, to acknowledge the ongoing high level of support, cooperation and goodwill from the Councillors, the Lord Mayor and the Administration of the Adelaide City Council demonstrated to the Adelaide Central Market Traders and Authority.

Nick Begakis AO

Aaron Brumby

CHAIRMAN Adelaide Central Market Authority GENERAL MANAGER Adelaide Central Market Authority

ACMA BUSINESS PLAN 2014-15 REPORT TO COUNCIL

The ACMA Business Plan 2014-15 was endorsed by Adelaide City Council (ACC) as part of its process for approval of the ACMA Budget for 2014-15. The ACMA Business Plan 2014-15 was developed and presented during the period of interim Governance at the time when there was no ACMA Board. The agreed focus of the ACMA team at that time was to maintain business as usual supporting stakeholder requirements with the next business plan and budget for 2015-16 being developed and aligned to the Market Strategy once completed by the new Board and endorsed by ACC.

Actions	Outcomes	Timeframe
1.1 Develop a Market trading mix which builds on the Market's authenticity and uniqueness and confirms its reputation as Australia's premier fresh food market	Formalise the desired Market mix and implement a supporting Mix Policy	June 2015 Carry forward to 2015/16 aligned to the new Strategic Plan
1.2 Create an integrated Market design plan	 An approved design plan that will include: Plans for the Facades and footpaths at the Grote and Gouger entry points of the Market Overall Market design theme supporting the History of the Market and the food offering Internal floor materials and finishes Internal wall paintings and decorations Stall design guidelines 	June 2015 Carry forward to 2015/16 aligned to the new Strategic Plan
1.3 Review Market trading days and hours with all stakeholders	 Research on Market Trading Hours completed Traders Advisory Group involved in developing and recommending the proposed changes Preferred hour and day options approved by all Stakeholders Implementation plan for changes detailing timescales and required actions Full marketing and advertising plan approved to support the implementation of the new days and hours 	December 2014 Plans finalised and approved March 2015 New hours and days with any changes implemented Complete
1.4 Review the Market infrastructure to support the change in days and hours of trading	 An approved plan fully designed and costed that will include: Review the storage facilities provided to fresh fruit and vegetable traders New provision for waste disposal with minimal impact to Stalls located on the trading floor Implementation of a solution to reduce inclement weather impacts on the market through the 6 exit and entry points of the Market Review of the Cleaning provisions of the Market 	June 2015 Complete June 2015 Carry forward to 2015/16 aligned to the Capital Works Program December 2014 Complete December 2014 Complete
1.5 Ensure the Market's accessible for customers.	 Car Park Automation completed Car Park discounts for optional trading Days ceased Working with ACC Traffic Strategy Teams review accessibility of the Market UPark and document agreed changes to be implemented 	June 2015 Carry forward to 2015/16, to be implemented by November 2015 September 2014 Complete

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2015

Certification of Financial Statements

We have been authorised by the Adelaide Central Market Authority (the Authority) to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards,
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2015 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, and
- · the financial statements accurately reflect the Authority's accounting and other records.

Aaron Brumby General Manager ADELAIDE CENTRAL MARKET AUTHORITY

Date: 25 SEPTEMBER 2015

Nicholas Begakis AO Chairman ADELAIDE CENTRAL MARKET AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
NOONE			
INCOME			
User Charges	2a	9,097	8,799
Investment Income	2b	83	88
Other Income	2c	21	17
Total Income		9,201	8,904
EXPENSES			
Employee Costs	За	775	689
Materials, Contracts & Other Expenses	Зb	7,409	7,263
Depreciation, Amortisation & Impairment	Зс	153	26
Total Expenses		8,337	7,978
OPERATING SURPLUS / (DEFICIT)		864	926
NET SURPLUS / (DEFICIT)		864	926
TOTAL COMPREHENSIVE INCOME		864	926

This statement is to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
ASSETS			
Current Assets			
Cash and Cash Equivalents	4a	3,218	1,670
Trade & Other Receivables	4b	223	164
Inventories	4c	15	-
Total Current Assets		3,456	1,834
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	5	601	296
Total Non-Current Assets		601	296
TOTAL ASSETS		4,057	2,130
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	1,258	195
Total Current Liabilities		1,258	195
TOTAL LIABILITIES		1,258	195
NET ASSETS		2,799	1,935
EQUITY			
Accumulated Surplus		601	1,935
Other Reserves	7	2,198	-
TOTAL EQUITY		2,799	1,935

This statement is to be read in conjunction with the attached notes.
STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

\$ '000	Notes	Accumulated Surplus	Other Reserves	Total Equity
2015				
Balance at the end of previous reporting period		1,935	-	1,935
Net Surplus / (Deficit) for Year		864	-	864
Total Comprehensive Income		864		864
Transfers between Reserves		(2,198)	2,198	-
BALANCE AT THE END OF PERIOD		601	2,198	2,799
2014				
Balance at the end of previous reporting period		1,009	-	1,009
Net Surplus / (Deficit) for Year		926	-	926
Total Comprehensive Income		926	-	926
BALANCE AT THE END OF PERIOD		1,935		1,935

This statement is to be read in conjunction with the attached notes.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts		9,127	9,054
Investment Receipts		83	88
Payments			
Operating Payments to Suppliers and Employees		(7,204)	(8,186)
Net Cash provided by (or used in) Operating Activities	8b	2,006	956
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Expenditure on Renewal/Replacement of Assets		(458)	(268)
Net Cash provided by (or used in) Investing Activities		(458)	(268)
Net Increase (Decrease) in Cash Held		1,548	688
plus: Cash & Cash Equivalents at beginning of period		1,670	982
CASH & CASH EQUIVALENTS AT END OF PERIOD	8a	3,218	1,670

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 2015

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements 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 as 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 Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

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

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

3 Income Recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

5 Inventories

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

Note 1: Summary of Significant Accounting Policies (continued)

6 Infrastructure, Property, Plant & Equipment

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 Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as Infrastructure, Property, Plant and Equipment.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds the materiality threshold established by the Authority. Items of property, plant and equipment with a total value less than \$2,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

6.3 Depreciation of Non-Current Assets

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

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

Plant, Furniture & Equipment

Office Furniture & Equip	oment	3 to 20 years
Other Plant & Equipme	nt	5 to 20 years

Building & Other Structures

Buildings – other construction	20 to 40 years
Benches, seats, etc	10 to 20 years

6.4 Impairment

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

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

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 within 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance, Retentions, Deposits and Bonds

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

Note 1: Summary of Significant Accounting Policies (continued)

8 Employee Benefits

8.1 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 avg. discount rate Weighted avg. settlement period 3.02% (2014, 3.55%) 5 years (2014, 5 years)

No accrual is made for sick leave as the Authority's 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. The Authority does not make payment for untaken sick leave.

9 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.

10 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.

11 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

12 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Note 2: Income

Notes	2015	2014
	5,288	5,097
	3,115	3,054
	694	648
	9,097	8,799
	83	88
	83	88
	-	17
	21	-
	21	17
	Notes	5,288 3,115 694 9,097 83 83 83 - 21

Note 3: Expenses

\$ '000	Notes	2015	2014
(A) EMPLOYEE COSTS			
Salaries and Wages		671	596
Employee Leave Expense		21	8
Superannuation		63	54
Workers' Compensation Insurance		20	31
TOTAL OPERATING EMPLOYEE COSTS		775	689
(B) MATERIALS, CONTRACTS AND OTHER EXPENSES			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		6	4
Board Fees		95	53
Operating Lease Rentals - Non-Cancellable Leases			
- Minimum Lease Payments		4,364	4,260
Subtotal - Prescribed Expenses		4,465	4,317
(ii) Other Materials, Contracts and Expenses			
Advertising and Promotion		-	12
Bank Charges and Cash Collection		105	82
Catering		3	2
Cleaning		774	771
Communications		5	3
Contractors		69	34
Energy and Water		703	697
External Plant Hire		3	2
Insurance		70	81
Legal Expenses		69	89
Levies Paid to Government - including NRM levy		32	26
Maintenance		255	320
Minor Plant and Equipment		40	25
Parts, Accessories & Consumables		50	38
Printing, Freight and Postage		2	3
Professional Services		91	137
Rates and Taxes		178	185
Security		274	260
Training and Development		15	3
Waste Services		185	160
Other		21	16
Subtotal - Other Material, Contracts & Expenses		2,944	2,946
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES		7,409	7,263

Note 3: Expenses (continued)

\$ '000	Notes	2015	2014
(C) DEDECIATION AMORTICATION AND IMPAIRMENT			
(C) DEPRECIATION, AMORTISATION AND IMPAIRMENT (i) Depreciation and Amortisation			
Buildings & Other Structures		74	26
(ii) Impairment			
Street Furniture		79	-
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT		153	26

Note 4: Current Assets

\$ '000	Notes	2015	2014
(A) CASH & CASH EQUIVALENTS			
Cash on Hand at Bank		3,218	1,670
TOTAL CASH & CASH EQUIVALENTS		3,218	1,670
(B) TRADE & OTHER RECEIVABLES			
Accrued Revenues		124	83
Debtors - General		90	27
GST Recoupment		-	53
Prepayments		9	1
TOTAL TRADE & OTHER RECEIVABLES		223	164
(C) INVENTORIES			
Trading Stock		15	-
TOTAL INVENTORIES		15	-

& Equipment
Plant 8
Property,
nfrastructure,
Note 5: In

		as at 30/6/2014	4	Asset I	Asset Movements during the Reporting Period Impairment Loss	ing the Reporti Impairment Loss	ing Period		as at 30/6/2015	Q
000, \$	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 3c)	(recognised in P/L) (Note 3c)	Adjustments & Transfers	At Cost	Accumulated Dep'n	Carrying Value
Capital Work in Progress										
Capital Work in Progress	33		33				(33)		1	I
Buildings										
Leasehold Improvements	06	(3)	87	413	(19)			503	(22)	481
Infrastructure										
Street Furniture	147	(19)	128		(32)	(62)		27	(10)	17
Other										
Plant & Equipment	54	(9)	48	78	(23)			132	(29)	103
Total Infrastructure, Property, Plant & Equipment	324	(28)	296	491	(74)	(62)	(33)	662	(61)	601

Note 6: Liabilities

		201	2015 2014		
\$ '000	Notes	Current	Non Current	Current	Non Current
TRADE AND OTHER PAYABLES					
Payments Received in Advance		92	-	32	-
Accrued Expenses - Other		1,160	-	51	-
Inter-Entity Loan Account		-	-	106	-
Other		6	-	6	-
TOTAL TRADE AND OTHER PAYABLES		1,258	-	195	-

Note 7: Reserves

\$ '000	1/7/2014	Tfrs to Reserve	Tfrs from Reserve	30/6/2015
OTHER RESERVES				
Asset Renewal Reserve	-	2,520	(479)	2,041
Asset Enhancement Reserve	-	459	(302)	157
TOTAL OTHER RESERVES	-	2,979	(781)	2,198

PURPOSES OF ASSET RENEWAL AND ENHANCEMENT RESERVES

Adelaide Central Market Authority Charter 2014 clauses 1.8.2 and 1.8.3 required the establishment of capital renewal and enhancement reserves. These reserves are designed to ensure the Adelaide Central Market Authority can undertake the ongoing maintenance and upkeep of existing improvements and infrastructure in the Market. The reserves were established for the first time in 2015, as such there are no prior period comparatives.

Note 8: Reconciliation to Statement of Cash Flows

\$ '000	Notes	2015	2014
(A) RECONCILIATION OF CASH Cash Assets comprise highly liquid investments with short end of the reporting period as shown in the Statement of C			
Total Cash & Equivalent Assets	4a	3,218	1,670
BALANCES PER STATEMENT OF CASH FLOWS		3,218	1,670
Net Surplus/(Deficit)		864	926
Not Surplue //Dofinit		964	0.26
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		153	26
		1,017	952
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(59)	240
Net (Increase)/Decrease in Inventories		(15)	-
Net Increase/(Decrease) in Trade & Other Payables		1,063	(236)
NET CASH PROVIDED BY (OR USED IN) OPERATION	NS	2,006	956

Note 9: Financial Instruments

				Total	
	Due	Due > 1 year	Due	Contractual	Carrying
\$ '000	< 1 year	$\& \le 5$ years	> 5 years	Cash Flows	Values
2015					
Financial Assets					
Cash & Equivalents	3,218	-	-	3,218	3,218
Receivables	214	-	-	214	214
Other Financial Assets	-	-	-	-	-
TOTAL FINANCIAL ASSETS	3,432	-	-	3,432	3,432
Financial Liabilities					
Payables	1,166	-	-	1,166	1,166
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	1,166	-	-	1,166	1,166
2014					
Financial Assets					
Cash & Equivalents	1,670	-	_	1,670	1,670
Receivables	110	-	-	110	110
Other Financial Assets	-	-	-	-	-
TOTAL FINANCIAL ASSETS	1,780	-	-	1,780	1,780
Financial Liabilities					
Payables	163	-	-	163	163
Current Borrowings	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES	163	-	-	163	163
The following interest rates were applicable to					
Council's Borrowings at balance date:	30 June			30 June 2	
	Weighted Avg	Carrying		Weighted Avg	Carrying
	Interest Rate	Value		Interest Rate	Value
Other Variable Rates	3.60%	-		3.25%	-
Fixed Interest Rates	0.00%	-		0.00%	-

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.

Note 9: Financial Instruments (continued)

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 Authority is the carrying amount, net of any allowance for doubtful debts. All Authority 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 Authority'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 the Authority'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 the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Mangement Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority 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 averse manner.

Note 10: Leasing Commitments

\$ '000

2014

2015

LEASES PROVIDING REVENUE TO THE AUTHORITY

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

(i)	Pro	perty	Lease
-----	-----	-------	-------

2,385	1,984
5,261	2,328
-	-
7,646	4,312
	5,261

LEASES INCURRING EXPENDATURE FOR THE AUTHORITY

(ii) Lease Payment Commitments of the Authority

The Authority leases the Central Market Complex from the Corporation of the City of Adelaide under a lease which commenced 1 October 2012 for a period of 21 years. The annual rent payable is determined using a floating percentage of income and net surplus funds. Due to this variability, future rent payable cannot be accurately quantified and is not disclosed below.

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

Rent paid during 2014/15 in accordance with the abovementioned lease arrangement is disclosed as Operating Leases in Note 3.

Commitments that can be accurately measured under non-cancellable operating least statements are as follows:	ases that have not been recognised in th	le financial
Not later than one year	911	864
Later than one year and not later than 5 years	939	1,806
Later than 5 years	-	
	1,850	2,670



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INDEPENDENT AUDITOR'S REPORT

TO THE PRINCIPAL MEMBER OF ADELAIDE CENTRAL MARKET AUTHORITY.

We have audited the accompanying financial report of Adelaide Central Market Authority, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year them ended, notes comprising a summary of significant accounting policies and other explanatory information, and the and the certification of the financial statements by the General Manager and Chairman of Adelaide Central Market Authority.

Board Member's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an optimion on the effectiveness of the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authenty'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.

(i) Cal. Weight Left 1000, in Weight for the demonstration of the protocol and the active devices in a stability in the Active Section of the section of the Active Section o

BDO

Opinion

In our opimion, the financial report presents fairly, in all material respects, the financial position of the Adelaide Central Market Authority as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act (999, and the Local Government (Financial Management) Regulations 2011.

BDO

BDO Audit (SA) Pty Ltd

G K Edwards Director Adelaide, 25 September 2015



Tel: (N1 3 7 124 M 0) Foc: (C1 5 7324 5111 www.5do.com.au Lose, 7, 200 Centre 400 King William Street Alexander val 900 GPD See 2018 - Alexander VA 9001 405174,14

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Central Market Authority for the year ended 30 June 2015. Thave 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 Beard, in accordance with the Local Government Act 1999 and the Local Government (Financia, Management) Regulations 2011 made under that Act

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

G R Edwards Director BDO Audit (SA) Pty Ltd Adelaide, 25 September 2015

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24 September 2015

Geoff Edwards Director BDO Audit (SA) Pty Ltd BDO Centre, Level 7 420 King William Street ADELAIDE SA 5000

Dear Geoff,

AUDIT FOR YEAR ENDED 30 JUNE 2015 OF ADELAIDE CENTRAL MARKET AUTHORITY

This representation letter is provided in connection with your audit of the financial statements of Adelaide Central Market Authority for the period ended 30 June 2015, for the purpose of you expressing an opinion as to whether the financial statements are, in all material respects, presented fairly in accordance Australian Accounting Standards (Including the Australian Accounting Interpretations), The Local Government Act 1999 and Local Government (Finance Management) Regulations 2011.

We acknowledge our responsibility for ensuring that the financial statements are in accordance with Australian Accounting Standards (Including the Australian Accounting Interpretations), The Local Government Act 1999 and Local Government (Finance Management) Regulations and confirm that the financial statements are free of material misstatements, including omissions.

We confirm to the best of our knowledge and belief, the following representations made to you during your audit.

Internal Controls

- We have established and maintained adequate internal controls to facilitate the preparation of reliable financial statements and adequate records have been maintained.
- All material transactions have been properly recorded in the accounting records underlying the financial statements.

Accounting Policies

We confirm that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.

ADELAIDE CENTRAL MARKET AUTHORITY Level 1, 44-60 Gouger St, Adelaide, 5000 / T +61 8 8203 7494 admin@adelaidecentralmarket.com / adelaidecentralmarket.com / ABN 54 824 264 891

Statement of Financial Position

Assets - General

- We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
- The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

Property, Buildings, Plant & Equipment

- Rates of depreciation applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the entity.
- Allowances for depreciation have been adjusted for all items of property, plant and equipment that have been abandoned or are otherwise unusable.
- Property, plant and equipment is appropriately recorded at the lower of amortised cost or its recoverable amount.
- Only those items allowed to be capitalised under AASB 116 Property, Plant and Equipment have been recorded as additions during the period.

Inventories

- All inventories owned by the entity, wherever situated, have been included in the financial statements. Inventory held on behalf of other parties has been excluded.
- We have identified all excess and obsolete inventories. No inventories are stated at an amount in excess of net realisable value. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory.

Impairment of Assets

 We have reviewed the requirements of AASB 136 Impairment of Assets and have determined that there have been no impairment indicators in the period which would require the performance of impairment testing.

Receivables

 Adequate allowance has been made, in the opinion of the directors, against receivables owing to the entity at the end of the reporting period. Such allowance has been made in accordance with AASB 139 Financial Instruments: Recognition and Measurement.

Cash

 There are no arrangements including restrictions on cash balances, compensating balances and line-of-credit or similar arrangements.

Liabilities

- 15. All liabilities have been taken up in the financial statements.
- 16. No asset of the entity were or is pledged as security for any liability.

Statement of Comprehensive Income

Revenue

17. Revenue has been recognised in accordance with AASB 118 Revenue.

General

Contingent Liabilities

- 118. We are not aware of any actual or possible litigation and claims involving this entity, other than the matters disclosed in the notes to the financial statements.
- Unasserted claims or assessments that our lawyers have advised us are probable of assertion have been recorded in the financial statements.
- 120. All contingent liabilities have been provided or noted in the financial statements.

Commitments

 There are no other commitments other than as disclosed in the notes to the financial statements.

Books, Records and Documentation

122. We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.

Minutes

123. All minutes of meetings held by the Board since the end of the previous reporting period have been given to you for your inspection.

Compliance with Laws and Regulations

- 124. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- 125. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
- 126. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

Subsequent Events

- 127. No events have occurred subsequent to the end of the reporting period that would require adjustment to, or disclosure in, the financial statements.
- 128. No events have occurred subsequent to the end of the reporting period that are not sufficiently material to require disclosure in the notes to the financial statements, but should be disclosed to shareholders through some other medium.

Fraud

129. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud and error.

- 130. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 131. We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the entity and which involved management, employees who have significant roles in internal control or others where the fraud could have a material effect on the financial statements.
- 132. We have disclosed to you any knowledge we have of allegations of fraud or suspected fraud which has been communicated to us by employees, former employees, analysts, regulators etc., and which may have affected the entity's financial statements.

Misstatements

133. There have been no uncorrected misstatements brought to our attention.

Electronic Presentation of Financial Statements

- 134. We are responsible for the electronic presentation of the financial statements.
- 135. We will ensure that the electronic version of the audited financial statements and the auditor's report on the web site will be identical to the final signed hard copy version.
- 136. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
- 137. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
- 138. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully

Aaron Brumby General Manager Adelaide Central Market Authority

Ko Balles

Karen Rodda Management Accountant Adelaide Central Market Authority

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2015

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Authority for the year ended 30 June 2015, the Authority's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act

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

Aaron Brumby General Manager ADELAIDE CENTRAL MARKET AUTHORITY

Date: 24 /09/2015

Delles to

Karen Rodda Management Accountant ADELAIDE CENTRAL MARKET AUTHORITY

Page 23

ADELAIDE PARK LANDS AUTHORITY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

MESSAGE FROM THE PRESIDING MEMBER

The Adelaide Park Lands continue to thrive and the Adelaide Park Lands Authority (APLA) has again, during 2014-15, continued to play its part in this process.

As an advisory body to Adelaide City Council and the State Government, APLA plays a very important role in guiding the management of the Park Lands and as a testing ground for new proposals.

A huge and invaluable resource surrounding the CBD and North Adelaide, the Park Lands are a highly contested resource, and deservedly so – we all want the best for this beautiful and charming park which sets Adelaide apart from other cities in the world.

Adelaide's Park Lands make up 930 hectares, surrounding and permeating the city. The City & Park Lands Plan was developed in 1837 and survives intact to this day.

The Adelaide Park Lands occupy 50% of the city – they contain a zoo, botanic gardens, native vegetation, beautiful event spaces, 200 hectares of sports fields and many formal gardens. They are an enviable asset for any city and one which helps make Adelaide one of the most liveable cities in the world. As well as responding to the various initiatives proposed for the Park Lands, APLA has spent a great deal of time this financial year reviewing the Adelaide Park Lands Management Strategy, particularly in engaging with key State Government departments, adjoining Councils and of course the community as to how best to improve the Park Lands.

The new Strategy builds on that developed in 2010 and will guide us towards making the Adelaide Park Lands the envy of the world.

Martin Haese Lord Mayor, Adelaide City Council Presiding Member, Adelaide Park Lands Authority

INTRODUCTION

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

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

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

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

- to undertake a key policy role with respect to the management and protection of the Adelaide Park Lands;
- to prepare, and as appropriate, to revise the Adelaide Park Lands Management Strategy in accordance with the requirements of the *Adelaide 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 2007-08.

This document reports on the work undertaken by the Authority during its eighth financial year from 1 July 2014 through 30 June 2015.

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



STATUTORY REQUIREMENT 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

Membership of the Adelaide Park Lands Authority comprises:

- The Lord Mayor
- Four members appointed by Council
- Five members appointed by the Minister responsible for the Adelaide Park Lands Act 2005.

During the 2014-15 financial year the following people served as members of the Authority:

Member

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

The Right Honourable the Lord Mayor Stephen Yarwood

Term as Presiding Member commenced 6 December 2010 and ended 14 November 2014.

The Right Honourable the Lord Mayor Martin Haese

Term as Presiding Member commenced 14 November 2014.

Ministerial appointments

Ms Mary Marsland PSM (Deputy Presiding Member)

Appointed 13 February 2012 to 12 February 2015 and re-appointed 10 March 2015 to 9 March 2016.

Ms Jane Chapman

Appointed 13 February 2012 to 12 February 2015 and re-appointed 10 March 2015 to 9 March 2016.

Dr Rosemary Anne Sharp

Appointed 18 February 2010 to 15 February 2013 and re-appointed 31 October 2013 to 12 February 2016.

Ms Stephanie Johnston

Appointed 31 October 2013 to 12 February 2016.

Mr Roger Zubrinich

Appointed 31 October 2013 to 12 February 2016.

Mr James Daly (deputy to Ms Johnston)

Appointed 31 October 2013 to 12 February 2016.

Ms Elaine Bensted (deputy to Mr Zubrinich)

Appointed 31 October 2013 to 12 February 2016.

Member

Council appointments

Councillor David Plumridge AM Appointed 10 December 2011, re-appointed 1 December 2012 to 30 November 2014.

Councillor Anne Moran

Appointed 10 December 2011, re-appointed 1 December 2012 to 30 November 2014, reappointed 1 January 2015 to 31 December 2016).

Councillor Michael Henningsen

Appointed 10 December 2011, re-appointed 1 December 2012 to 30 November 2014.

Councillor Anthony Williamson

Appointed 10 December 2011, re-appointed 1 December 2012 to 30 November 2014.

Councillor Priscilla Corbell Appointed 1 January 2015 to 31 December 2016.

Councillor Robert Simms Appointed 1 January 2015 to 31 December 2016.

Councillor Alex Antic Appointed 1 January 2015 to 31 December 2016.

Meetings

The Authority is required to hold at least one ordinary meeting each calendar month. During 2014-15, the Authority held:

- 10 ordinary meetings (due to the Council elections)
- one briefing (a confidential briefing on 23 September 2014)
- two workshops (on 12 February 2015 and 18 March 2015)
- one Park Lands Field Trip (on 29 January 2015).

Authority Member	Ordinary Meetings Eligible to Attend	Ordinary Meetings Attended	Briefing/ Workshops Eligible to Attend	Briefing/ Workshops Attended
Presiding Member, Lord Mayor Stephen Yarwood	4	1	1	1
Presiding Member, Lord Mayor Martin Haese	4	4	2	1
Ms Mary Marsland (Dep. Presiding Member)	10	9	3	2
Ms Jane Chapman	10	7	3	3
Dr Rosemary Anne Sharp	10	8	3	3
Ms Stephanie Johnston	10	10	3	3
Mr Roger Zubrinich	10	9	3	3
Ms Elaine Benstead (deputy for Roger Zubrinich)	1	1	0	0
Dr James Daly (deputy for Stephanie Johnston)	0	0	0	0
Councillor David Plumridge AM	4	4	1	1
Councillor Anne Moran	10	8	3	2
Councillor Michael Henningsen	4	4	1	1
Councillor Anthony Williamson	4	3	1	1
Councillor Priscilla Corbell	6	5	2	2
Councillor Robert Simms	6	5	2	2
Councillor Alex Antic	6	4	2	1

REVIEW OF THE ADELAIDE PARK LANDS MANAGEMENT STRATEGY

The major project for the Authority for the year was the review of the Adelaide Park Lands Management Strategy, for which the Authority is responsible under the Adelaide Park Lands Act 2005.

At its meeting on 13 February 2014, the Authority endorsed the:

- review of the current (2010) Adelaide Park Lands Management Strategy
- governance framework for the review (see Figure 2), including the establishment by the Authority of a Project Advisory Group (PAG).

The review of the Strategy commenced in May 2014, with the first meeting of the PAG held in July 2014.

Figure 2: Governance Framework for review of the Adelaide Park Lands Management Strategy



The Authority established the planning framework for this project by endorsing the Adelaide Park Lands Emerging Guiding Principles in August 2014, following advice from PAG. An overview of the Guiding Principles is provided in Figure 3.

Figure 3: Adelaide Park Lands Emerging Guiding Principles – Endorsed August 2014



Throughout the review of the Park Lands Strategy, the Authority has provided:

- input with respect to the Park Lands planning context and critical planning matters
- detailed review of research and background papers
- direction and advice on engagement undertaken with State Government, inner- metropolitan councils, community and stakeholders
- advice on the structure and outcomes of the revised Strategy.

The total budget for the review of the Park Lands Strategy for 2014-15 was \$102,000 (excluding staff resources provided by Council), with \$50,000 contributed by Adelaide City Council and \$52,000 by the State Government .

Additional funding was sought for the 2015-16 financial year to enable completion of the review.

Further information is provided below with respect to the:

- Project Advisory Group
- Engagement with inner-metropolitan councils
- Public Engagement

Project Advisory Group (PAG)

The PAG has proven to be a valuable group to provide input from a range of stakeholders into the review of the Strategy, and has assisted in the strengthening of working relationships between different agencies and councils.

Table 1 Membership of the PAG as at July 2015

Representation	Name of Organisation
Adelaide Park Lands Authority	Councillor Robert Simms
Lanus Autrionty	Roger Zubrinich
	Stephanie Johnston
State	Andrew McKeegan
Government	(Department of Planning, Transport and Infrastructure)
	Stephen Forbes
	(Department of Environment, Water and Natural Resources)
	Sam Dighton
	(Renewal SA)
Local Government	Suzy Stiles (City of West Torrens)
	Allison Bretones
	(City of Charles Sturt)
	David Litchfield
	(City of Unley)

The Terms of Reference for the Adelaide Park Lands Management Strategy Project Advisory Group are:

To provide advice on the review of the Adelaide Park Lands Management Strategy, in particular:

- The overall project plan and approach
- The conduct of stakeholder and community engagement, and outcomes
- Planning considerations and concerns relevant to the communities and/or portfolios the members represent, and, of relevance to the general public of South Australia
- The development, format and content of the Strategy
- Work undertaken to support the development of the Strategy, and
- Partnership opportunities, including funding, to support the review and implementation of the Strategy.

The following is a summary of the matters that PAG considered and/or provided advice on during 2014-15:

- The role and purpose of the Strategy
- The State Government's planning context and vision for the Park Lands, particularly their role for inner-metropolitan communities
- The open space needs, policies and plans of the adjoining councils of West Torrens, Unley and Charles Sturt
- The top ten planning issues for the Park Lands
- Participating in a Park Lands tour to provide on-ground context to planning considerations
- Together with APLA, discussing the planning tensions affecting the ability of the Park Lands to respond to major drivers of change
- The approach to, and outcomes of, the stakeholder and community engagement
- The structure for the Strategy.

Minutes of PAG meetings were reported to the Authority at each Authority meeting, and there were regular staff presentations providing the status updates.

Engagement with Inner-Metropolitan Councils

The Adelaide Park Lands form part of the Adelaide City Council area and are bounded by seven local government areas.

As part of the review of the Park Land Strategy the Authority championed engagement with these inner-metropolitan councils as the Park Lands are an important open space asset for these communities, given the relatively low amounts of public open space in the near-City suburbs and the targeted population growth in these areas.

The terms "Park Lands without borders" and "planning by catchment rather than Council" were used regularly during the engagement process to express the spirit and intent of the planning and engagement approach.

The process challenged those involved to think beyond current Park Lands responsibilities and council boundaries, and to contribute to planning for the Park Lands for all South Australians. The main themes which emerged from the engagement with innermetropolitan councils were:

- Places and Spaces Creating a diversity of attractions, destinations and spaces that appeal to a broad cross-section of the community
- Connectivity Strengthening walking and cycling connections between the City and suburbs, with a particular focus on addressing the barrier of the City ring route
- Landscape Diversity Increasing the area of irrigated parks and gardens to increase comfort for users – with this being balanced by support for retention of natural landscapes and biodiversity
- Collaboration There is a desire for a more flexible and adaptive approach to management of the Park Lands. The importance of a partnering approach is recognised.

This information will be used to help shape strategies and projects to be included in the draft Adelaide Park Lands Management Strategy.

The relationships developed as part of this engagement have provided a strong foundation for partnerships to support delivery of the Strategy.

Public Engagement

Engagement with the community and stakeholders is critical to the success of the review of the Park Lands Strategy. The Authority demonstrated significant commitment to the public engagement undertaken during 2015.

The "Shape the Adelaide Park Lands" campaign was run for 11 weeks from early May to mid-July 2015. A specific website was developed to support the engagement, together with unique promotional material used in postcards, posters, the website and other materials.

The statistics below indicate the success of the extensive and intensive campaign in engaging the public:

- 5,683 unique visits to the Shape the Park Lands website
- 22,843 page visits
- 1,540 ideas for the future of the Park Lands captured
- 2,245 "like" and 671 "I'm not sold" votes for ideas listed on the website
- 51 people participated in online forums
- 50,000+ people were reached on Facebook with some posts reaching 800+ (likes, comments and shares)
- Promotional animated video was viewed over 4,500 times on Facebook
- Five meetings with community groups.

The themes which emerged from the engagement are:

- Vibrancy: Parks that are vibrant with activities and events (19% of all submissions)
- Connectivity: Parks and places that are connected by paths and trails (17%)
- Sustainability: To protect the natural environment (15%)
- Community gardens: Places to grow food and a sense of community (9%)
- Activation: Parks with the things people need to stay longer and feel comfortable (8%)
- Playspaces: Places for people of all ages to play and have fun (8%)
- Lighting: Parks that are well lit for safe early morning and night time use (8%)
- Public Art: Art for discovery, inspiration and play (7%)
- Gardens and landscapes: A variety of gardens and landscapes (5%)
- Valued Park Lands: Respect and celebrate the value and heritage of the Park Lands (4%)

This information will be used to help shape strategies and projects to be included in the draft Adelaide Park Lands Management Strategy.

CORE RESPONSIBILITIES - PROVISION OF ADVICE ON PARK LANDS MATTERS

While the review of the Strategy has been the main project of the Authority during 2014-15, the Authority also dealt with a range of business relating to its core responsibility of providing advice to Council and the State Government on Park Lands matters.

An overview of these matters is provided below.

Signage for Warnpangga (Park 10) and Karrawirra (Park 12)

The Authority reviewed signage design which reinforces that the playing fields are part of the Park Lands while acknowledging University of Adelaide use and maintenance of the sporting facilities.

Hockey Proposal for Tuthangga (Park 17)

A presentation from representatives of Adelaide Hockey Club and Burnside Hockey Club outlined a proposal for a hockey facility in Tuthangga (Park 17) in the south-east Park Lands. The presentation addressed the project objectives, current and future users, site plan and building concepts. The Authority noted the proposal was consistent with the endorsed Sports Infrastructure Master Plan West and South Park Lands Regional Sports Areas.

Proposal for Floating Restaurant on Torrens Lake

The Authority supported exploration of the feasibility of such a proposal, given that the concept is broadly consistent with the activation and enhancement principles of the Adelaide Park Lands Management Strategy. Stakeholder consultation is to be undertaken to inform decision-making (yet to be reported).

Deceased Workers Memorial Forest in Bonython Park/Tulya Wardli

A deputation from a member of the public explained the significance of the forest in the northern part of Bonython Park/ Tulya Wodli to recognise people who are killed while at work. The Authority recommended to Council that a landscape plan be developed for the site, with consideration given to signage, a plaque, artwork and a memorial wall.

Review of Netball Parking in Wikaparnthu Wirra (Park 22)

A survey into netball parking and travel which had been undertaken by Council was presented to the Authority. The Authority noted an interim parking plan and that the review of the Adelaide Park Lands Management Strategy is to consider parking in this Park.

Park Lands Art Prize

Following the success of the Adelaide Parklands Preservation Association's Park Lands Art Prize last year, the Association again requested a financial contribution from Council to enable the art prize to proceed again this year. The Authority supported the request to Council. No funding has been secured to date.

Landscape Assessment of Views and Vistas from Roads in the South Park Lands

The Authority received a presentation from Council staff on the landscape assessment of views and vistas from roads in the south Park Lands, noting the opportunities to improve the visual permeability of the Park Lands and Park Lands roads through landscape design, siting of buildings and plantings, as well as car parking controls.

The Authority noted the opportunities to enhance the visual permeability of the Park Lands from Park Lands roads and entries as part of the review of the Park Lands Management Strategy. The Authority endorsed a series of guiding principles relating to improved visual permeability from the roads and car parking along Park Lands roads to be included as part of the review

Park Lands Naming Project

The Authority endorsed undertaking this naming project in accordance with the project plan. Naming protocols, unnamed areas and naming anomalies are to be examined by a Park Lands Naming Committee (a subcommittee established by the Authority) comprising Councillor Henningsen (later replaced by Councillor Moran following the Council elections), Dr Rosemary Anne Sharp and Mr Roger Zubrinich, with Ms Stephanie Johnston as proxy.
Leasing and Licensing of Community Land Policy

The Authority advised on the development of this policy, including the types and uses within the Park Lands which require leases and licences, the importance of sport in the Park Lands and the purpose and objectives of the policy. The Authority provided feedback on a range of issues relating to equity of use and access, level of commerciality and length of lease/licence terms. A report was requested on information about educational institutions' leases and licences duration and schedule of renewal, about continuous leases and schedules of expected use (yet to be reported). A deputation from a member of the public was received in regard to this topic.

Urban Design Elements

The Authority received a presentation from Council staff about the Urban Design Framework (now Manual), a joint project between the Adelaide City Council and the State Government, with the objective of improving design, quality and consistency of urban elements in the city and Park Lands. Urban elements including seating, paths, public lighting, shelters etc.

Garden of Unearthly Delights

The Authority received a presentation on the use of Rundle Park / Kadlitpina for the Garden of Unearthly Delights and the outcomes of comparative research from other capital cities, particularly on the impact on flora and fauna in the Park.

Victoria Park/Pakapakanthi

Management of recreation activities in this Park was the topic of reports to the Authority, which endorsed proposed changes to the areas used for dog off-leash and model aircraft flying, to improve safety in the area. The area was amended to allow the entire park to be off-leash except when the criterium track, the premium field and the southern sports fields are in use. Consultation undertaken during July 2014 generated 269 formal responses from the public, with majority support for the changes proposed. A deputation from a member of the public was received expressing concern about the extension of the dog off-leash area on native vegetation in the Park.

Clipsal 500

The Authority received a presentation from the CEO of the SA Motor Sport Board, Mr Mark Warren about the dismantling period after the race. The Authority advised that it expected access to be maintained to paths through Victoria Park/Pakapakanthi during the set-up/pull-down period, that fencing was to be erected as late as possible, that the build/dismantle program was to be shortened as much as possible and that the habitat of the Chequered Copper butterfly was to be protected.

Sports Infrastructure Master Plan West and South Park Lands Regional Sports Areas

Sports Infrastructure Master Plan West and South Park Lands Regional Sports Areas has the objective of providing clear direction for the future planning, development and management of sport and recreation infrastructure in the West and South Park Lands. The Authority noted that the Master Plan is consistent with the Adelaide Park Lands Management Strategy, the Park Lands Community Land Management Plan and the Active City Strategy, and endorsed the vision for Tuthangga (Park 17) and Narnungga (Park 25).

Enhancement of Narnungga (Park 25)

The Authority received a presentation in relation to the proposal to create a sports and community hub in this Park. This is the first major initiative proposed by a sporting organisation in response to the endorsed Sports Infrastructure Master Plan West and South Park Lands Regional Sports Areas. The Authority noted that building and car park were yet to be designed in detail and would need to include elements such as water-sensitive urban design and tree planting.

Adelaide Oval External Works

The Authority received correspondence from the Minister about proposed external works at Adelaide Oval and expressed concern at the increase in provision of hard-paved car parking adjacent to the northern entry. The Authority was kept informed about Council's consideration of the Adelaide Oval Landscape Master Plan.

Bonython Park/Tulya Wardli: Redevelopment of Park Lands opposite Bowden on Park Terrace

The Authority supported the revised Master Plan for the redevelopment of this part of the Park Lands subject to the State Government increasing its annual contribution to Park Lands maintenance, completion of detailed design and working with Council staff to meet Council needs and reduce maintenance costs.

Bureau of Meteorology proposal for Permanent Weather Observation Station in Tampawardli (Park 24)

Noting the value of the facility to the community and the historical and cultural association of the activity in the western Park Lands, the Authority supported the installation of the proposed weather observation station and recommended a 42 year lease for the facility. A deputation from a member of the public was received on this topic opposing use of the land by the Federal Government. Council also conditionally supported the proposal.

New Royal Adelaide Hospital 42 Year Lease Proposal

Support for a new 42 year lease proposal over the area in front of the hospital was provided by the Authority to facilitate access to the hospital site.

O'Bahn City Access Project

The Authority received a presentation from the O'Bahn City Access Project Manager who explained the project objectives, the implications on the Park Lands and the community engagement process. While supporting the net increase in the Park Lands as a result of the project, the Authority expressed its concern about a range of matters including the:

- the impacts on Rymill Park/Murlawirrapurka and the lake
- the width of the road corridor proposed
- the number of trees proposed for removal and
- the lack of information provided by the State Government about the proposal.

The Authority recommended referral of the project to the Australian Government for assessment against the values of the National Heritage Listing of the Adelaide Park Lands and City Layout.

The Authority received regular updates on the O'Bahn City Access project from Council staff relating to ongoing discussions with the State Government and amendments to the project in response to feedback from the Authority, Council and the community. Two deputations from members of the public were received on this topic expressing concern, amongst other things, about the impact on the amenity of the Park.

Review of State Government Boards and Committees

The Authority was informed that it remains part of the ongoing State Government review of Boards and Committees.

Ministerial Park Lands Zone Development Plan Amendment (DPA)

A presentation to the Authority explained the implications of the DPA whereby public infrastructure can be considered "on merit" rather than as non-complying development. The Authority resolved to object to the DPA on the basis that utilising the broad definition of public infrastructure in the *Development Act 1993* has the potential to expose the Park Lands to inappropriate land uses without adequate understanding of the potential consequences on the special status and character attributed to the Adelaide Park Lands.

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 2013-14

 In September 2014, the Authority adopted its Annual Report for 2013/14 and forwarded a copy to the Adelaide City Council and the Minister for Sustainability, Environment and Conservation.

Business Plan and Budget for the Authority - 2015-16

• In June 2015, the Authority adopted a Business Plan and Budget for the 2015-16 financial year, which was subsequently endorsed by Council.

SUPORTING 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 2013-14

• In September 2014, the Authority adopted its Annual Report for 2013/14 and forwarded a copy to the Adelaide City Council and the Minister for Sustainability, Environment and Conservation.

Business Plan and Budget for the Authority – 2015-16

• In June 2015, the Authority adopted a Business Plan and Budget for the 2015-16 financial year, which was subsequently endorsed by Council.

PERFORMANCE AGAINST THE 2014-15 BUSINESS PLAN

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 2014 to June 2015 was adopted at its meeting held on 26 June 2014.

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 2015 contained \$1000, being a donation from the Adelaide Park Lands Preservation Association.

At its meeting on 25 June 2015, the Authority established its Audit Committee to ensure it meets the requirements of the *Local Government Act 1999.*

CORE RESPONSIBILITY				
Outcomes	Performance targets	Performance measures	Achievements	
Advice provided to Council and / or the State Government on strategic matters relating to the Adelaide Park Lands, primarily preparation and implementation of policies, management plans and projects.	Provide advice as required to Council and the State Government on key matters relating to the Adelaide Park Lands.	 At least 12 meetings of the Authority held per year Advice provided to Council and State Government in a timely manner Receive at least two presentations on Park Lands planning and management related matters per year 	 The Authority held 10 ordinary meetings (due to Council elections), a briefing and two workshops (12 February and 18 March 2015). Advice was provided on a range of matters including the following: Leasing and Licensing of Community Land; Management of recreation activities in Victoria Park/Pakapakanthi; Hockey proposal for Tuthangga (Park 17); and Operations of the Clipsal 500 motor race. Presentations were provided on a number of those matters listed above. 	
Implementation of Park Lands marketing initiatives which focus on the promotional targets.	 Promotion of the Park Lands which focuses on: Raising public awareness of their importance; Increased, appropriate use; and Responsible management. 	Input into further refinement / development of existing program. Subject to availability of Council financial support.	Supported the production of a new suite of interpretive signs for the Park Lands. Supported the ongoing review and updates to Park Lands website.	

PERFORMANCE AGAINST THE 2014-15 BUSINESS PLAN (CONT.)

SUPPORTING RESPONSIBILITIES							
Outcomes	Outcomes Performance targets Performance measures Achievements						
Authority operates according to its required performance targets and 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 2014-15 adopted 26 June 2014				
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				
Authority makes appropriate use of available finances provided by Council	Quarterly Financial Reports	Reports adopted and presented to Council	Budget updates now provided through the Monthly Report				
The 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				
The Authority is audited according to the requirements of its Charter	Auditing required by the Authority's Charter	Council's external auditor and Audit Committee are satisfied the requirements are 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 by 30 September each financial year	Annual Report is submitted to Council by 30 September each financial year Annual Report for 2013-14 was adopted prior to 30 September 2014				
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				

ADELAIDE PARK LANDS AUTHORITY

General Purpose Financial Statements for the year shoted 33 June 2015

Cartification of Financial Statements

We have been authorized by the Council to certify the Evandal applements in their final form.

In our opinion:

- the accompanying (instruction is accomply with the (instruction and in 1999), Local Generative (Ferencie) Managements Regulations 2019, and Australian Accomplete Standards.
- The tenancial statements presents a total and tan view of the Council's Intercell position at 30 June 2015 and the results of its operations and Griph lines for the linancial year.
- Internet careto simplemented by the Sound's provide a reasonable assurance that the Council s tenancial records are complete, accurate and to able and were effective to bughout the ³ national year.
- the lunarizationsments accurately reflect the Count is accounting and other resonance.

Martin Paese LORD MAYING

site 2 October 2015

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
INCOME			
Grants, Subsidies and Contributions	2	162	159
Total Income		162	159
EXPENSES			
Materials, Contracts & Other Expenses	3	162	159
Total Expenses		162	159
OPERATING SURPLUS / (DEFICIT)		-	-
NET SURPLUS / (DEFICIT)		-	-
TOTAL COMPREHENSIVE INCOME		-	-

This statement is to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
ASSETS			
Current Assets	5		
Cash and Cash Equivalents		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 2015

\$ '000	Notes	Accumulated Surplus	Total Equity
\$ 000	INOLES	Surpius	Equity
2015			
Balance at the end of previous reporting period		1	1
Net Surplus / (Deficit) for Year		-	-
BALANCE AT THE END OF PERIOD		1	1
2014			
Balance at the end of previous reporting period		1	1
Net Surplus / (Deficit) for Year		-	-
BALANCE AT THE END OF PERIOD		1	1

This statement is to be read in conjunction with the attached notes.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts		162	159
Payments			
Operating Payments to Suppliers and Employees		(162)	(159)
Net Cash provided by (or used in) Operating Activities		-	-
Net Increase (Decrease) in Cash Held		-	-
CASH & CASH EQUIVALENTS AT END OF PERIOD		1	1

This statement is to be read in conjunction with the attached notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted by Adelaide Park Lands Authority in the preparation of these consolidated financial statements 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 as 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 (0 000).

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.

Note 1: Summary of Significant Accounting Policies (Continued)

7 New accounting standards and UIG Interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

The Authority has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- Fair value and
- Amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

Note 1: Summary of Significant Accounting Policies (Continued)

AASB 2014 - Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB
 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

8 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

9 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Note 2: Income

\$ '000	Notes	2015	2014
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other Grants, Subsidies and Contributions		162	159
TOTAL GRANTS, SUBSIDIES, CONTRIBUTIONS		162	159
(i) Sources of grants			
Adelaide City Council		162	159
TOTAL		162	159

Note 3: Expenses

\$ '000	Notes	2015	2014
MATERIALS, CONTRACTS AND OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		3	2
Subtotal - Prescribed Expenses		3	2
Other Materials, Contracts and Expenses			
Contractors		132	133
Advertising		-	1
Insurance		13	13
Sitting Fees		10	8
Legal Expenses		2	1
Sundry		1	1
Subtotal - Other Material, Contracts & Expenses		159	157
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES		162	159

Note 4: Current Assets

\$ '000	Notes	2015	2014
CASH & CASH EQUIVALENTS			
Cash on Hand at Bank		1	1
TOTAL CASH & CASH EQUIVALENTS		1	1

Note 5: Reconciliation to Cash Flow Statement

\$ '000	Notes	2015	2014
(A) RECONCILIATION OF CASH			
Cash Assets Comprise highly liquid investments with	short periods to maturity subject to insignifican	t risk of changes of value	e. Cash at the
end of the reporting period as shown in the Cash Flor	w Statement is reconciled to the related items ir	n the Balance Sheet as f	ollows.
Total Cash & Cash Equivalents	4	1	1
BALANCES AS PER CASH FLOW STATEMENT		1	
(B). RECONCILIATION OF CHANGE IN NET ASS	ETS TO CASH		
Net Surplus (Deficit)		-	-

NET CASH PROVIDED BY (OR USED IN) OPERATIONS

Note 6: Uniform Presentation of Finances

\$ '000	Notes	2015	2014

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.

Income	162	159
less Expenses	(162)	(159)
OPERATING SURPLUS / (DEFICIT)	-	-

NET LENDING / (BORROWING) FOR FINANCIAL YEAR



rei: -61 8 7324 6000 Fax: -61 8 7324 6111 www.bde.com eu Lovel J. 800 Centre 400 King William Street Advisión SA 2000 SPD 645 2018, Advis de SA 500 AUTRALIA

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF THE ADELAIDE PARK LANDS AUTHORITY

We have audited the accompanying financial report of the Adeta de Park Lands Authority "(the Authority"), which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the cash Howstatement for the year then onded, inites comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Lord Mayor

Authority's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opimon 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 considersinternal control relevant to the Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority's officers, as well as graduating the overall presentation of the financial report.

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

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Opinion

In our opinion, the Financial report presents fairly. In all material respects, the financial position of the Adelaide Park Lands Authority as at 30 June 2015, and its financial performance and cash Rows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

BOO

BDO Audit Partnership (SA)

G R Edwards Partner Adelaide, 64 October 2015



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Level 7, 800 Centre 420 Nmg William Street adiracie Sa 6000 GPC Box 2013, aselaide Sa 600 AUSTRA (A

CERTIFICATION OF AUDITOR INDEPENDENCE.

I confirm that, for the audit of the financial statements of the Adelaide Park Lands Authority for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board. In accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act

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

G K Edwards Partner BDO Audit Partnership (SA) Adelaide, G, October 2015

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Attachment 1

Adetaide City Council ABN 20 903 762 572 Customer Centre 25 Pirie Street, Adetaide GPO Box 2252 Adetaide South Australia 5001 Tel 08 6203 7203 Fax 08 8203 7575 city@adetaidecitycouncil.com

2 October 2015

Mr Geoff Edwards Pariner BDO 7/420 King Wilsam Street ADEL AIDE SA 5000

This representation letter is provided in connection with your audit of the financial report of the Adelaide Park Lands Authomy for the year ended 30 June 2015 for the purpose of expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Locar Government Act 1999, City of Adelaide Act 1998 and the Local Government (Extended Management) Regulations 2011.

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

Financial report

- 1. We have 5.4 Med our responsibilities, as set out in the terms of the audit orgageneent letter, with regard to the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999, City of Adelaide Act 1999 and the Local Government (Financial Minnagement) Regulations 2011.
- The selection and application of accounting policies is appropriate.
- 3. We acknow/odgo our responsibility for the design and implementation of internal controls to prevent and detect error. We have established and maintained adequate adversat controls to facilitate the preparation of a reliable Practical report, and adequate tinancial records have been material. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed imaccordence with the requirements of Austral an Accounting Standards.
- 6 All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immalenal, both individually and in the aggregate, to the tinancial report as a whole. A list of the uncorrected misstatements is attached to the representation latter.

information provided

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

Accounting standards

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

Publication on web site

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

we are responsible for the electronic presentation of the financial report.

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

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

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

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

Yours faithfully

Acting Chief Executive Officer

Acting General Manager Strategic Finance & Business Services

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ADELAIDE PARK LANDS AUTHORITY General Purpose Financial Statements

for the year ended 30 June 2015

Certification of Auditor Independence

To the setual our knowledge and ballet, we confirm that, for the purpose of the social of Addicide Cely Counce for the year ended 30 June 2015, the Councel's Auditor, BDO has maintained as independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Finance) Myngoement) Regulations 2015, made under that Act

This statement is prepared in economics of the requirements of Regulation 22(3) Social Galerianess' (Financial Management) Regulations 2011

Peter Scarpi

ACTING GHEY EXECUTIVE OPHICEA

Dable 2 October 2015

Davis Powel PRESIGNE MEMBER, AUDIT COMMITTEE

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RUNDLE MALL MANAGEMENT AUTHORITY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

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CHAIRPERSON'S REPORT

Welcome to the Rundle Mall Management Authority (RMMA) Annual Report

The 2014-15 financial year was a year of excitement, challenge and change for the RMMA and all its various Stakeholders. Not only did the Board continue to focus on the RMMA's Strategic objectives, including how the Rundle Mall Management Authority will continue to attract public and private sector investment, retain and attract more clients, and attract more shopper and visitors to the Precinct, but it was also the year in which the Rundle Mall Precinct unveiled a new brand; UNFOLD Rundle Mall.

The launch of the new brand marked the Board's desire to project 'Rundle Mall' to the world whilst representing the diverse stakeholder group that makes up the Rundle Mall precinct. As the major tourist and retail destination in South Australia, Rundle Mall excludes no one as a current or potential customer; especially given that Rundle Mall is a public space and the people of South Australia have a real connection to it, so the development of an accessible and lively brand was imperative and we are proud to see that it has been very successfully received.

Adelaide City Council's Rundle Mall Redevelopment Project was undoubtedly a necessary infrastructural change required to futureproof and propel the Mall into the global market. Over the past decade the retail industry has undergone a revolution, with many portion of the industry continuing to change dramatically. To match this change, the Mall needed to be revitalised, repositioned and reimagined as the Australian leader it once was. This project was much more than a re-pave; it was the first time that Rundle Mall has been purpose built from metres below ground, through the urban elements at ground level to a new state of the art catenary lighting system. Adelaide City Council and the Rundle Mall Management Authority collaboratively developed the Rundle Mall Masterplan to bring a new vision to the Precinct. Adelaide City Council's 'One City many Places' strategy defines the role that Rundle Mall will take as a "World Class Place of Firsts." A vision myself and the RMMA Board are committed to achieving. With the completion of Stage One of the Rundle Mall Masterplan, this Annual Report provides an opportunity to acknowledge the success of the Rundle Mall Redevelopment, the energy and vision of previous Board members, General Managers and Chief Executive Officers, and look towards the future with the recruitment and appointment of Amanda Grocock as the new General Manger, Rundle Mall Management Authority.

The delivery of the re-developed Mall is the foundation, the beginning that will carry the future of Rundle Mall as a place that:

- Is unique and holds its own on the world stage,
- Will hold its own in comparison to other places you have visited in the world,
- That continues to attract new retail from around Australia and the world; and
- Is a compelling central hub for the city of Adelaide.

It is and will remain unique.

We continue to thank our retail, business and stakeholder community for their patience, support and willingness to work with the Rundle Mall Management Authority, and Council throughout the last year; a sentiment that has seen a lift in the level of activation and interest in the precinct post development and brand launch.

Eric Granger | Chairman Rundle Mall Management Authority

GENERAL MANAGERS REPORT

At the Rundle Mall Management Authority we are very aware of the diverse stakeholder group and geographic location within which we operate. As such, the financial year 2014-15 saw the development and introduction of Rundle Mall's new brand UNFOLD Rundle Mall; a proposition designed to reposition the economic heart of our capital city in the mind of the customer, expanding their understanding to incorporate a promise of a large, diverse and inclusive offering with something for everyone and change customer perceptions of Rundle Mall being a linear street to the exciting and vibrant precinct we know it to be.

As the major tourist and retail destination in South Australia, Rundle Mall excludes no one as a current or potential customer; especially given that Rundle Mall is a public space and the people of South Australia have a real connection to it. It is that connection that allows that UNFOLD Rundle Mall brand to encourage our visitors to discover the Precinct of Rundle Mall for themselves.

With the completion of Adelaide City Council's \$30 million redevelopment of Rundle Mall and the subsequent private investment sparked by the same, the Precinct of Rundle Mall has changed and there's more to discover than ever before. Rundle Mall is a place where history and high-tech mingle. There's something hidden to surprise you around every corner and all you need to do is take the opportunity to explore... A buzzing backpackers' hostel alive with socialising; a library high above the shops; wining and dining across the rooftops; a trendy blues bar that time forgot; a luxurious hotel; and an intimate nook in which to hide away. This unique place is so much more than a Mall – it's a place with an authentic cultural heart. Having been with the Rundle Mall Management Authority since 2012 I have been in a privileged position to witness and be instrumental in the physical and cultural changes that have been undertaken in the precinct. As General Manager I am excited about what the future holds and look forward to leading the stakeholders of the Rundle Mall Precinct through the next phase of development, broadly categorised by a focus on technology, city growth, placemaking and the implementation of the Adelaide City Council Experience Adelaide strategy.

We continue to focus on ensuring that Rundle Mall is a place of firsts, holding its own on the world stage. A unique place that provides the optimum environment for investors to invest, traders to trade, shoppers to shop and visitors to visit.

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Amanda Grocock MBA | General Manager Rundle Mall Management Authority

RUNDLE MALL MANAGEMENT AUTHORITY ANNUAL REPORT 2014-15

Our Mission

To ensure the Rundle Mall Management Precinct provides the optimum environment for people to meet, traders to trade, investors to invest, shoppers to shop and visitors to visit.

Our Vision

The Rundle Mall Precinct: The pre-eminent shopping and business precinct in South Australia that unfolds a unique experience and is the preferred city meeting place. It is the very essence of South Australia and is the heart of the South Australian community.

Our History

Rundle Mall was established as the first pedestrianised Mall in Australia in 1976 and remains the longest pedestrianised Mall in the Southern Hemisphere.

Home to four leading department stores, 15 arcades and centres, more than 700 retailers and over 300 non-retail services and offices the Rundle Mall Precinct is the heart of South Australian retail. Bound by the southern side of North Terrace, the eastern side of King William Street, the northern side of Grenfell Street and the western side of Pulteney Street, the Precinct calls Rundle Mall its centrepiece.

With such a strategic position for tourists and locals alike, Rundle Mall lies in close proximity to the city's cultural highlights such as Government House, Adelaide Central Market, East End Rundle and the West End's medical, educational and entertainment precincts.

In February 2013 Adelaide City Council and the Rundle Mall Management Authority commenced a \$30 million redevelopment resulting in significant changes to the landscape including 520 metres of upgraded paving, the introduction of new seating, lighting and trees. The redevelopment project allowed the Rundle Mall Management Authority to create a new vision for Rundle Mall; a vibrant and exciting retail precinct to be enjoyed both day and night.

AN OVERVIEW OF THE RUNDLE MALL MANAGEMENT AUTHORITY

ABOUT THE RUNDLE MALL MANAGEMENT AUTHORITY

The Rundle Mall Management Authority (RMMA) is constituted under the provisions of the Local Government Act 1999 as a Subsidiary of the Adelaide City Council pursuant to Section 42. The RMMA was established in October 2008 to meet the challenges facing Rundle Mall in a competitive retail and commercial market place. The RMMA is governed by a Board of Directors representing business, retail, property and Council interests. The Authority is managed by a General Manager, five full-time staff with responsibility for marketing, events, operations and administration. Three additional part-time employees resource casual mall leasing, operations, online activities, sales and provide assistance to the Marketing Consultant.

The RMMA's over-arching aim is to improve the Rundle Mall Precinct's competitive stance and ensure a sustainable future for the diverse range of stakeholders. The Rundle Mall Precinct remains South Australia's most visited public and retail space and plays a key role in defining Adelaide on the local, national and international stage. The Rundle Mall Management Authority Board of Directors and staff remain ever cognizant 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 neighboring precincts and for added relevance and vibrancy within the wider City of Adelaide.

The Rundle Mall Precinct is bound by the southern side of north Terrace, the eastern side of King William Street, the northern side of Grenfell Street, the western side of Pulteney Street and all of the land in-between. Comprising of approximately 700 retail stores and 300 service based businesses, the Precinct includes 15 arcades and centres, four department stores and a myriad of laneways which inter-connect with the Mall and the neighboring cultural, dining, entertainment, business and transport orientated Precincts.

This is referred to as the Rundle Mall Levy Area with funds being raised through a separate rate declared by Council on rateable land in the Rundle Mall Precinct. These funds are provided to the Authority and must be expended by the Authority in accordance with the Annual Business Plan and Budget on projects specifically designated and approved (Section 1.3 of the Charter). It is noted that the Business Plan must be developed for a minimum two year period.

With annual sales collectively of approximately \$800M, approximately 24 million visitations per annum and employing in the vicinity of 5,000 people, Rundle Mall remains the retailing heart of South Australia.

BOARD MEMBERS

ERIC GRANGER – CHAIRPERSON

Eric was appointed Chairperson of RMMA in June 2015. Prior to December 2014 he was Deputy Chair and became acting Chair from December 2014 on the retirement of Theo Maras.

Eric has retail interests dating back to Rundle Street in 1973 and was previously the co-owner of Secrets Shhh in The Myer Centre. As a former GM of Mutual Community he also brings a wealth of knowledge and passion to see Rundle Mall remain as SA's premier retail and lifestyle precinct. Prior to June 2015 Eric was Deputy Chairperson, taking over as acting Chairperson.

BRUCE RIPPIN - DEPUTY CHAIRPERSON

Bruce was appointed acting Deputy Chairperson in December 2014 and became Deputy Chair in June 2015.

Bruce has extensive experience in the property development and business management areas having held a number of senior level management roles with high profile companies in the property sector. He is currently the Director of Urban Directions (Aust) Pty Ltd which specialises in providing development and strategic planning advice, project management and feasibility analysis expertise to public and private sector clients in respect to major urban development projects.

LORD MAYOR MARTIN HAESE

Martin Haese was elected Lord Mayor in November 2014. Martin was the founder and owner of the successful Youthworks retail clothing chain, which had its first store in Regent Arcade. He also co-founded the Entrepreneurs' Organisation in South Australia and has served on a number of boards, including the Adelaide Convention Bureau, Property Council of Australia's Mainstreets Committee and the South Australian Youth Arts Board. Martin was the General Manager of the RMMA from 2010 to 2013, having also served previously as a Board Member from 2008 to 2009. For the past 10 years, Martin has also been the Director and CEO of Retail IQ, which he founded in 2005 to provide strategic retail advisory and education services for corporate and government clients.

CLR NATASHA MALANI

Natasha Malani has served on Adelaide City Council since 2010 as an Area Councillor and as Deputy Lord Mayor between January 2014 and January 2015. She has also represented the Council on the Capital City Committee, the Adelaide Convention Bureau Board, the SA Motor Sports Board and the Premier's Taxi Council. Natasha manages her own consultancy called 'Access India', supporting Australian companies to develop market entry strategies into India. Prior to this she was the General Manager of the Australia India Business Council, former President of the Australia India Business Council (SA Chapter) and former Board Member of the Council for International Trade (SA).

Natasha joined RMMA Board in January 2015 replacing Houssam Abiad.

KATE ABRAHAM

Kate is a successful business owner with over 10 years of experience in event management, marketing, public relations and activation who has managed some of Adelaide's biggest events. Kate's experience in activating public spaces remains invaluable as the Rundle Mall Redevelopment Project comes to an end.

DAVID COOKE

David is a qualified and respected practicing architect who has expertise in placing urban design into a practical commercial realm as well as the creation of vibrant civic spaces. David is accredited as a Green Star Professional with the Green Building Council of Australia and is also acts as Treasurer for the Property Council's SA Division and for Mainstreet SA.

ROB MCKAY

After spending more than 15 years working outside of South Australia in various leadership and retail marketing roles. Rob is currently General Manager Retail for Beaumont Tiles, Australia's largest tile and bathroom ware retailer with over 100 stores across Australia based in it's National Support Office in Adelaide.

Before Beaumont Tiles, Rob was Chief Executive Officer of Australian Retail Franchise Group (the parent company of Wendy's) the 200 plus store franchise system retailing ice cream, shakes and hotdogs across Australia and New Zealand.

Rob joined the RMMA Board in August 2015.

DEBORAH MILLER

Deborah has been involved in technology consulting for over 12 years and has recently merged her business to form Acuere, where she is the CEO.

At Acuere, Deborah manages the business by developing corporate strategies and plans, marketing products and services, coordinating project activities and overall team cohesion. Her focus has been on High Performance Sales methodologies to complement the growing sales automation / CRM business. Acuere provides and implements a range of business management solutions from the world's leading vendors, creating competitive advantage and efficiencies for business. Acuere has offices throughout Australia.

Deborah joined the RMMA Board in August 2015.



GOVERNANCE

RMMA's Value Proposition

The Rundle Mall Management Authorities Value Propositions are contained in the Operating Agreement:

- Champion and realise the vision and strategic direction for place making and activation of the Rundle Mall Precinct as expressed in the Rundle Mall Masterplan
- Position the Precinct to sustain retail, business and economic growth & maintain economic viability
- Enhance and sustain the Precinct as the State's premier retail & commercial shopping district
- Promote market and manage the Precinct to increase its use by residents, visitors and the community
- Foster relationships with key stakeholders in the Precinct including State & Local Government, investors, retailers, property owners & customers
- Facilitate increased evening activation and activation of laneways and upper levels in the Precinct
- Provide long term financial sustainability for the Precinct through investment attraction & alternate funding sources
- Work closely with Council Administration to create a vibrant and attractive Precinct through the presentation of a high quality public realm

Governance, Management & Organisation

Rundle Mall Management Authority is a body corporate under the Local Government Act 1999 and in all things acts through the Board which has the responsibility to manage the business and other affairs of the Authority ensuring that the Authority acts in accordance with the act and the Rundle Mall Management Authority Charter.

The Board is responsible to manage all of the affairs of the Authority and ensure that the Authority acts in accordance with its charter and all relevant legislation including the *1999 Local Government Act*.

The Directors collectively have a range of knowledge, skills and experience across the following areas:

- Retail business experience
- Marketing, events and / or advertising experience
- Retail property management experience
- Experience as a Director or Board member of a similar body
- Financial management experience
- Local Government experience
- Planning design or place making

During the 2012 Governance Review the RMMA Board expressed a view that the most productive way to operate the Rundle Mall Management Authority is to minimise duplication with Adelaide City Council, each party focussing on what they do best in a spirit of co-creation. RMMA, therefore, continued its close working relationship with Adelaide City Council through the period of the 2014 -2015 Financial Year.

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.

Delegations

The Board of the RMMA has been granted a number of subdelegations from the CEO of Adelaide City Council. These were last reviewed in June 2015 as part of Councils Annual Delegations Review.

Operating Agreement

In October 2013 The Rundle Mall Management Authority and ACC signed an Operating Agreement. The Agreement outlines the formal working relationship between ACC and the RMMA. The Agreement is to be read in conjunction with the Charter of the Rundle Mall Management Authority. In the event of any discrepancy between the Operating Agreement and the Charter, the Charter takes precedence.

Management & Structure

The Rundle Mall Management Authority organisation chart is shown below:



KEY OBJECTIVES AND ACTIVITIES (July 2014 – June 2015)

Business Plan Objective	Outcomes	Timeframe
Complete Rundle Mall Redevelopment	Complete October 2014.Launch October 2014.	Completion of urban elements October 2014.Lighting delayed until October 2015.
Re-Brand Rundle Mall Precinct	 Whole of precinct brand. Launch with completion of Mall redevelopment works. 	 EOI complete July 2014. Brand Launch 1 May 2015. Brand: UNFOLD Rundle Mall Positive stakeholder, media and consumer feedback. Generated \$118K PR
Activate Laneways	 Hold Events in Laneways. Encourage Investment in Laneways. Launch RMMA Brand in a Laneway. Use Laneways to promote 'discovery'. 	 RMMA Events have been hosted in Laneways and other underutilised spaces; brand launch in Lindes Lane, Austin Street Food & Wine Festival, Hindmarsh Square activation. 2 new 'bricks and mortar' Laneway venues opened.
Develop Early Evening Economy	 Increase early evening activation via events, store opening, sponsorships. 	 Fringe Festival sponsorship designed to support early evening activation. Concessions open up to 7pm Monday to Thursday. Increased visitation in evening. 75% stores open regularly.
Introduce Client Relationship Management system	Complete stakeholder CRM system by October 2014.	Adelaide City Council CRM Project incomplete at financial year end.
Develop relationship with DTI to improve public transport access	 Public transport on Boxing Day. Public Transport for cruise ship passenger access to Mall. Car parking tax abolished. 	 New Transport arrangements negotiated for Boxing Day. Reduced cost of coach hire for cruise ship transportation - Cruise Passengers travel to City on train, met by volunteers. Cruise passengers encouraged to Mall via exclusive retail offers. Car parking included into RMMA strategy.
Develop Events Strategy	 The Mall as venue. Early evening events. Multicultural Festival to use Mall as a venue. More arts and culture in the Mall. 	 Christmas Pageant route returned to the Rundle Mall Precinct boundaries. Record attendance at the Adelaide Fringe Festival in-Mall activation and Street Theatre Festival. Growth in CML income (as per financial results).

Business Plan Objective	Outcomes	Timeframe
Promote market and manage to increase visitation	 EOI for PR retainer. Position as premier shopping destination. Use Concessions to introduce unique products. Improve economic health. 	 Professional PR company appointed on retainer. 42,000 Facebook followers. 2,500 Instagram followers. 10,000 Twitter. Visitation estimated approx 25M using WiFi. Retail results and anecdotal reports claim steady, low % growth in sales.
Work with CGI to develop retail strategy and attract new business to the Precinct	 Co - fund the retail strategy with ACC and SATC. Work with stakeholders and ACC to attract new retailers. Attract non-retail to upper levels 	 Retail Strategy Launched by ACC. Regular meetings with ACC developed pipeline of brands. New Retailers include: Tiffany's, Jamie's Italian, 2KW, Austin & Austin, BNKR, Move, and Katmandu. Upper story activation including: training school in the Edments Building.
Improve Financial Sustainability	Concessions.Casual Mall Leasing.	 >20 Concessions introduced. Income from Casual Mall Leasing and Concessions > budget.
Foster Relationships with Stakeholders	Stakeholder Forums.Regular news letters.	 5 Retailer forums executed. 14 newsletters distributed. Regular meetings held with department stores and centre managers. Action plans established with key stakeholders.
Consider and Identify changes to Governance strengthen the strategic delivery of RMMA	 Complete quarterly reviews. Review Operating Agreement. Improve relationships with ACC and Councillors. Conduct procurement Audit. Review delegations of authority. Review code of conduct. 	 Operating agreement updated. Strategy review meeting held with Councillors and GM's. Delegations under review by Board. Procurement audit due to be completed July 2015. Quarterly reviews completed. Procurement audit completed & recommendations actioned. Code of conduct reviewed & implemented.
Provide state of the art technology that will improve the visitor experience and help stakeholders do business	 Complete EOI to source non-capital way-finders and advertisement Screens. Re-instate people counting, which were discontinued at the start of the project in February 2013. 	 Way finder EOI completed in May 2014. Trialled WiFi people counting until January 2015.

OUR FINANCES

FUNDING

The Rundle Mall Management Authority is funded via a differential rate levy 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 and laid out in the annual Business Plan.

Having taken into account the general rating principles outlined in Section 150 of the Local Government Act 1999, Adelaide City Council applied a differential separate rate of 0.03554 cents in the dollar of the AAV (annually assessed value) in 2014/15. This rate has remained unchanged for the past two financial year periods.

Rundle Mall Differential Separate Rate

The Local Government Act 1999 (SA) provides that a Council may 'declare a separate rate on rateable land within a part of the area of the Council for the purpose of planning, carrying out, making available, supporting, maintaining or improving an activity that is, or is intended to be, of particular benefit to the land, or the occupiers of the land, within that part of the area, or to visitors to that part of the area'.

In the 2014-15 Financial Year, the Differential Rate provided approximately \$3.505 million for the purposes of delivering marketing, events, management and advocacy programs to influence retail sales, improve the business and customer environment and increase visitation numbers. Additional benefits received by Precinct stakeholders include:

- Operation Services: including: additional cleansing, security and safety.
- Public Relations: re-enforcing the Precinct as a place to visit, promote products, media exposure of Precinct businesses etc.
- Marketing and Communications: including: promoting the Precinct as a destination, promoting all businesses within the Precinct, place to work, great meeting place and attracting international and domestic visitors. Providing preferential media rates to Precinct businesses.

- Advocacy Services: for example linking investors, property owners and potential tenants, regular consultation and information sessions and communications.
- Events Management: encouraging more visitations to The Precinct, entertaining and offering amenity to the employees in the Precinct, exposing the businesses of the Precinct to consumers.
- Casual Mall Leasing: encourages new business, product launches, charities, media companies to use the Mall for exposure to consumers and attracting more consumers.
- Concessions: increase activation of public space, introduce new retailers, trial new products, introduce new business to the consumers and the Precinct businesses.
- Improved Economic Benefit: including attracting increased investment, numbers employed improved building occupation and attracting more consumers.

Self-Generated Funds

The Rundle Mall Management Authority self-generates additional funds via the provision of Casual Mall Leasing, Concession licences and Advertising Sales in any given year. Self-generated revenues account for the balance in total resourcing once the Rundle Mall Differential Rate has been taken into account.

In 2014-15 additional income of \$449,899 was generated.

Unspent and Carried Forward Funds

Section 1.8.3 of the Rundle Mall Management Authority Charter states that "All funds that remain unspent in a particular financial year in relation to specific projects may be accumulated for expenditure within the Rundle Mall Precinct later in the same financial year".

This document confirms that there were funds carried forward into 2015-16 of \$254,000.

Total Income

Description	\$'000 2014-15	\$'000 2013-14	\$'000 Variance:	Comment:
Differential Rate	3,505	3,286	219	Increase driven by new development. Levy rate in \$ lower.
Self-Generated Income	449	316	133	Introduction of concessions and a good performance from CML. CML and Concessions generated \$385,000 of income offsetting a difficult year for print advertisements which generated \$64,000.
TOTAL	3,954	3,602	352	

Total Expenditure

Description	\$'000 2014-15	\$'000 2013-14	\$'000 Variance:	Comment:
Advertising & Sponsorships	1,924	1,713	(211)	Impacted by the Unfold Rundle Mall brand development and launch campaign.
Contractors & Professional Services	1,221	1,048	(173)	Increase in staff to manage income growth.
Printing	173	197	24	One less Unique Magazine created in due to brand re-brand timing.
Security	206	195	(11)	Increased event security expenses.
Plant and Equipment	172	118	(54)	Increased infrastructure due to launch campaign events.
Premises	87	66	(21)	Increasing in cleaning, rent & electricity.
Minor assets	61	28	(33)	Expenditure on Charity support.
Sundries	28	22	(6)	
Catering	10	11	1	
Insurance	12	12	-	
Car parking	5	6	1	
Auditors	12	2	(10)	KMPG Procurement Audit & Year End.
TOTAL	3,911	3,418	(493)	

RUNDLE MALL MANAGEMENT AUTHORITY

General Purpose Financial Statements for the year ended 30 June 2015

Certification of Financial Statements

We have been authorized by the Council to certify the financial stelements of the Rundle Mail. Management Authority in their final form.

in my opinion:

- the accompanying financial statements comply with the Local Governation(Acr 1999 , Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- the financial statements present a true and fax view of the Rundle Mail Management Authority's financial position at 30 June 2015 and the results of its operations and cash flows for the financial yes?.
- Internal controls implemented by the Authority provide a teasonable assurance that the Authority's translat records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Sundle Map Management Authority's accounting and other records.

-

Eric Granger Chair of the Board

Date: 2 October 2015

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
INCOME			
Rates Revenue	2	3,505	3,286
User Charges	2	449	316
Total Income		3,954	3,602
EXPENSES			
Materials, Contracts & Other Expenses	3	3,911	3,418
Total Expenses		3,911	3,418
OPERATING SURPLUS / (DEFICIT)		43	184
NET SURPLUS / (DEFICIT)		-	-
TOTAL COMPREHENSIVE INCOME		43	184

This statement is to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
ASSETS			
Current Assets			
Trade & Other Receivables	4	263	211
Total Current Assets		263	211
Total Assets		263	211
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5	9	-
Total Current Liabilities		9	-
Total Liabilities		9	-
NET ASSETS		254	211
EQUITY			
Accumulated Surplus		254	211
TOTAL EQUITY		254	211

This statement is to be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

\$ '000	Accumulated Surplus 2015	Total Equity 2014
\$ 000	2013	2014
2015		
Balance at the end of previous reporting period	211	211
Net Surplus / (Deficit) for Year	43	43
Balance at the end of period	254	254
2014		
Balance at the end of previous reporting period	31	31
Adjustments (Correction to Prior Period)	(4)	(4)
Restated Opening Balance	27	27
Net Surplus / (Deficit) for Year	184	184
Balance at the end of period	211	211

This statement is to be read in conjunction with the attached notes.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

\$ '000	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts		3,911	3,418
Payments			
Operating Payments to Suppliers and Employees		(3,911)	(3,418)
Net Cash provided by (or used in) Operating Activities		-	-
Net Increase (Decrease) in Cash Held		-	-
CASH & CASH EQUIVALENTS AT END OF PERIOD			

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 2015

Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted by Rundle Mall Management Authority in the preparation of these consolidated financial statements 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 as 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 (0 000).

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.

Note 1: Summary of Significant Accounting Policies (Continued)

7 New accounting standards and UIG Interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

The Authority has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- Fair value and
- Amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

Note 1: Summary of Significant Accounting Policies (Continued)

AASB 2014 - Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

This Standard also makes an editorial correction to AASB 11.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

8 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

9 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Note 2: Income

\$ '000	Notes	2015	2014
RATES REVENUES			
Rundle Mall Levy		3,505	3,286
TOTAL GENERAL RATES		3,505	3,286
USER CHARGES			
Advertising		449	316
TOTAL USER CHARGES		449	316

Note 3: Expenses

\$ '000	Notes	2015	2014
MATERIALS, CONTRACTS AND OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		2	2
- Other Services		10	-
Subtotal - Prescribed Expenses		12	2
Other Materials, Contracts and Expenses			
Advertising and Sponsorship		1,924	1,713
Contractors and Professional Services		1,221	1,048
Printing		173	197
Security		206	195
Plant & Equipment		172	118
Premises Hire and Associated Costs		87	66
Minor Assets, Furniture & Fittings and Materials		61	28
Catering		10	11
Insurance		12	12
Car Parking		5	6
Telephone		1	2
Fringe Benefits Tax		-	2
Bad Debt		1	1
Sundry		26	17
Subtotal - Other Material, Contracts & Expenses		3,899	3,416
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES		3,911	3,418

Note 4: Current Assets

\$ '000	Notes	2015	2014
TRADE & OTHER RECEIVABLES			
Trade & Other Receivables - ACC		152	142
Trade & Other Receivables		80	27
GST Recoupment		32	42
TOTAL CASH & CASH EQUIVALENTS		263	211

Note 5: Current Liabilities

\$ '000	Notes	2015	2014
TRADE & OTHER PAYABLES			
Accrued Expenses		9	-
TOTAL TRADE AND OTHER PAYABLES		9	-

Note 6: Reconciliation to Cash Flow Statement

\$ '000	Notes	2015	2014
(A) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH	FROM OPERATING ACTIVIT	TIES	
Cash Assets Comprise highly liquid investments with short periods to	o maturity subject to insignifican	t risk of changes of valu	e. Cash at the
end of the reporting period as shown in the Cash Flow Statement is	, , ,	9	
Net Surplus (Deficit)		43	184
Add (Less): Changes in Net Current Assets		-	-
Net (increase) decrease in receivables		(43)	(184)
NET CASH PROVIDED BY (OR USED IN) OPERATIONS		-	-

Note 7: Uniform Presentation of Finances

\$ '000	Notes	2015	2014
The following is a high level summary of both operating and capital prepared on a simplified Uniform Presentation Framework basis.	investment activities of the Rundle N	Mall Management Au	thority
All Councils in South Australia have agreed to summarise annual bu	idgets and long-term financial plans	on the same basis.	
The arrangements ensure that all Councils provide a common 'core each councils finances.	e' of financial information, which ena	Ibles meaningful com	nparisons of
Income		3,954	3,602
less Expenses		(3,911)	(3,418)
OPERATING SURPLUS / (DEFICIT)		43	184
NET LENDING / (BORROWING) FOR FINANCIAL YEAR		43	184



Tel: -61 8 7324 6000 Fax: F61 8 7324 6111 WWW.bdo.com.au Level 7, 800 Centre 420 Ring WT - am Street Adelarde SA 5009 CPO Box 2018, Xoelarde SA 5001 ALSTRUCH

INDEPENDENT AUDITOR'S REPORT

TO THE PRINCIPAL MEMBER OF THE RUNDLE MALL MANAGEMENT AUTHORITY

We have audited the accompanying financial report of the Runcke Wall Management Authority "(the Authority"), which comprises the balance sheet as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the Anancial statements by the Chair of the Board.

Authority's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the (inancial 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 ongagements and plan and peaform the audit to obtain reasonable assurance above 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, and/or my the assessment of the risks of material missistement of the financial report, whether due to traud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial report is order to design audit procedures that are appropriate in the circomstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority's officers, as well as evaluating the overall presentation of the financial report.

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

BCI Audit Perine the (Set 46% 2) Rol /SE 37 in a member of a second association of indexembers envires which are dimensioned BKC (Associated Set also 2) ORE 10.215 as exists an exercise presented by parameter (BR) care Perine registrate DC) material registrates an BCD associations, and a US conduct antibiology basis for each of the indexember of second condependent, registrate Ref. Under the Software Robins of our Professional Synthetic by Classin labor for the second conduct of sources is memory and the second conduct and profession.



Opinion

In our opinion, the financial report presents fairly, in all inaterial respects, the financial position of the Rundle Mall Management Asthonizy as at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government (Financial Management) Regulations 2011.

BOO

BDO Audit Partnership (SA)

alder)

C K Edwards Partner Adelance, 🔐 Occober 2015



Tel: +61 § 7324 6000 Fait -61 8 7324 6141 =44w.bdp.com.au Level 7, 500 Centre 420 Amg Walliam Street Adelaide SA 5000 GPO Box 2018, Adelaide SA 500aic694, ra

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Rundle Mall Management Authority for the year ended 30 June 2015. I have maintained my independence in accordance with the requirements of APES +10 + Code of Ethres 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.

Tres statement is prepared in accordance with the requirements of Regulation 22 (5) Locat Government (Financial Management) Regulations 20:1.

G K Edwards Paruser BDO Audit Partnership (SA) Adelaide, <u>(Ji)</u>, October 2015

S50 had the transfer (Min 1971) ND 701 VF is a memory of an ensure of independencies on one which are all memory of S50 Generation and Aim 73 GS 110 135 in a set was company a more types in the TBA same Sector to provide the B60 means and b10 means are a LF company the following the more than be the sector of the terms of independencies of the terms. Labeling the top the access of a Production from the following the more than be the sector of the terms of the terms of the terms. Labeling the top to down access of the terms of terms of terms of the terms of te Attachment F

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

2 October 2015

Mr Geoff Edwards Partner 8DO 7/420 King William Street ADELAIDE SA 5000

This representation telter is provided in connection with your audit of the financial report of the Rundle Mail Management Authority for the year ended 30 June 2015 for the purpose of expressing an opinion as to whether the financial report is in all material respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999, City of Antelaide Act 1998 and the Local Government (Financial Management) Regulations 2011.

We confirm to the bost of our knowledge and belief, having made such enquines as we considered necessary for the ourcose of appropriately informing ourselves that:

Financial report

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

Information provided

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

Accounting standards

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

Publication on web site

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

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

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

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

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

Yours lashfully

Acting Chief Executive Officer

Acting General Manager Strategic Finance & Business Services

RUNDLE MALL MANAGEMENT AUTHORITY

General Purpose Financial Statements for the year ended 30 June 2015

Certification of Auditor Independence

To the best of our knowledge and behalf, we continu that, for the purpose of the audit of Adelaide City Council for the year anded 30 June 2015. The Council's Auditor, BDO has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2017 made under that Act

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

Peter Scarg# ACTING CHIEF EXECUITIVE OFFICER

Date: 2 October 2015

David Powell PRESIDING MEMBER, AUDIT COMMITTEE

page 15

WASTE CARE SA ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

Waste Care SA

Annual Report 2014-2015

BOARD MEMBERS

Adelaide City Council Mr Sean McNamara Board Member Mr Adrian Stokes Deputy Board Member

City of Campbelltown

Cr John Kennedy Chair Mr Kevin Lowe Deputy Board Member

City of Charles Sturt

Ms Fiona Jenkins Board Member Ms Jan Cornish Deputy Board Member

City of Norwood,

Payneham & St Peters Mr Peter Perilli Board Member Cr John Frogley Deputy Board Member

City of Prospect

Cr Mark Standen Board Member Cr Allen Harris Deputy Board Member

Corporation of the Town of Walkerville Cr David Whiting Deputy Chair

Chairman's Report



This will be my final report as Chairman of Waste Care SA.

Waste Care SA (WCSA) ended it's 10 year Project Agreement with Transpacific Industries Group Ltd (TPI) and ceased trading on 31st December 2014.

Member Councils successfully transitioned to their preferred disposal option from the tender process conducted by WCSA on their behalf.

As resolved by Member Councils, WCSA exercised it's put option to sell the WCSA Facility back to TPI for its original cost of \$11 million. Settlement of this transaction occurred on 17th February 2015 with the proceeds from the sale used to pay back all loans with the Local Government Finance Authority.

The lease over the site was assigned to TPI from that date and WCSA no longer has any current contracts or leases.

During the year Member Councils have resolved to wind up WCSA. All Member Councils have now written to the Minister for Local Government asking that the regional subsidiary be wound up.

21 Rundle Street, Kent Town SA 5067 Ph 08 8363 9100

At the time of writing this report, the Office of Local Government has advised the Executive Officer of WCSA that their recommendation to the Minister is that the regional subsidiary be wound up.

Once the Minister has agreed to wind up the regional subsidiary, the remaining net assets will be distributed to Member Councils in their equity proportions as set out in the Charter.

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 and wish them well in the future.

In finishing my report, can I thank the Board Members and Deputy Board Members for their help, assistance and governance during the year. I take this opportunity to wish them well in their future endeavours.

John Kennedy Chairman



		SWE	-
Summony Einensiel Statement (7	
Summary Financial Statement for the year ende			
Income Statement as at 30 June 2015	<u>2015</u>	2014	
	\$	\$	
Investment Income Commercial Activities	27,048	14,570	
	643,350	1,325,517	
Other—Carbon Tax Recoverable TOTAL INCOME	670,399	34,456 1,374,542	
	0,000		
EXPENSES			
Materials, Contracts & Other Services	415,790	564,232	
Finance Costs	297,903	744,719	
Depreciation, Amortisation & Impairment	-	361,271	
Other—Carbon Tax	-	34,456	
TOTAL EXPENSES	713,693	1,704,678	
NET (DEFICIT)	(43,294)	(330,136)	
OTHER COMPREHENSIVE INCOME			
Changes in Revaluation of Property, Plant & Equipment	-	507,304	
TOTAL COMPREHENSIVE INCOME	(43,294)	177,168	
Balance Sheet as at 30 June 2015			
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	241,607	505,290	
Trade Receivables	18,228	853,758	
Other Receivable—accrued income	-	34,456	
CURRENT ASSETS HELD FOR SALE			
Infrastructure, property, plant & equipment	-	11,000,000	
Total Current Assets	259,835	12,393,504	
NON-CURRENT ASSETS			
Infrastructure, Property, Plant & Equipment	-	-	
Total Non-Current Assets	-	-	
TOTAL ASSETS	259,835	12,393,504	
LIABILITIES CURRENT LIABILITIES			
Trade & Other Payables	26,765	835,540	
LGFA Loan	-	11,281,600	
Total Current Liabilities	26,765	12,117,140	
TOTAL LIABILITIES	26,765	12,117,140	
NET ASSETS	233,070	276,364	
EQUITY			
Accumulated Surplus/ (Deficit)	233,070	(1,730,940)	
Asset Revaluation Reserve	-	2,007,304	
TOTAL EQUITY	233,070	276,364	

General Purpose Financial Reports for the year ended 30 June 2015

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

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 2015 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 OFFICE**

Cr John Kennedy

CHAIRPERSON

Date: 25 September 2015

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2015

INCOME	Notes	2015 \$	2014 \$
Commercial Activities	2	643,350	1,325,517
Investment Income		27,048	14,570
Other - Carbon Tax recoverable	4	-	34,456
Total Income	-	670,399	1,374,542
EXPENSES			
Materials, contracts & other expenses	3	415,790	564,232
Depreciation, amortisation & impairment	3	-	361,271
Finance Costs	3	297,903	744,719
Other - Carbon Taxation	4	-	34,456
Total Expenses	-	713,693	1,704,678
OPERATING SURPLUS / (DEFICIT)		(43,294)	(330,136)
Asset disposal & fair value adjustments	6	-	-
NET SURPLUS / (DEFICIT)	-	(43,294)	(330,136)
Other Comprehensive Income			
Changes in Revaluation Surplus, Property, Plant & Equipmen	t	-	507,304
Total Other Comprehensive Income	-	-	507,304
TOTAL COMPREHENSIVE INCOME	-	(43,294)	177,168

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

BALANCE SHEET for the year ended 30 June 2015

ASSETS Current Assets	Notes	2015 \$	2014 \$
Cash and cash equivalents	5	241,607	505,290
Trade & other receivables	5	18,228	853,758
Other receivable - accrued income	4	-	34,456
Current Assets Held for Sale			
Infrastructure, property, plant & equipment	7	-	11,000,000
Total Current Assets	-	259,835	12,393,504
Non-Current Assets			
Infrastructure, property, plant & equipment		-	-
Total Non-current Assets	_	-	
Total Assets	_	259,835	12,393,504
LIABILITIES Current Liabilities			
Trade & other payables	8	26,765	835,540
LGFA Loan	8	-	11,281,600
Total Current Liabilities	_	26,765	12,117,140
Total Liabilities		26,765	12,117,140
NET ASSETS	_	233,070	276,364
EQUITY Accumulated Surplus		233,070	(1,730,940)
	_	-	2,007,304
TOTAL EQUITY	-	233,070	276,364

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

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

2015 Notes \$<			Accumulated Surplus	Asset Revaluation Reserve	TOTAL EQUITY
Restated opening balance(1,730,940)2,007,304276,364Net Surplus / (Deficit) for Year(43,294)-(43,294)Other Comprehensive Income(43,294)-(43,294)Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils2,007,304(2,007,304)-Balance at end of period233,070-233,070-233,070Constant Constant Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year(1,400,804)1,500,00099,196Other Comprehensive Income(1,400,804)1,500,00099,196Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member CouncilsChanges in revaluation surplus - infrastructure, property, plant & equipment Funds from Member CouncilsChanges in revaluation surplus - infrastructure, property, plant & equipment Funds from Member CouncilsConstant 	2015	Notes	\$	\$	\$
Restated opening balance(1,730,940)2,007,304276,364Net Surplus / (Deficit) for Year(43,294)-(43,294)Other Comprehensive Income(43,294)-(43,294)Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils2,007,304(2,007,304)-Balance at end of period233,070-233,070-233,070Constant Constant Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year(1,400,804)1,500,00099,196Other Comprehensive Income(1,400,804)1,500,00099,196Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member CouncilsChanges in revaluation surplus - infrastructure, property, plant & equipment Funds from Member CouncilsChanges in revaluation surplus - infrastructure, property, plant & equipment Funds from Member CouncilsConstant Funds from Member Councils					
Net Surplus / (Deficit) for Year Other Comprehensive Income Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils(43,294)-(43,294)Balance at end of period2,007,304(2,007,304)-2014Balance at end of previous reporting period Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year Other Comprehensive Income Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils507,304507,304	Balance at end of previous reporting period		(1,730,940)	2,007,304	276,364
Other Comprehensive Income Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils2,007,304(2,007,304)-Balance at end of period233,070-233,070-233,0702014Balance at end of previous reporting period Restated opening balance Net Surplus / (Deficit) for Year Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils(1,400,804)1,500,00099,196(330,136)(330,136)(330,136)(330,136)(330,136)	Restated opening balance		(1,730,940)	2,007,304	276,364
Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils2,007,304(2,007,304)-Balance at end of period233,070-233,070-233,0702014Balance at end of previous reporting period Restated opening balance Net Surplus / (Deficit) for Year Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils(1,400,804)1,500,00099,196Other Comprehensive Income Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304	Net Surplus / (Deficit) for Year		(43,294)	-	(43,294)
plant & equipment Funds from Member Councils2,007,304(2,007,304)-Balance at end of period233,070-233,0702014Balance at end of previous reporting period Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils(1,400,804)1,500,00099,196Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304	Other Comprehensive Income				
Plant & equipment Funds from Member Councils Balance at end of period 233,070 - 233,070 2014 Balance at end of previous reporting period Restated opening balance (1,400,804) 1,500,000 99,196 Net Surplus / (Deficit) for Year Other Comprehensive Income (1,400,804) 1,500,000 99,196 Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils - 507,304 507,304	Changes in revaluation surplus - infrastructure, property,		2 007 304	(2 007 304)	_
Balance at end of period233,070-233,0702014Balance at end of previous reporting period Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year Other Comprehensive Income Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils(1,400,804)1,500,00099,1960(330,136)(330,136)(330,136)(330,136)			2,007,304	(2,007,304)	-
2014Balance at end of previous reporting period Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year Other Comprehensive Income(1,400,804)1,500,00099,196Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304	Funds from Member Councils				
2014Balance at end of previous reporting period(1,400,804)1,500,00099,196Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year(330,136)(330,136)(330,136)Other Comprehensive IncomeChanges in revaluation surplus - infrastructure, property, plant & equipment-507,304507,304Funds from Member Councils	Balance at end of period		233,070	-	233,070
Balance at end of previous reporting period(1,400,804)1,500,00099,196Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year(330,136)(330,136)(330,136)Other Comprehensive Income(330,136)(330,136)507,304Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304					
Balance at end of previous reporting period(1,400,804)1,500,00099,196Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year(330,136)(330,136)(330,136)Other Comprehensive Income(330,136)(330,136)507,304Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304					
Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year(330,136)(330,136)(330,136)Other Comprehensive Income(330,136)507,304507,304Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304	2014				
Restated opening balance(1,400,804)1,500,00099,196Net Surplus / (Deficit) for Year(330,136)(330,136)(330,136)Other Comprehensive Income(330,136)507,304507,304Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304					
Net Surplus / (Deficit) for Year(330,136)(330,136)Other Comprehensive Income(330,136)(330,136)Changes in revaluation surplus - infrastructure, property, plant & equipment Funds from Member Councils-507,304507,304	Balance at end of previous reporting period		(1,400,804)	1,500,000	99,196
Other Comprehensive Income - 507,304 Changes in revaluation surplus - infrastructure, property, - 507,304 plant & equipment - - - Funds from Member Councils - - -	Restated opening balance		(1,400,804)	1,500,000	99,196
Changes in revaluation surplus - infrastructure, property, plant & equipment- 507,304507,304Funds from Member Councils	Net Surplus / (Deficit) for Year		(330,136)		(330,136)
plant & equipment - 507,304 507,304 Funds from Member Councils - - -	Other Comprehensive Income				
plant & equipment Funds from Member Councils	Changes in revaluation surplus - infrastructure, property,			507 304	507 304
	plant & equipment		-	507,504	507,504
Balance at end of period (1.730.940) 2.007.304 276.364	Funds from Member Councils		-	-	-
	Balance at end of period	•	(1,730,940)	2,007,304	276,364

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

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CASH FLOW STATEMENT for the year ended 30 June 2015

CASH FLOWS FROM OPERATING ACTIVITIES Receipts Members contributions Commercial Activities Investment Income Payments Members Contracts & Other Services Finance Charges	Notes	2015 \$ 1,512,605 27,780 (1,224,565) (297,903)	2014 \$ 1,631,745 14,570 (787,847)
Net Cash provided by Operating Activities	9	17,917	858,468
CASH FLOWS FROM INVESTING ACTIVITIES Receipts Fixed assets disposal Net Cash provided by Investing Activities CASH FLOWS FROM FINANCING ACTIVITIES	6	11,000,000 11,000,000	-
Payments Repayment of borrowings & finance lease liabilities Finance Charges		(11,281,600) -	(744,720)
Net Cash (used in) Financing Activities Net Increase (Decrease) in cash held		(11,281,600) (263,683)	(744,720) 113,748
Cash & cash equivalents at beginning of period	9	505,290	391,542
Cash & cash equivalents at end of period	9	241,607	505,290

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 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with applicable Australian Accounting Standards, Australian Accounting Interpretaions and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Local Government Act 1999. The accounting policies have been consistently applied, unless otherwise stated.

Waste Care SA is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective percentages of equity are as follows:

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
Corporation of the Town of Walkerville	5.94

Waste Care SA operated a Resource Recovery and Waste Transfer Station facility (RRWTS) within an Integrated Resource Management Centre (IRMC) at Wingfield, South Australia, on land leased from Adelaide City Council.

The financial report was authorised for issue by certificate under clause 11 of the Local Government (Financial Management) Regulations 2011.

The following is a summary of the material accounting policies adopted by the Subsidiary in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

Waste Care SA operates as a regional subsidiary of the member councils pursuant to section 43 of the Local Government Act 1999. Accordingly, it is not liable to pay income tax.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses. Selected assets are depreciated over their useful lives commencing from the time that the asset is held ready for use.

The depreciation rates used for items of plant & equipment are:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	20%
Computer Equipment	33%
Other equipment and vehicles	20%

The asset which represented 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 was 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 Adelaide Resource Recovery Ltd (ARR) may also be assigned. This agreement was enforced during the year, with settlement effected on 17 February 2015.

The Board of WCSA previously resolved to change its policy on depreciating the RTWS. Depreciation expense of \$336,000 per year has been charged from 1 July 2008 to 30 June 2011. The asset was revalued as at 30 June 2011 and depreciation adjusted on a straight line basis to \$333,101 for the remaining 34.5 years of the life of the lease with the Adelaide City Council.

A valuation was not undertaken as the Project Agreement was not renewed as at 31st December 2014 and the compulsory purchase of the facility was exercised for \$11 million. In accordance with AASB 13 Fair Value Measurement, under hierarchy Level 1 input, the RRWTS was previously revalued to that by which it will be sold under the Project Agreement.

	Level 1	Level 2	Level 3		30 June 2014
Resource Recovery and Waste Transfer Station	11,000,000		-	-	11,000,000

Eair Value as at

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Impairment

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

(d) Cash And Cash Equivalents and other Financial Instruments

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

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful. All financial instruments are recognised at fair value at the date of recognition.

(e) Leases

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

(f) Revenue

Revenue from the sale of services is recognised upon delivery of the service to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

(g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use, or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(i) Comparative Figures

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

(j) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Critical Accounting Estimates and Judgments

The Subsidiary evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Subsidiary.

Key Estimates - Impairment

The subsidiary assesses impairment at each reporting date by evaluating conditions specific to the subsidiary that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments - Doubtful Debts Allowance

Accounts receivable are reviewed at each reporting date to establish the collectability.

(I) Going Concern Basis

The Board of Management of WCSA notes the accumulated surplus of \$233,070. 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. Waste Care SA ceased trading on 31st December 2014. The put option in the Project Agreement with Transpacific Industries Group Ltd (TPI) was exercised on 17th February 2015 (refer Note 1(b)) and the lease with ARR was assigned to TPI. Member Councils have all written to the Minister for Local Government seeking to wind up Waste Care SA. The Office of Local Government has advised that a recommendation has been made to the Minister to wind up WCSA.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
NOTE 2: INCOME Operating Activites			
Gate Fees for delivery		191,606	451,227
Commercial Contributions		439,776	859,993
Jeffries Profit Share		11,237	13,980
Sundry Income	-	731	316
		643,350	1,325,517
NOTE 3: EXPENSES			
Prescribed Expenses			
Auditor's Remuneration		5,317	5,593
Operating Leases		110,194	197,410
Other Materials Contracts & Expenses			
Managerial Services		158,068	202,707
Council Rates		33,432	62,322
Emergency Services Levy		-	6,046
Accountancy fees		875	1,170
Sundry		-	365
Legal Expenses		33,818	12,468
Insurance		59,534	70,086
Education Wingfield		-	5,000
Admin Other		1,770	1,065
Bad Debt Write Off	-	12,782	-
Finance Costs	-	415,790	564,232
Loan Interest		297,595	744,385
Bank Charges		308	334
Bank ondigoo	-	297,903	744,719
Depreciation & Amortisation	-	,	
Capitalised Interest		-	28,170
Depreciation		-	333,101
•	-	-	361,271

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 4: CARBON TAXATION

As per The Clean Energy Act 2011, Waste Care SA was liable for Carbon Taxation on tonnes disposed of during the financial year ending 30 June 2014. The rate payable on tonnes at 30 June 2014 was \$0.53 per tonne.

Accrual for Carbon Taxation Payable - Liability
2014 Principle Tonnes
Carbon Taxation Rate per tonne

Total Amount Payable by Waste Care SA

Accrual for Carbon Tax Receivable - Asset

The charge per each member council is as follows:

Constituent Council	TONNES	Carbon Taxation Payable
Adelaide City Council	6,138	\$3,253
City of Campbelltown	9,924	\$5,260
City of Charles Sturt	27,511	\$14,581
City of Norwood, Payneham & St. Peters	7,337	\$3,889
City of Prospect	4,381	\$2,322
Corporation of the Town of Walkerville	1,556	\$825
Client Council		
City of Mitcham	7,359	\$3,900
Adelaide Hills Council	805	\$427
Carbon Taxation Receivable		\$34,456

	Notes	2015 \$	2014 \$
NOTE 5: CURRENT ASSETS			
Cash at Bank		241,607	505,290
Receivables		18,228	853,758
	-	259,835	1,359,048

2014 65,011

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 6 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

Νο	2015 otes \$'000	2014 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT Assets renewed or directly replaced Proceeds from disposal Less: Carrying amount of assets sold	11,000,000 11,000,000	-
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 7: INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

			2014 \$					2015 \$		
	AT FAIR VALUE	AT COST	REVALUATION	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	REVALUATION	ACCUM DEP'N	CARRYING AMOUNT
Plant & Equipment Disbursement & Capitalised Interest	-	11,000,000 281,696	2,007,304	(2,007,304) (281,696)			-	-	-	-
TOTAL PROPERTY, PLANT & EQUIPMENT	-	11,281,696	2,007,304	(2,289,000)	11,000,000	-	-	-	-	-
	2014	14 CARRYING AMOUNT MOVEMENTS DURING YEAR 2015								
	CARRYING AMOUNT	Ado New/Upgrade	litions Renewals	Disposals	Depreciation	Impariment	Transfers	Net Revaluation	CARRYING AMOUNT	
Plant & Equipment Disbursement & Capitalised Interest	11,000,000			(11,000,000)	-			-	-	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	11,000,000	-	-	(11,000,000)	-			-	-	
Comparatives	10,853,967	-	-	-	(361,271)	-	-	507,304	11,000,000	

The Board and Member Councils of Waste Care SA (WCSA) had resolved to not renew the Project Agreement with Transpacific Industries Group Ltd (TPI) and to enforce the compulsory purchase Clause 31 in the Agreement requiring TPI to purchase the WCSA facility for its original cost of \$11 million. Settlement of this sale ocurred on 17 February 2015.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 8: LIABILITIES					
		20	15	201	14
		9	\$	\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Creditors		12,193	-	784,631	-
GST Payable		2,857	-	61,102	-
GST Receivable		3,409	-	(50,497)	-
Accruals		8,306		40,304	
	-	26,765	-	835,540	-
OTHER LIABILITIES					
Loans		-	-	11,281,600	-
	_	-	-	11,281,600	-

Waste Care SA had all of its loans through the LGFA. These finance contracts matured at or around December 2014 which was the initial term of the Project Agreement with Transpacific Industries Group Ltd (TPI). Member Councils resolved that the WCSA facility be sold back to TPI for \$11 million and that the funds were used to extinguish all loans with the LGFA.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 9:- RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash at Bank	Notes	2015 \$ 241,607	2014 \$ 505,290
Balances per Cash Flow Statement	_	241,607	505,290
Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net (Deficit)		(43,294)	(330,136)
Non-cash items in Income Statement			
Depreciation		-	333,101
Amortisation		-	28,170
Finance Charges		-	744,719
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		869,986	(29,097)
Net increase (decrease) in trade & other payables		(804,436)	129,027
Net increase (decrease) in GST payable		(4,339)	(17,317)
Net Cash provided by operations	_	17,917	858,467

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

NOTE 10: 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.

	2015	2014
	\$	\$
Leasing Commitments		
Payable not later than one year	-	109,542

During the year Adelaide Resource Recovery Pty Ltd (ARR) purchased the land at Wingfield from Adelaide City Council (ACC) which had the registered lease with WCSA. Consequently the lessor became ARR and this lease has now been assigned to Transpacific Industries Group Ltd (TPI) as part of the sale of the WCSA facility. Clause 2.5.4 of the assigned lease expressly states that WCSA is responsible for the performance of TPI's obligations under the assigned lease. The annual rent for the year ending June 2015 was \$219,000 and the rent is subject to CPI increases. The initial term of the lease expires on 3rd January 2026 with the lessee having the right of renewal for a further 21 years. Member Councils have acknowledged their ongoing obligations under the assigned lease prior to their decision to request that the Minister for Local Government wind up the Regional Subsidiary.

NOTE 11 - EVENTS AFTER THE BALANCE SHEET DATE

There are no relevent events to report after the balance date that will require adjustments to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 12 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2015	2014
	\$	\$
Income	670,399	1,374,542
less Expenses	713,693	1,704,678
Operating Surplus / (Deficit)	(43,294)	(330,136)
<i>less</i> Net Outlays on Existing Assets Depreciation, Amortisation and Impairment	<u> </u>	<u> </u>
less Net Outlays on New and Upgraded Assets	-	-
Net Lending / (Borrowing) for Financial Year	(43,294)	31,135

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

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 2015, the Authority's Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Mr Trevor Hockley EXECUTIVE OFFICER

Cr John Kennedy PRESIDING MEMBER AUDIT COMMITTEE

Date: 24 September 2015

COUNCIL SOLUTIONS REGIONAL AUTHORITY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2015

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Council Solutions is a joint initiative of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully that make up the Constituent Councils.

Established in 2012 as a Regional Authority in accordance with Section 43 of the *Local Government Act 1999,* Council Solutions provides a collaborative and strategic approach to the procurement of goods and services on behalf of its Constituent Councils, including negotiating and managing contracts, and investigating the provision of other shared functions.

This collaborative approach to procurement not only provides significant purchasing power to attain the best value for the community, but it also optimises the financial sustainability of each of the Constituent Councils by reducing administrative costs, the number of tender processes and replicated contract management activities.

The ultimate goal of Council Solutions is to improve community prosperity and wellbeing by undertaking local government procurement and collaborative services that:

- Deliver best value for money
- Explore innovative ways of delivering infrastructure and services
- Value partnership between councils and suppliers

Background

Council Solutions provides the legal structure to the G6 Procurement Group formed in 1994 by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully to address the combined \$500 million annual spend on infrastructure and services by these Constituent Councils.

Ministerial approval was given for Council Solutions Regional Authority to be established by notice in the SA Government Gazette on 20 December 2012. The Gazette states the purpose of the Authority as "promoting procurement and service delivery amongst the constituent councils."

As a South Australian local government body, it is governed by the:

- Local Government Act 1999
- Local Government (Financial Management) Regulations 2011
- Council Solutions Regional Authority Charter 2012

Council Solutions Regional Authority

25 Pirie St, Adelaide SA 5000 councilsolutions.sa.gov.au

ABN 92 168 067 160

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Date prepared 30 September 2015

improved outcomes



Foreword from the Chair

In our third year of operations, and as a relatively young organisation, Council Solutions has made significant progress in building on our business establishment foundation and framework.

From our beginnings in 1994 as an informal alliance, the G6 Procurement Group, we established Council Solutions Regional Authority in 2012. We set up a Board of Management to develop the corporate structure that best supports our aims of delivering procurement and shared services to local government and be responsible for the affairs of Council Solutions.

I wish to acknowledge the efforts of the Board and thank them for their commitment, dedication and support as we continue to transition to a streamlined, stand-alone business that will deliver the best value for money for our Constituent Councils.

Over the past financial year we have identified significant strategic opportunities for Council Solutions that represent higher value to the organisation leading to improved synergies and savings for the Constituent Councils.

Under the leadership of Chief Executive Officer Maggie Dowling and in consultation with our Constituent Councils, we developed a three-year Business Plan to enable the delivery to their communities the best value for money from an efficient and effectively managed organisation.

In year one of the implementation of the business plan, the Council Solutions team has focused on the three significant procurement projects that in aggregate will have a value in the vicinity of \$60 million per annum as well as managing the existing suite of contracts and commencing a strategic project in the ICT area.

Our Audit Committee continues to utilise our key principles of expertise and collaboration to enable us to meet the highest standards of accountability, transparency, integrity and management.

This aligns with our objective of working both as a commercially viable organisation and operating within local government compliance standards, which gives both our Constituent Councils and their communities the confidence that we continue to work in their best interests.

Council Solutions is both strategically and financially viable, and the Board chose to fund strategic projects in 2014 – 2015 from cash reserves built up from surpluses in the previous two years.

I thank Maggie, her team and the Board of Management for their commitment, dedication and support.

Catherine Cooper Chair of the Board, Council Solutions Regional Authority

improved outcomes



Report from the Chief Executive Officer

Council Solutions continues to be dynamic and extremely busy for our team as we deliver the outcomes and activities outlined in year one of our 2014/15 - 2016/17 Business Plan that formalises our business objectives and enables relevant measurement and transparent reporting of our achievements against the set objectives for the next three years.

Working with the Board, our Constituent Councils and my team continue to focus on expanding the number of contracts and increasing the value of collaborative purchasing to both councils and suppliers.

The Audit Committee continues to enable Council Solutions to operate with good governance and meet its legal and financial requirements under the Council Solutions Charter and the Local Government Act, and I thank them for their work over the past year.

I wish to thank the Board for their assistance and co-operation, and my team, Taryn Alderdice, Rachel Bell, Clare Coupar, Audrey Rangel and Ian Thompson, for their focus on the daily operations and commitment to the current and future success of Council Solutions.

I also thank finance consultant Rex Mooney, and Ben Calder who was seconded from the City of Onkaparinga to oversee the Waste Management Services Project.

Since its establishment Council Solutions has been located within the Adelaide City Council and we continue to operate as a separate entity from this central location.

Councils Solutions' success is reliant upon the significant in-kind contribution of our member councils and on behalf of the team I thank all of those who work hands-on with us.

The people we work with, from the members of the Directorate, the Procurement Leaders Group, Contract Development Teams, the Chief Executive Officers and their Executive Assistants all show dedication to their roles and their respective councils.

We look forward to continuing working with them toward achieving the objectives of our Business Plan and the future success of Council Solutions in delivering best value for money solutions from an efficient and effectively managed organisation.

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Maggie Dowling Chief Executive Officer, Council Solutions Regional Authority



Board of Management 2015

The members of the Board of Management comprise:



Independent Chairperson Ms Catherine Cooper



Adelaide City Council Mr Stephen Haines Acting Chief Executive Officer (from April 2015)

Mr Peter Smith Chief Executive Officer (until April 2015)



City of Onkaparinga Mr Mark Dowd Chief Executive Officer

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City of Charles Sturt Mr Mark Withers Chief Executive Officer

City of Salisbury Mr John Harry

Chief Executive Officer



City of Marion Mr Geoff Whitbread Acting Chief Executive Officer (from March 2015)

Mr Mark Searle Chief Executive Officer (until March 2015)



City of Tea Tree Gully Mr John Moyle Chief Executive Officer

Board of Management 2015

Council Solutions is a body corporate, governed by a Board of Management, comprising seven members being the Chief Executive Officer from each Constituent Council: Adelaide City Council and the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully, and one person who is not a member or officer of a Constituent Council who holds the position of Chair.

The Board held eight formal meetings during the year to consider the strategic direction and financial integrity of the organisation, and the performance of the CEO. Attendance at meetings was:

Board Position	Board Member	Meetings Attended
Independent Chairperson	Ms Catherine Cooper	7
Adelaide City Council	Mr Stephen Hains, Acting Chief Executive Officer (from April 2015) Mr Peter Smith, Chief Executive Officer (until April	2
	2015)	4
City of Charles Sturt	Mr Mark Withers, Chief Executive Officer ¹	7
City of Marion	Mr Geoff Whitbread, Acting Chief Executive Officer (from March 2015) ²	2
	Mr Mark Searle, Chief Executive Officer (until March 2015)	4
City of Onkaparinga	Mr Mark Dowd, Chief Executive Officer	6
City of Salisbury	Mr John Harry, Chief Executive Officer	7
City of Tea Tree Gully	Mr John Moyle, Chief Executive Officer	7

¹ Mr Mark Withers resigned from the City of Charles Sturt after the last Board meeting of 2014/15. Mr Paul Sutton is now CEO of the City of Charles Sturt.

² Mr Geoff Whitbread completed his interim Acting CEO position with the City of Marion in August 2015, upon the appointment of new CEO Mr Adrian Skull.

As a result of the changes above, the Certificate of Auditor Independence in the Annual Financial Statements has been executed by Mr Sutton and Mr Skull as the active Board Members at the time of authorisation of the Statements.

Audit Committee

The Council Solutions Board is supported by one designated committee being the Audit Committee which is formally appointed pursuant to the requirements under the Local Government Act 1999 (the Act) and the Local Government (Financial Management) Regulations 2011.

The function of the Audit Committee includes reviewing annual financial statements to ensure that they present fairly the state of affairs of the Authority and reviewing the adequacy of financial management systems and practices. The Audit Committee is governed by a terms of reference with the workflow controlled by an Audit Committee Work Program. The Audit Committee Work program is updated after each meeting to reflect Committee achievements as well as to include actions arising from the meeting and from Board meetings.

The Audit Committee met on 4 occasions in the 2014/15 financial year as well as undertaking a review of an out of session paper in relation to the Annual Financial Statements for the Year Ending 30 June 2014.

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Membership of the Audit Committee and meeting attendance for the 2014/15 Financial Year is detailed in the table below.

Member	Meetings Attended
Ms Tanya Johnston (Chair) Independent Member	4
Mr David Papa Independent Member	4
Mr Mark Dowd Board Member	3
Mr John Moyle Board Member (Nominated Proxy)	4 with 1 as proxy

Governance and Operating Framework

Led by the Chief Executive Officer, Council Solutions works collaboratively with its Constituent Councils to deliver value outcomes.

This is underpinned by the expertise of staff at Constituent Councils, utilised through a structured operating management framework providing the oversight, advisory and/or operative input to the Council Solutions administrative team.

The operating framework comprises the following groups:

- Council Solutions Directorate
- Procurement Leaders Group
- Contract Development (and management) Teams
- Shared Functions Working Groups

This framework enables Council Solutions to:

- Develop and maintain a strong spirit of partnership and collaborative culture that is the key to its ongoing success
- Receive direction, influence and hands-on involvement from its Constituent Councils
- Be well informed and provide a service that delivers value to its Constituent Councils

Structure and Staffing

As at 30 June 2015, Council Solutions comprised six staff (4.7 FTE) on short-term contracts delivering expertise in management, procurement, contract management, governance and policy, marketing and communications, and administration. In addition to our core staff, a Project Officer has been seconded from the City of Onkaparinga for a short term to prepare prior to procurement a strategic analysis of the Waste Management industry. A part-time contractor with extensive experience in local government finance is also part of the team.

The Council Solutions team comprises:

- Chief Executive Officer Maggie Dowling
- Contract Management Officer Taryn Alderdice
- Senior Procurement Officers Rachel Bell, Clare Coupar, Ian Thompson

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- Administration and Communications Officer
 Audrey Rangel
- Financial Consultant Rex Mooney
- Project Officer Ben Calder (seconded from the City of Onkaparinga)

Governance and Organisation Structure



Achievements 2014 - 2015

Our business objectives have been formalised within the Council Solutions 2014/15 - 2016/17 Business Plan, and this Annual Report details our achievements against six core business categories identified in the plan.

Council Solutions currently delivers significant efficiencies in its management of a suite of collaborative contracts with a combined value of \$54.2 million in the 2014/2015 financial year.

A key focus of Council Solutions over the past 12 months has been the identification of more strategic opportunities for Council Solutions that represent higher value to the organisation leading to improved synergies and savings for the Constituent Councils.

The primary activities identified in the 2014/15 - 2016/17 Business Plan and implemented in 2014/2015 were:

- Establishing an Integrated Strategic Procurement Function: A "Regional Procurement Spend Analysis and Assessment Program" was undertaken by consulting firm ArcBlue as a first step to improving integration. This program resulted in acknowledgement of the important role Council Solutions plays and recommendations for ways to improve and strengthen the integration of our activities into those of our Constituent Councils. The program also resulted in the establishment of Spend Diagnostic Dashboards. Each Constituent Council now has access to this diagnostic business tool to analyse their own data and Council Solutions has access to the aggregated data to enable the identification of opportunities for consolidation, collaboration, process efficiencies and savings
- Waste Management Services Strategy: A strategic analysis of the current and potential future state of waste management services was undertaken to inform a joint approach to the tendering for waste management services across multiple streams for a number of our Constituent and non-Constituent Councils, the value of which could be over \$30 million per annum
- Alternate Delivery Models for Common Business Functions: The "ICT Unified Communications Project" was undertaken to assess opportunities for a unified communications service between the Constituent Councils as a foundation platform to allow future enhanced collaboration and the sharing of common service functions. The project identified numerous opportunities from collaborative procurement of ICT systems and hardware to consideration of a collaborative strategic plan

With a suite of 18 contracts, procurement and contract management activities focused on extracting maximum value, compliance, extension and renewal. Major activities were:

- Tender planning with Constituent Councils for new Bituminous Roadworks, Crack Sealing and Temporary Labour Hire contacts with an estimated value of over \$30 million per annum
- Extension of four existing contracts

Governance

During 2014/15, achievements include:

- The continued prudent review and assessment undertaken by the Audit Committee
- Continued assessment of efficient and effective execution of all decisions made by the Board, and management of Council Solutions
- Implementation of year one of the 2014/15 2016/17 Business Plan.

People

Council Solutions comprises a small specialist team and prudent resourcing and staff retention is a high priority given the business requirement for procurement expertise and contract management skills and the importance of developing and maintaining strong relationships with Constituent Council staff and suppliers.

To address the number of opportunities identified in the first year of the 2014/15 – 2016/17 Business Plan, Mr Ian Thompson was appointed in November 2014 as Senior Procurement Officer to assist in the management of the existing suite of contracts and to commence the investigation of the new opportunities as identified in the Business Plan.

Finance

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Council Solutions has built a solid financial foundation with cash reserves generated from two years of surpluses through the implementation of user-pay management fees established as a percentage of contract value. The Board of Management made the decision to invest part of the Authority's surplus into the strategic projects that will benefit the Constituent Councils.

The 2014/2015 deficit of 120,000 does not significantly affect achievement of the overall 2014/15 - 2016/17 Business Plan, and our total equity is 608,000, which is available for future strategic projects.

Communications

The success of Council Solutions is reliant upon strong relationships between our key customers and stakeholders, so effective communication is paramount to our success.

A refreshed Council Solutions public website was launched earlier this year. To increase our customer service and improve our business processes, a members section will be made available in 2015/16 that will provide access to our procurement preparation and contract administration areas.

Procurement & Contract Management

As Council Solutions Constituent Councils collectively procure over \$500 million of goods and services per annum, there is a clear need for collaboration to gain the best value and drive efficiencies for the Constituent Councils.

At the end of 2014/15, Council Solutions managed contracts generating \$54.2 million of expenditure, with the two largest contracts, Roadworks and Temporary Labour Hire, contributing two thirds of management fee revenue. The Business Plan objective is to grow this value to over \$65 million by 2016/17.

New tenders for Bituminous Roadworks, Crack Sealing and Temporary Labour Hire are in the final stages of development and the contracts will be awarded in 2016.

Our existing contracts cover 63 suppliers, across five procurement categories: Finance & Professional Services, Human Resources, Roads Infrastructure, Facilities Management and Parks. Our strong focus on contract management is key to extracting value from the contracts for both Councils and suppliers. With the majority of contracts under management having being in place for some time, the suite of legal agreements and tender documentation were reviewed and as a result a new suite of agreements is under development that reflects legislative change and contemporary practices.

improved outcomes

Council Solutions Contract Management List: as at 30 June 2015

Subject Matter of Contract	Contract Value \$ (2014/15 expenditure)
Bituminous Treatments For Various Roadworks	24,720,000
Temporary Labour Hire	12,200,000
Legal Services	3,450,000
Cleaning Services	3,010,000
Supply Or Supply & Install Of Segmental Pavers	2,520,000
Tree Removal, Pruning & Ancillary Services	1,720,000
Leasing Finance of IT Equipment	1,630,000
Manufacture, Supply & Delivery Of Concrete	1,070,000
Supply, Supply & Delivery Of Quarry Materials	940,000
Supply, Installation And Repair Of Fencing	800,000
Printing Services*	360,000
Roadworks – Crack Sealing	340,000
Supply & Installation of Irrigation Systems	260,000
Provision of a Printing and Mailing Service for Rate & Dog Notices	230,000
Supply Of Toilet & Cleaning Requisites*	77,000
Maintenance & Repair of Irrigation Systems	180,000
Arboricultural Consultancy Advice Services	160,000
Design Consultancy of Irrigation Systems	150,000
Provision Of Pest Control Services - European Wasps	61,000
General Stationery, Paper & Computer Consumables*	323,000
Transactional Banking Services	Not Applicable

*Indicates contract ended during the course of the financial year

Investigation of alternate delivery models for common business functions

With the constant need for councils to reduce costs and drive efficiencies whilst maintaining the delivery of quality services, Council Solutions is investigating opportunities for alternate delivery models for common business functions.

From an ICT perspective Unified Communications represents the foundation layer of all of the technologies and systems used within a Council. The opportunity to consolidate and standardise these services provides a foundation opportunity for Councils to move to commodity like service offerings and achieve the maximum benefit from these types of technologies. As a preliminary investigation into this opportunity the "ICT Unified Communications Project" was undertaken resulting in numerous opportunities being identified from collaborative procurement of ICT systems and hardware to consideration of a collaborative strategic plan. Work will continue on this project in the 2015/16 financial year.

improved outcomes

Financial Summary Report: as at 30 June 2015

Statement of Comprehensive Income	2015	2014
	\$'000	\$'000
Income	977	1,111
Less: Operating expenses	1,097	748
Operating Surplus (Deficit) for the year	(120)	363
Total other comprehensive income	-	-
Net Surplus (Deficit) for the year	(120)	363
Comprehensive result for the year	(120)	363

Balance Sheet		
Current assets	650	1,023
Non-current assets	-	-
Total assets	650	1,023
Current liabilities	42	295
Non-current liabilities	-	-
Total liabilities	42	295
Net assets	608	728
Accumulated surplus	465	585
Share Capital	143	143
Total Equity	608	728

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Council Solutions Regional Authority General Purpose Financial Reports for the year ending 30 June 2015

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Council Solutions Regional Authority Certification Of Financial Statements for the year ending 30 June 2015

I have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In 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 Council Solutions Regional Authority's financial position at 30 June 2015 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.

Catherine Cooper Chair Of The Board

Date: 7 September 2015

Council Solutions Regional Authority Statement Of Comprehensive Income for the year ending 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Income			
Investment Income	2	20	12
Management Fee	2	926	1,099
Other Income	2	31	-
Total Income	2	977	1,111
Expenses Materials, contracts & other expenses Total Expenses	3 3	1,097 1,097	748 748
Operating Surplus	_	(120)	363
Net Surplus	_	(120)	363
Total Other Comprehensive Income	2	-	
Total Comprehensive Income	-	(120)	363

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

Council Solutions Regional Authority Balance Sheet as at 30 June 2015

		Notes	2015 \$'000	2014 \$'000
Assets		Notes	ψ 000	ψυσο
Current Assets				
Cash and cash equivalents		4	446	615
Receivables		4	203	408
	Total Current Assets	4	650	1,023
Total Assets		4	650	1,023
Liabilities Current Liabilities				
Trade & Other Payables		5	21	87
Other Current Liabilities		5	21	208
	Total Current Liabilities	5	42	200
		Ū.		
Total Liabilities		5	42	295
Net Assets			608	728
Equity			40-	
Accumulated Surplus			465	585
Share Capital			143	143
Total Equity			608	728

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

Council Solutions Regional Authority Statement of Changes in Equity as at 30 June 2015

	Initial Contribution by Owners	Accumulated Surplus	Total
2015	\$'000	\$'000	\$'000
Opening Balance	143	585	728
Net Surplus for Year	-	(120)	(120)
Balance at end of period	143	465	608

	Initial Contribution by Owners	Accumulated Surplus	Total
2014	\$'000	\$'000	\$'000
Opening Balance	143	222	365
Net Surplus for Year	-	363	363
Balance at end of period	143	585	728

Council Solutions Regional Authority Cash Flow Statement for the year ending 30 June 2015

2015 2014 \$'000 \$'000 Notes **Cash Flows From Operating Activities** Receipts Operating receipts 1,162 1,133 **Investment Receipts** 20 12 Payments Operating payments to suppliers & employees (1,350)(532) Net Cash provided by (or used in) Operating Activities 6 (169) 612 612 Net Increase (Decrease) in cash held (169) Cash & cash equivalents at beginning of period 615 3 Cash & cash equivalents at end of period 446 615 4

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

Note 1 - Significant Accounting Policies

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

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

Constituent Council	Equity Share
Adelaide City Council	16.67%
City of Charles Sturt	16.67%
City of Marion	16.67%
City of Onkaparinga	16.67%
City of Salisbury	16.67%
City of Tea Tree Gully	16.67%

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011 dated 1 May 2011.*

1 Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 Income recognition

Management Fee Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Council) with a Management Fee.

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

All employees are employed through Adelaide City Council, one of the Constituent Councils. Those employees are then contracted to the Authority.

7

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 Critical Accounting Estimates and Judgements

The Authority evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the authority.

Accounts receivable are reviewed at each reporting date to establish the collectability.

9 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been used in preparing these reports.

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 124	Related Party Disclosures

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 14-10, AASB 15-1, AASB 15-2, AASB 15-3, AASB 15-4, AASB 15-5 and AASB 2015-6.

(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 consequences cannot be estimated until a revised accounting standard is issued.

Note 2 - Income		
	2015	2014
	\$'000	\$'000
Investments		
Interest Income	20	12
	20	12
Management Fee		
Management Fee	926	1,099
-	926	1,099
Other Income		
Reimbursements	31	-
	31	-

Note 3 - Expenses

	2015 \$'000	2014 \$'000
Materials, Contracts & Other Expenses		
Advertising	10	8
Audit Fees	6	7
Catering	4	2
Contractors	45	73
Consultant Fees	204	59
Entertainment Costs	1	3
Fringe Benefits Tax	10	3
Insurance	25	26
IT Expenses	3	8
Legal Fees	145	22
Membership Fees & Subscriptions	5	6
Motor Vehicle	18	6
Recruitment	11	38
Reimbursements - Salary & Wages	533	455
Rent	24	-
Sitting Fees	26	13
Sundry	23	13
Telephone	3	4
Training and Development	3	3
	1,097	748

Note 4 - Current Assets		
	2015 \$'000	2014 \$'000
Cash & Cash Equivalents		
Cash at Bank	446	615
	446	615
Receivables		
Accounts Receivables	132	21
Accrued Income	71	378
Receivable from Adelaide City Council	-	9
	203	408
Total Current Assets	650	1,023
Note 5 - Liabilities	2015 \$'000	2014 \$'000
Trade & Other Payables		
Creditors	10	82
Accruals	11	5
	21	87
Other Current Liabilities		
Payable to Adelaide City Council	21	208
	21	208
Total Liabilities	42	295

Note 6 - Reconciliation To Cash Flow Statement

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet.

	2015 \$'000	2014 \$'000
Cash at Bank	446	615
Balances per Cash Flow Statement	446	615
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus	(120)	363
Net (increase)/decrease in Receivables	205	33
Net increase/(decrease) in Current Liabilities	(253)	216
Net Cash provided by (or used in) operations	(169)	612

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Note 7 - Financial Instruments

(a) Interest Rate Risk

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

2015	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instrument S	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non- Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets: Cash Receivables	1.9%	446	-	-	-	- 203
Total Financial Assets		446	-	-	-	203
Financial Liabilities: Creditors and Provisions			-	-	-	21
Total Financial Liabilities		-	-	-	-	21
0044	Weighted				Fair Value	

2014	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instrument	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non- Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash	2.3%	615	-	-	-	-
Receivables	0.0%		-	-	-	408
Total Financial Assets		615	-	-	-	408
Financial Liabilities: Creditors and Provisions	0.0%		_	_	_	87
Total Financial Liabilities			_	-	-	87

(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 limited to receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

(c) Net Fair Value

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability.

The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

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

Council Solutions Regional Authority Certification Of Auditor Independence for the year ending 30 June 2015

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the year ended 30 June 2015, the Council's Auditor, Ian G McDonald, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Catherine Coope CHAIR Date: 7/9/15

Mark Dowd CHIEF EXECUTIVE OFFICER City of Onkaparinga

Tanya Johnston PRESIDING MEMBER OF AUDIT COMMITTEE Date: 11/9/15

Stephen Hains A/CHIEF EXECUTIVE OFFICER Adelaide City Council

Date: 26/8/15

Date: 11/9/15

Paul Sutton A/CHIEF EXECUTIVE OFFICER City of Charles Sturt

Date: 28/8/15

.....

John Harry CHIEF EXECUTIVE OFFICER City of Salisbury

Date: 31/8/15

Adrian Skull CHIEF EXECUTIVE OFFICER City of Marion

Date: 9/9/15

John Moyle CHIEF EXECUTIVE OFFICER Tea Tree Gully

Date: 28/8/15

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Council Solutions Regional Authority

Annual Financial Statements For the year ending 30 June 2015

Statement by Auditor

I confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the year ended 30 June 2015, 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.

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lan G McDonald FCA

Dated this 14 day of August 2015





Chartered Accountants

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE COUNCIL SOLUTIONS REGIONAL AUTHORITY

We have audited the accompanying financial report of the Council Solutions Regional Authority which comprises the statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement, summary of significant accounting policies, other explanatory notes and the certification of financial statement for the year ended 30 June 2015.

Chief Executive Officer's Responsibility for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011. 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 have 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 Board of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Local Government Act 1999.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Council Solutions Regional Authority as of 30 June 2015, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 together with the Local Government (Financial Management) Regulations 2011.

I'm Odl

IAN G MC DONALD FCA CHARTERED ACCOUNTANT REGISTERED COMPANY AUDITOR

Liability limited by a scheme approved under Professional Standards Legislation Signed 15th day of September , at Adelaide, South Australia

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