



# **ADELAIDE CITY COUNCIL AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2016**

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## Adelaide City Council

### General Purpose Financial Statements for the year ended 30 June 2016

#### Certification of Financial Statements

**We have been authorised by the Council to certify the financial statements in their final form.**

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2016 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Mark Goldstone  
CHIEF EXECUTIVE OFFICER



Martin Haese  
LORD MAYOR

Date: 5<sup>th</sup> October 2016

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

\$'000	Notes	Consolidated 2016	Consolidated 2015
<b>INCOME</b>			
Rates Revenues	2a	99,256	94,812
Statutory Charges	2b	16,835	17,482
User Charges	2c	65,073	61,445
Grants, Subsidies & Contributions	2g	5,615	6,387
Investment Income	2d	478	689
Reimbursements	2e	1,762	915
Other Income	2f	182	66
<b>Total Income</b>		<b>189,201</b>	<b>181,796</b>
<b>EXPENSES</b>			
Employee Costs	3a	69,023	64,458
Materials, Contracts & Other Expenses	3b	79,145	71,160
Depreciation, Amortisation & Impairment	3c	39,468	36,558
Finance Costs	3d	200	483
Net loss - Equity Accounted Council Businesses	19	13	30
<b>Total Expenses</b>		<b>187,849</b>	<b>172,689</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>1,352</b>	<b>9,107</b>
Asset Disposal & Fair Value Adjustments	4	1,358	(8,404)
Amounts Received Specifically for New or Upgraded Assets	2g	854	938
<b>NET SURPLUS / (DEFICIT)</b>		<b>3,564</b>	<b>1,641</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	8,725	42,986
Net Actuarial Gains on Defined Benefit Plan	9b	179	197
<b>Total Other Comprehensive Income</b>		<b>8,904</b>	<b>43,183</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>12,468</b>	<b>44,824</b>

This statement should be read in conjunction with the attached Notes.



# STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2016

\$'000	Notes	Consolidated 2016	Consolidated 2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5a	3,361	6,149
Trade & Other Receivables	5b	5,611	6,414
Other Financial Assets	5c	394	273
Inventories	5d	511	400
<b>Subtotal</b>		<b>9,877</b>	13,236
Non-Current Assets Held for Sale	20	-	810
<b>Total Current Assets</b>		<b>9,877</b>	14,046
<b>Non-Current Assets</b>			
Financial Assets	6a	710	1,182
Equity Accounted Investments in Council Businesses	6b	101	157
Investment Property	7a	2,743	2,642
Infrastructure, Property, Plant & Equipment	7a	1,338,520	1,329,932
Other Non-Current Assets	6c	1,001	1,001
<b>Total Non-Current Assets</b>		<b>1,343,075</b>	1,334,914
<b>Total Assets</b>		<b>1,352,952</b>	1,348,960
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	21,617	21,244
Borrowings	8b	1,700	10,500
Provisions	8c	12,189	12,524
<b>Total Current Liabilities</b>		<b>35,506</b>	44,268
<b>Non-Current Liabilities</b>			
Trade & Other Payables	8a	293	293
Provisions	8c	1,756	1,470
<b>Total Non-Current Liabilities</b>		<b>2,049</b>	1,763
<b>Total Liabilities</b>		<b>37,555</b>	46,031
<b>NET ASSETS</b>		<b>1,315,397</b>	1,302,929
<b>EQUITY</b>			
Accumulated Surplus		827,331	823,103
Asset Revaluation Reserves	9a	485,488	476,763
Other Reserves	9b	2,578	3,063
<b>TOTAL COUNCIL EQUITY</b>		<b>1,315,397</b>	1,302,929

This statement should be read in conjunction with the attached Notes.

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

Consolidated \$'000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2016</b>					
<b>Balance at the end of previous reporting period</b>		823,103	476,763	3,063	<b>1,302,929</b>
<b>a. Net Surplus / (Deficit) for Year</b>		3,564	-	-	<b>3,564</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	8,725	-	<b>8,725</b>
- Defined Benefit Actuarial Gain		-	-	179	<b>179</b>
<b>Other Comprehensive Income</b>		-	8,725	179	<b>8,904</b>
<b>Total Comprehensive Income</b>		<b>3,564</b>	<b>8,725</b>	<b>179</b>	<b>12,468</b>
<b>c. Transfers between Reserves</b>		664	-	(664)	-
<b>BALANCE AT THE END OF PERIOD</b>		<b>827,331</b>	<b>485,488</b>	<b>2,578</b>	<b>1,315,397</b>
<b>2015</b>					
<b>Balance at the end of previous reporting period</b>		823,660	433,777	668	<b>1,258,105</b>
<b>a. Net Surplus / (Deficit) for Year</b>		1,641	-	-	<b>1,641</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	42,986	-	<b>42,986</b>
- Defined Benefit Actuarial Gain		-	-	197	<b>197</b>
<b>Other Comprehensive Income</b>		-	42,986	197	<b>43,183</b>
<b>Total Comprehensive Income</b>		<b>1,641</b>	<b>42,986</b>	<b>197</b>	<b>44,824</b>
<b>c. Transfers between Reserves</b>		(2,198)	-	2,198	-
<b>BALANCE AT THE END OF PERIOD</b>		<b>823,103</b>	<b>476,763</b>	<b>3,063</b>	<b>1,302,929</b>

This statement should be read in conjunction with the attached Notes.

# STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

\$'000	Notes	Consolidated 2016	Consolidated 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Operating Receipts		189,200	183,854
Investment Receipts		478	689
<b>Payments</b>			
Operating Payments to Suppliers & Employees		(147,732)	(137,646)
Finance Payments		(200)	(483)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>41,746</b>	<b>46,414</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Amounts Received Specifically for New/Upgraded Assets		854	938
Sale of Replaced Assets		1,469	561
Sale of Surplus Assets		2,342	5,837
Receipt of Shared Equity Contribution		295	285
Distributions Received from Equity Accounted Council Businesses		56	10
<b>Payments</b>			
Expenditure on Renewal/Replacement of Assets		(28,266)	(28,848)
Expenditure on New/Upgraded Assets		(12,753)	(24,549)
Capital Contributed to Equity Accounted Council Businesses		(13)	(10)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(36,016)</b>	<b>(45,776)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from Bonds & Deposits		282	187
<b>Payments</b>			
Repayments of Borrowings		(8,800)	(2,257)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(8,518)</b>	<b>(2,070)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(2,788)</b>	<b>(1,432)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>6,149</b>	<b>7,581</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	11	<b>3,361</b>	<b>6,149</b>

This statement should be read in conjunction with the attached Notes.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

## 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.

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.



## Note 1: Summary of Significant Accounting Policies (continued)

### 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 business undertakings have been valued at the lower of cost and net realisable value.

### 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.

#### 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

## Note 1: Summary of Significant Accounting Policies (continued)

### 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 land &/or 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 purposes.

### 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 & 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.

## Note 1: Summary of Significant Accounting Policies (continued)

### 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 rate	1.99% (2015, 3.02%)
Weighted avg. settlement period	5 years (2015, 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 Statewide 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 Superannuation Plan

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.

## Note 1: Summary of Significant Accounting Policies (continued)

### 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<sub>2</sub>e) 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<sub>2</sub>e 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<sub>2</sub>e permit prices.

All remaining liability under the original legislation was discharged during 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 Leases

Lease 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.

### 13 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.

### 14 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.

### 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.



## Note 1: Summary of Significant Accounting Policies (continued)

### 16 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 2016.

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 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

Adelaide City Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

#### AASB 124 Related Party Disclosures

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council, which means that Council will disclose more information about related parties and transactions with those related parties.

#### AASB 9 Financial Instruments

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main 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 and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

As a result, Council will continue to measure its financial assets at fair value. There will be no financial impact on the consolidated financial statements.

#### AASB 15 Revenue from Contracts with Customers

Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 Revenue from Contracts with Customers will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2018 and will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

#### Effective for periods commencing 1 January 2019:

AASB 16: Leases applicable to annual reporting periods beginning on or after 1 January 2019). When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. Although management anticipate that the adoption of AASB 16 will have a material impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

### 17 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.

### 18 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	Consolidated 2016	Consolidated 2015
<b>(A) RATES REVENUES</b>		
<b>General Rates</b>		
General Rates	98,941	94,486
Less: Mandatory Rebates	(4,580)	(4,414)
Less: Discretionary Rebates, Remissions & Write Offs	(442)	(397)
<b>Total General Rates</b>	<b>93,919</b>	<b>89,675</b>
<b>Other Rates</b>		
Natural Resource Management Levy	1,499	1,386
Rundle Mall Separate Levy	3,596	3,533
<b>Total Other Rates</b>	<b>5,095</b>	<b>4,919</b>
<b>Other Charges</b>		
Penalties for Late Payment	242	218
<b>Total Other Charges</b>	<b>242</b>	<b>218</b>
<b>TOTAL RATES REVENUES</b>	<b>99,256</b>	<b>94,812</b>
<b>(B) STATUTORY CHARGES</b>		
Development Act Fees	1,238	1,132
Animal Registration Fees & Fines	23	26
Parking Fines / Expiation Fees	14,258	14,933
Other Fees, Fines, Penalties & Expiations	54	97
Encroachments Fees	334	306
Food Inspections Fees/Fines	56	43
Outdoor Dining Fees	471	486
Residential Parking Permits	31	31
Section 7 Searches	84	82
Temporary Parking Control Permits	229	293
Water Systems Fees	57	53
<b>TOTAL STATUTORY CHARGES</b>	<b>16,835</b>	<b>17,482</b>

## Note 2: Income (continued)

\$'000	Consolidated 2016	Consolidated 2015
<b>(C) USER CHARGES</b>		
Adelaide Aquatic Centre Charges	6,350	4,347
Adelaide Golf Links Charges	1,970	1,742
Adelaide Town Hall Charges	975	1,060
Bus Ticket Sales	11	2
Business Development	3	12
Compost Sales	533	544
Event Fees	327	322
Library Centre	38	33
Off-Street Parking	31,599	31,155
Park Lands Events Fees	650	617
Parking Fees	11,213	10,767
Property Lease	8,313	8,137
Property Recovery	2,427	2,152
Rundle Mall	658	538
Sundry	6	17
<b>TOTAL USER CHARGES</b>	<b>65,073</b>	<b>61,445</b>
<b>(D) INVESTMENT INCOME</b>		
Interest on Investments		
- Local Government Finance Authority	8	24
- Banks & Other	109	218
Investment Property Rental Income	193	191
Financial Instrument - Fair Value Increase / (Decrease)	168	256
<b>TOTAL INVESTMENT INCOME</b>	<b>478</b>	<b>689</b>
<b>(E) REIMBURSEMENTS</b>		
Private Works	1,297	786
Other	465	129
<b>TOTAL REIMBURSEMENTS</b>	<b>1,762</b>	<b>915</b>
<b>(F) OTHER INCOME</b>		
Sundry	182	66
<b>TOTAL OTHER INCOME</b>	<b>182</b>	<b>66</b>

## Note 2: Income (continued)

\$'000	Consolidated 2016	Consolidated 2015
<b>(G) GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Amounts Received Specifically for New or Upgraded Assets	854	938
Other Grants, Subsidies & Contributions	2,897	4,892
Untied - Financial Assistance Grant	634	1,064
Roads to Recovery	1,253	-
Home & Community Care Grant	237	122
Library & Communications	594	309
<b>TOTAL GRANTS, SUBSIDIES, CONTRIBUTIONS</b>	<b>6,469</b>	<b>7,325</b>

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

<b>(i) Sources of grants</b>		
Commonwealth Government	1,465	1,473
State Government	4,424	5,690
Other	580	162
<b>TOTAL</b>	<b>6,469</b>	<b>7,325</b>

<b>(H) CONDITIONS OVER GRANTS &amp; CONTRIBUTIONS</b>		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
<b>Unexpended at the close of the previous reporting period</b>	<b>278</b>	<b>81</b>
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Infrastructure	(278)	(81)
<b>Subtotal</b>	<b>(278)</b>	<b>(81)</b>
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Infrastructure	196	278
<b>Subtotal</b>	<b>196</b>	<b>278</b>
<b>Unexpended at the close of this reporting period</b>	<b>196</b>	<b>278</b>
<b>NET INCREASE (DECREASE) IN ASSETS SUBJECT TO CONDITIONS IN THE CURRENT REPORTING PERIOD</b>	<b>(82)</b>	<b>197</b>



## Note 3: Expenses

\$'000	Notes	Consolidated 2016	Consolidated 2015
<b>(A) EMPLOYEE COSTS</b>			
Salaries & Wages		61,564	58,318
Employee Leave Expense		7,719	8,079
Superannuation - Defined Contribution Plan Contributions		6,007	6,026
Superannuation - Defined Benefit Plan Contributions		15	180
Superannuation - Unfunded Superannuation Liability	18	179	(152)
Workers' Compensation Insurance		1,637	704
Income Protection Insurance		263	224
Less: Capitalised & Distributed Costs		(8,361)	(8,921)
<b>TOTAL OPERATING EMPLOYEE COSTS</b>		<b>69,023</b>	<b>64,458</b>
<b>Total number of Employees</b>			
Number of Employees (full time equivalent at end of reporting period)		607	649
Number of Employees (temporary full time equivalent at end of reporting period)		148	152
<b>(B) MATERIALS, CONTRACTS AND OTHER EXPENSES</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		28	44
- Other Services		34	33
Bad and Doubtful Debts		185	(76)
Elected Members' Expenses		462	404
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		6,952	6,442
<b>Subtotal - Prescribed Expenses</b>		<b>7,661</b>	<b>6,847</b>
<b>(ii) Other Materials, Contracts &amp; Expenses</b>			
Advertising & Promotion		3,418	3,075
Bank Charges & Cash Collection		1,015	1,137
Catering		566	361
Cleaning		2,608	2,274
Communications		458	584
Contractors		14,493	11,297
Contractual Expenses		310	264
Energy & Water		7,580	7,945
Entertainment - Council & Civic Events		118	111
External Plant Hire		867	758
Insurance		1,973	1,540
Investment Property Expenses		121	138
Legal Expenses		1,741	1,771
Levies Paid to Government - including NRM levy		1,912	1,851

### Note 3: Expenses (continued)

\$'000	Consolidated 2016	Consolidated 2015
<b>(ii) Other Materials, Contracts &amp; Expenses (continued)</b>		
Maintenance	5,270	4,497
Minor Plant & Equipment	564	277
Parts, Accessories & Consumables	5,617	4,815
Printing, Freight & Postage	638	660
Professional Services	4,781	5,078
Project Related Expenditure		
- Drainage & Waterways	(231)	878
- Initiation & Data Collection	1,090	960
- IT Corporate System	297	780
- Lighting & Electrical	1,566	136
- Park Lands & Squares	1,230	354
- Plant & Equipment	1	40
- Property	2,751	1,316
- Roads & Footpaths	(78)	-
- Street Furniture	284	1,815
- Transportation	182	(480)
Rates & Taxes	580	574
Registrations	203	171
Searches	482	544
Security	1,603	1,589
Sponsorships, Contributions & Donations	5,071	5,010
Subscriptions	763	687
Training & Development	620	710
Waste Services	949	1,008
Other	234	118
Less: Capitalised & Distributed Costs	(163)	(330)
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>71,484</b>	<b>64,313</b>
<b>TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES</b>	<b>79,145</b>	<b>71,160</b>

### Note 3: Expenses (continued)

\$'000	Consolidated 2016	Consolidated 2015
<b>(C) DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>		
<b>(i) Depreciation and Amortisation</b>		
Buildings & Other Structures	10,894	10,454
Park Land Improvements	3,202	2,984
Infrastructure		
- Stormwater & Drainage	2,574	2,960
- Bridges	2,327	2,301
- Footpaths	2,822	2,625
- Kerb & Water table	849	821
- Public Lighting	3,150	2,869
- Roads	5,342	5,482
- Ticket Machines	447	337
- Traffic Signals	1,080	1,054
- Urban Elements	1,897	1,564
Plant & Equipment	862	1,214
Library Books	357	15
Equipment, Furniture & Fittings	3,587	1,799
<b>Subtotal</b>	<b>39,390</b>	<b>36,479</b>
<b>(ii) Impairment</b>		
Impairment on Transfer to Assets Held for Sale	-	79
Sports Fields & Park Land Improvements	78	-
<b>Subtotal</b>	<b>78</b>	<b>79</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>39,468</b>	<b>36,558</b>
<b>(D) FINANCE COSTS</b>		
Interest on Loans	200	483
<b>TOTAL FINANCE COSTS</b>	<b>200</b>	<b>483</b>

## Note 4: Asset Disposal & Fair Value Adjustments

\$'000	Consolidated 2016	Consolidated 2015
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<b>(i) Assets Renewed or Directly Replaced</b>		
Proceeds from Disposal	1,469	561
Less: Carrying Amount of Assets Sold	(1,312)	(798)
<b>Gain (Loss) on Disposal</b>	<b>157</b>	<b>(237)</b>
<b>(ii) Assets Surplus to Requirements</b>		
Proceeds from Disposal	2,342	5,837
Less: Carrying Amount of Assets Sold	(1,425)	(5,323)
<b>Gain (Loss) on Disposal</b>	<b>917</b>	<b>514</b>
<b>FAIR VALUE ADJUSTMENTS</b>		
Investment Property - Fair Value Increase / (Decrease)	45	211
Revaluation Increments	239	-
Revaluation Decrements Expensed	-	(8,892)
<b>Total Fair Value Adjustments</b>	<b>284</b>	<b>(8,681)</b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<b>1,358</b>	<b>(8,404)</b>



## Note 5: Current Assets

\$'000	Consolidated 2016	Consolidated 2015
<b>(A) CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand at Bank	2,436	5,422
Deposits at Call	925	727
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>3,361</b>	<b>6,149</b>
<b>(B) TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	1,590	1,335
Accrued Revenues	1,094	1,057
Debtors - General	1,552	1,957
GST Recoupment	759	1,205
Prepayments	785	895
<b>Subtotal</b>	<b>5,780</b>	<b>6,449</b>
Less: Allowance for Doubtful Debts	(169)	(35)
<b>TOTAL TRADE &amp; OTHER RECEIVABLES</b>	<b>5,611</b>	<b>6,414</b>
<b>(C) OTHER FINANCIAL ASSETS (INVESTMENTS)</b>		
Ergo Apartments - Shared Equity Loans	394	273
<b>TOTAL OTHER FINANCIAL ASSETS (INVESTMENTS)</b>	<b>394</b>	<b>273</b>
<i>Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13</i>		
<b>(D) INVENTORIES</b>		
Stores & Materials	289	174
Trading Stock	168	160
Other	54	66
<b>TOTAL INVENTORIES</b>	<b>511</b>	<b>400</b>

## Note 6: Non-Current Assets

\$ '000	Notes	Consolidated 2016	Consolidated 2015
<b>(A) FINANCIAL ASSETS</b>			
Ergo Apartments - Shared Equity Loans		710	1,182
<b>TOTAL FINANCIAL ASSETS</b>		<b>710</b>	<b>1,182</b>
<b>(B) EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES</b>			
Council Solutions Regional Authority	19	101	102
Waste Care SA	19	-	55
<b>TOTAL EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES</b>		<b>101</b>	<b>157</b>
<b>(C) OTHER NON-CURRENT ASSETS</b>			
Employee Entitlements (unfunded superannuation asset)		1,001	1,001
<b>TOTAL OTHER NON-CURRENT ASSETS</b>		<b>1,001</b>	<b>1,001</b>

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

as at 1/7/2015

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

## Note 7a (ii): Investment Property

Buildings & Structures	2	3,280	-	638	2,642
<b>TOTAL INVESTMENT PROPERTY</b>		<b>3,280</b>	<b>-</b>	<b>638</b>	<b>2,642</b>
<b>Comparatives</b>		<b>2,527</b>	<b>-</b>	<b>-</b>	<b>2,527</b>

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

Asset Movements during the Reporting Period

\$ '000	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in P/L) (Note 3c)
	New / Upgrade	Renewals			
Non-Current Assets Held for Sale					
Land Held for Sale	-	-	(810)	-	-
Capital Work in Progress					
	12,753	23,728	-	-	
Land					
Land - Crown	-	-	-	-	-
Land - Other	-	-	(600)	-	-
Land - Other	-	-	-	-	-
Buildings					
Buildings	-	350	-	(6,111)	-
Buildings	-	-	-	(4,783)	-
Park Land Improvements					
	-	-	-	(3,202)	(78)
Infrastructure					
- Stormwater & Drainage	-	-	-	(2,574)	-
- Bridges	-	-	-	(2,327)	-
- Footpaths	-	-	-	(2,822)	-
- Footpath Landscaping	-	-	-	-	-
- Kerb & Water table	-	-	-	(849)	-
- Public Lighting	-	-	-	(3,150)	-
- Roads	-	-	(15)	(5,342)	-
- Statues & Fountains	-	-	-	-	-
- Ticket Machines	-	-	-	(447)	-
- Traffic Signals	-	-	-	(1,080)	-
- Urban Elements	-	-	-	(1,897)	-
Other					
Civic Collection	-	-	-	-	-
Equipment, Furniture & Fittings	-	5,381	-	(3,587)	-
Library Books	-	383	-	(357)	-
Plant & Equipment	-	5,573	(1,312)	(862)	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	12,753	35,415	(2,737)	(39,390)	(78)
Comparatives	27,194	31,943	(6,121)	(36,384)	(79)

## Note 7a (ii): Investment Property

Buildings & Structures	-	-	-	-	-
<b>TOTAL INVESTMENT PROPERTY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Comparatives</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(95)</b>	<b>-</b>

## 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)	Reversal of prior period Revaluation Decrements to the P&L (Note 4)	Revaluation Increments to Equity (ARR) (Note 9)
-	-	-	-	-	-	-
(26,383)	(7,093)	-	-	-	-	-
-	-	-	-	-	-	-
1,402	-	-	-	-	-	-
-	-	-	-	-	-	-
2,839	-	-	-	-	-	-
2,927	-	-	-	-	-	-
(170)	-	-	-	-	-	2,478
1,842	-	-	-	-	-	-
299	-	-	-	-	-	-
3,510	-	-	-	-	-	-
-	-	-	-	-	-	-
1,143	-	-	-	-	-	-
5,703	-	-	-	-	58	-
3,358	-	-	-	-	-	-
560	-	-	-	-	-	-
622	-	-	-	-	-	-
846	-	-	-	-	181	-
1,446	-	-	-	-	-	6,247
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(56)	(7,093)	-	-	-	239	8,725
-	(5,798)	-	(8,891)	(8,457)	-	51,443

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

56	-	45	-	-	-	-
56	-	45	-	-	-	-
-	-	210	-	-	-	-

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

as at 30/6/2016

\$ '000	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
<b>Non-Current Assets Held for Sale</b>				
Land Held for Sale	-	-	-	-
<b>Capital Work in Progress</b>				
	-	27,525	-	27,525
<b>Land</b>				
Land - Crown	-	388,400	-	388,400
Land - Other	105,186	-	-	105,186
Land - Other	4,290	-	-	4,290
<b>Buildings</b>				
Buildings	383,400	-	221,760	161,640
Buildings	87,171	-	-	87,171
<b>Park Land Improvements</b>				
	66,612	-	35,766	30,846
<b>Infrastructure</b>				
- Stormwater & Drainage	108,375	-	60,892	47,483
- Bridges	156,192	-	83,643	72,549
- Footpaths	129,471	-	40,358	89,113
- Footpath Landscaping	2,831	-	-	2,831
- Kerb & Water table	63,939	-	18,735	45,204
- Public Lighting	77,985	-	28,232	49,753
- Roads	226,435	-	105,241	121,194
- Statues & Fountains	560	-	-	560
- Ticket Machines	4,006	-	2,332	1,674
- Traffic Signals	23,612	-	10,157	13,455
- Urban Elements	67,291	-	11,847	55,444
<b>Other</b>				
Civic Collection	-	11,282	-	11,282
Equipment, Furniture & Fittings	-	36,235	26,764	9,471
Library Books	-	7,098	5,097	2,001
Plant & Equipment	-	18,282	6,834	11,448
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>1,507,356</b>	<b>488,822</b>	<b>657,658</b>	<b>1,338,520</b>
<b>Comparatives</b>	<b>1,458,680</b>	<b>492,486</b>	<b>620,424</b>	<b>1,330,742</b>

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

Buildings & Structures	3,381	-	638	2,743
<b>TOTAL INVESTMENT PROPERTY</b>	<b>3,381</b>	<b>-</b>	<b>638</b>	<b>2,743</b>
<b>Comparatives</b>	<b>3,280</b>	<b>-</b>	<b>638</b>	<b>2,642</b>

## 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 not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which specific advantages or disadvantages attaching to the particular asset that 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 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 International Financial Reporting Standards (IFRS), Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under Generally Accepted Accounting Principles (GAAP) as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material 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: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. 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 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 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 current replacement cost during the reporting period ended 30 June 2014. The remaining classes within infrastructure assets were valued by Council officers at 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

	Consolidated		Consolidated	
	2016	2016	2015	2015
\$ '000	Current	Non Current	Current	Non Current
<b>(A) TRADE AND OTHER PAYABLES</b>				
Goods & Services	10,286	-	13,030	-
Payments Received in Advance	1,077	293	1,293	293
Accrued Expenses - Employee Entitlements	1,458	-	1,174	-
Accrued Expenses - Other	6,490	-	3,692	-
Deposits, Retentions & Bonds	995	-	713	-
Other	1,311	-	1,342	-
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>21,617</b>	<b>293</b>	<b>21,244</b>	<b>293</b>
<b>(B) BORROWINGS</b>				
Loans	1,700	-	10,500	-
<b>TOTAL BORROWINGS</b>	<b>1,700</b>	<b>-</b>	<b>10,500</b>	<b>-</b>
<i>All interest bearing liabilities are secured over the future revenues of the Council</i>				
<b>(C) PROVISIONS</b>				
Employee Entitlements (including oncosts)	11,813	1,704	12,038	1,418
Provision for Taxation - Carbon Tax	-	52	-	52
Other	376	-	486	-
<b>TOTAL PROVISIONS</b>	<b>12,189</b>	<b>1,756</b>	<b>12,524</b>	<b>1,470</b>
<b>2016 (CURRENT &amp; NON-CURRENT)</b>			<b>Carbon Tax</b>	<b>Other</b>
Opening Balance			52	486
(Less) Payments			-	(110)
<b>Closing Balance</b>			<b>52</b>	<b>376</b>

## Note 9: Reserves

Consolidated	1/7/2015	Increments (Decrements)	Transfers	30/6/2016
\$ '000				
<b>(A) ASSET REVALUATION RESERVE</b>				
Land & Buildings	254,166	-	-	254,166
Park Land Improvements	10,739	2,478	-	13,217
Infrastructure				
- Stormwater & Drainage	9,093	-	-	9,093
- Bridges	56,847	-	-	56,847
- Footpaths	31,113	-	-	31,113
- Kerb & Water table	57,978	-	-	57,978
- Roads	44,999	-	-	44,999
- Statues & Fountains	3,730	-	-	3,730
- Ticket Machines	431	-	-	431
- Urban Elements	6,664	6,247	-	12,911
Other Assets	1,003	-	-	1,003
<b>TOTAL ASSET REVALUATION RESERVE</b>	<b>476,763</b>	<b>8,725</b>	<b>-</b>	<b>485,488</b>
<b>Comparatives</b>	<b>433,777</b>	<b>42,986</b>	<b>-</b>	<b>476,763</b>
<b>(B) OTHER RESERVES</b>				
Defined Benefit - Unfunded Superannuation Liability	865	179	-	1,044
ACMA Renewal & Enhancement Reserves	2,198	-	(664)	1,534
<b>TOTAL OTHER RESERVES</b>	<b>3,063</b>	<b>179</b>	<b>(664)</b>	<b>2,578</b>
<b>Comparatives</b>	<b>668</b>	<b>197</b>	<b>2,198</b>	<b>3,063</b>

### 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 and 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.

\$ '000	Consolidated 2016	Consolidated 2015
<b>CASH &amp; FINANCIAL ASSETS</b>		
<b>Unexpended amounts received from Federal Government</b>		
Open Space Contributions	196	367
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>	<b>196</b>	<b>367</b>
<b>The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance:</b>		
Trade and Other Payables	196	367
<b>TOTAL</b>	<b>196</b>	<b>367</b>

## Note 11: Reconciliation to Statement of Cash Flows

\$ '000	Notes	Consolidated 2016	Consolidated 2015
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### (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 Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Total Cash & Equivalent Assets	5	3,361	6,149
<b>BALANCES PER STATEMENT OF CASH FLOWS</b>		<b>3,361</b>	<b>6,149</b>

### (B) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FROM OPERATING ACTIVITIES

<b>Net Surplus/(Deficit)</b>		<b>3,564</b>	1,641
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		39,468	36,558
Fair Value Adjustments		(284)	8,681
Equity Movements in Equity Accounted Investments (Increase)/Decrease		13	30
Non-Cash Asset Acquisitions		-	-
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(854)	(938)
Net (Gain) Loss on Disposals		(1,074)	(277)
		<b>40,833</b>	<b>45,695</b>

### Add (Less): Changes in Net Current Assets

Net (Increase)/Decrease in Receivables		669	3,364
Change in Allowances for Under-Recovery of Receivables		(134)	(73)
Net (Increase)/Decrease in Inventories		(111)	25
Net (Increase)/Decrease in Other Current Assets		268	(342)
Net Increase/(Decrease) in Trade & Other Payables		91	(2,811)
Net Increase/(Decrease) in Unpaid Employee Benefits		240	535
Net Increase/(Decrease) in Other Provisions		(110)	
<b>NET CASH PROVIDED BY (OR USED IN) OPERATIONS</b>		<b>41,746</b>	<b>46,414</b>

### (C) FINANCING ARRANGEMENTS

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

Bank Overdrafts	500	500
Corporate Credit Cards	600	600
LGFA Cash Advance Debenture Facility	45,000	45,000

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

## Note 12a: Functions

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

Functions/ Activities	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015
\$ '000										
City of Great Places	3,379	1,951	37,842	33,501	(34,463)	(31,550)	56	158	-	-
Accessible City	52,308	51,785	18,206	12,335	34,102	39,450	-	162	143,700	155,569
Creative City	1,802	1,939	5,571	5,585	(3,769)	(3,646)	-	15	245,149	246,614
Liveable City	10,333	9,367	21,961	17,175	(11,628)	(7,808)	622	1,189	806,026	797,855
Prosperous City	4,312	3,990	7,565	6,276	(3,253)	(2,286)	104	27	103,975	93,257
Environmentally Sustainable City	477	47	6,087	4,658	(5,610)	(4,611)	477	57	-	-
Corporate	119,194	112,717	91,009	93,129	28,185	19,588	5,210	5,717	54,102	55,665
<b>TOTAL FUNCTIONS/ ACTIVITIES</b>	<b>191,805</b>	<b>181,796</b>	<b>188,241</b>	<b>172,659</b>	<b>3,564</b>	<b>9,137</b>	<b>6,469</b>	<b>7,325</b>	<b>1,352,952</b>	<b>1,348,960</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**

Design & Strategy, Planning & Development and Public Realm

### **Accessible City**

City Parking & Business Services and Adelaide Park Lands Authority

### **Creative City**

Vibrant City

### **Liveable City**

City Community, Active City, City Safety & Customer Services

### **Prosperous City**

Economic Development & Tourism and 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

\*The above functions reflect the City of Adelaide Strategic Plan 2012-2016. Council's new strategic plan 2016-2020 will result in a change of functions in future years.

## Note 13: Financial Instruments

### RECOGNISED FINANCIAL INSTRUMENTS

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#### **BANK, DEPOSITS AT CALL, SHORT TERM DEPOSITS**

**Accounting Policy:**

Carried at lower of cost and net realisable value;  
Interest is recognised 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.

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#### **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.*

**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 7.25% (2015: 7.75%).  
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).

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#### **Fees & Other Charges**

**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).

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## Note 13: Financial Instruments (continued)

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### Other Levels of Government

**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.

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### 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.

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## LIABILITIES

### Creditors and Accruals

**Accounting Policy:**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

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### Interest Bearing Borrowings

**Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues.

**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.



## Note 13: Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2016</b>					
<b>Financial Assets</b>					
Cash & Equivalents	3,361	-	-	3,361	3,361
Receivables	2,477	-	-	2,477	2,477
Other Financial Assets	394	710	-	1,104	1,104
<b>TOTAL FINANCIAL ASSETS</b>	<b>6,232</b>	<b>710</b>	<b>-</b>	<b>6,942</b>	<b>6,942</b>
<b>Financial Liabilities</b>					
Payables	20,540	-	-	20,540	20,540
Current Borrowings	1,700	-	-	1,700	1,700
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>22,240</b>	<b>-</b>	<b>-</b>	<b>22,240</b>	<b>22,240</b>
<b>2015</b>					
<b>Financial Assets</b>					
Cash & Equivalents	6,149	-	-	6,149	6,149
Receivables	2,979	-	-	2,979	2,979
Other Financial Assets	273	1,182	-	1,455	1,455
<b>TOTAL FINANCIAL ASSETS</b>	<b>9,401</b>	<b>1,182</b>	<b>-</b>	<b>10,583</b>	<b>10,583</b>
<b>Financial Liabilities</b>					
Payables	19,951	-	-	19,951	19,951
Current Borrowings	10,500	-	-	10,500	10,500
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>30,451</b>	<b>-</b>	<b>-</b>	<b>30,451</b>	<b>30,451</b>
The following interest rates were applicable to Council's Borrowings at balance date:					
	<b>30 June 2016</b>		<b>30 June 2015</b>		
	<b>Weighted Avg Interest Rate</b>	<b>Carrying Value</b>	<b>Weighted Avg Interest Rate</b>	<b>Carrying Value</b>	
Other Variable Rates	3.24%	1,700	3.60%	10,500	
		1,700		10,500	

### 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

\$ '000	Consolidated 2016	Consolidated 2015
<b>CAPITAL COMMITMENTS</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	773	-
Infrastructure	342	-
Drainage & Waterways	54	735
Initiation & Data Collection	-	90
IT Corporate System	248	269
Lighting & Electrical	62	281
Park Lands & Squares	1,310	2
Plant & Equipment	417	1,480
Property	1,037	1,458
Property Investments	-	597
Strategic Priorities	353	2,619
Streetscapes	791	65
Transportation	3,243	285
Urban Elements	31	14
	<b>8,661</b>	<b>7,895</b>
<b>These expenditures are payable:</b>		
Not later than one year	<b>8,661</b>	<b>7,895</b>
	<b>8,661</b>	<b>7,895</b>

## Note 15: Financial Indicators

Consolidated

	Amounts	Indicator	Prior Periods	
\$ '000	2016	2016	2015	2014

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	1,352	1%	10%	10%
Total Operating Revenue	189,201			

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

### 2. NET FINANCIAL LIABILITIES RATIO

Net Financial Liabilities	27,479	15%	18%	13%
Total Operating Revenue	189,201			

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	35,099	90%	90%	59%
Infrastructure & Asset Management Plan required expenditure	39,086			

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 2016	Consolidated 2015
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	189,201	181,796
less Expenses	(187,849)	(172,689)
<b>Operating Surplus / (Deficit)</b>	<b>1,352</b>	<b>9,107</b>
add <b>Project Related Expenditure</b>	<b>7,093</b>	<b>5,798</b>
<b>FUNDING SURPLUS BEFORE CAPITAL AMOUNTS</b>	<b>8,445</b>	<b>14,905</b>
less <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	35,415	31,943
less Depreciation, Amortisation and Impairment	(39,468)	(36,558)
less Proceeds from Sale of Replaced Assets	(1,469)	(561)
<b>Subtotal</b>	<b>(5,522)</b>	<b>(5,176)</b>
less <b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	12,753	27,194
less Amounts Received Specifically for New and Upgraded Assets	(854)	(938)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	(2,342)	(5,837)
<b>Subtotal</b>	<b>9,557</b>	<b>20,419</b>
<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<b>4,410</b>	<b>(338)</b>

## Note 17: Operating Leases

\$ '000	Consolidated 2016	Consolidated 2015
<b>LEASES PROVIDING REVENUE TO THE COUNCIL</b>		
Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.		
<b>(i) Investment Property</b>		
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:		
Not later than one year	<b>2,781</b>	2,644
Later than one year and not later than 5 years	<b>11,054</b>	5,494
Later than 5 years	<b>33,867</b>	27,488
	<b>47,702</b>	35,626
<b>LEASES INCURRING EXPENDITURE FOR THE COUNCIL</b>		
<b>(ii) Lease Payment Commitments of Council</b>		
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	<b>6,173</b>	6,083
Later than one year and not later than 5 years	<b>23,368</b>	25,631
Later than 5 years	<b>31,615</b>	39,735
	<b>61,156</b>	71,449

## 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 the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

### Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2015/16; 9.50% in 2014/15). 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 Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2014/15) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of 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 Salarylink section'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 actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2016. 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 2016 there were 6 active members.

Following an updated actuarial assessment, the asset recorded in the 2015/16 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 2016.

### 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 2016	Consolidated 2015
<b>Statewide Super – Corporation of the City of Adelaide Superannuation Plan:</b>		
<b>AASB119 disclosures</b>		
<b>Amount Recognised in the Balance Sheet</b>		
Defined Benefit Obligation	2,784	2,718
Fair Value (MV) of Assets	(3,785)	(3,569)
<b>Funded Status</b>	<b>(1,001)</b>	<b>(851)</b>
Unrecognised (Gain)/Loss	-	-
<b>Net (Asset)/Liability</b>	<b>(1,001)</b>	<b>(851)</b>
Contributions Tax Reserve	-	(150)
<b>NET (ASSET)/LIABILITY RECOGNISED IN BALANCE SHEET (GROSSED UP FOR CONTRIBUTIONS TAX)</b>	<b>(1,001)</b>	<b>(1,001)</b>
<b>Expense Recognised in the Income Statement for the year to 30 June 2015</b>		
Current Service Cost	65	66
Member Contributions	(17)	(20)
Interest Cost	(18)	(18)
Plan Expenses	13	7
<b>Net Expense</b>	<b>43</b>	<b>35</b>
Contributions Tax	9	6
<b>NET EXPENSE RECOGNISED IN THE INCOME STATEMENT (GROSSED UP FOR CONTRIBUTIONS TAX)</b>	<b>52</b>	<b>41</b>
<b>Projected Expense to be Recognised in the Income Statement for the year to 30 June 2016</b>		
Current Service Cost	48	67
Member Contributions	(14)	(17)
Plan Expenses	9	13
Net Interest on the Net Defined Benefit Liability / (Asset)	(15)	(18)
<b>Net Expense</b>	<b>28</b>	<b>45</b>
Contributions	5	7
<b>NET EXPENSE RECOGNISED IN THE INCOME STATEMENT (GROSSED UP FOR CONTRIBUTIONS TAX)</b>	<b>33</b>	<b>52</b>



## Note 18: Superannuation (continued)

\$ '000	Consolidated 2016	Consolidated 2015
<b>Statewide Super – Corporation of the City of Adelaide Superannuation Plan:</b>		
<b>AASB119 disclosures (continued)</b>		
<b>Reconciliation of Defined Benefit Obligation</b>		
Defined Benefit Obligation at Start of Year	2,718	2,877
Service Cost	75	72
Interest Cost	61	79
(Benefit Payments)	-	(376)
Actuarial (Gain)/Loss	(70)	66
<b>DEFINED BENEFIT OBLIGATION AT END OF YEAR</b>	<b>2,784</b>	<b>2,718</b>
<b>Reconciliation of Fair Value of Plan Assets</b>		
Fair Value of Plan Assets as start of year	3,569	3,437
Employer Contributions	30	160
Member Contributions	17	20
(Benefit Payments)	-	(376)
(Plan Expenses)	(13)	(7)
Contribution Tax	(7)	(25)
Expected Return on Assets	80	97
Asset Gain/(Loss)	109	263
<b>FAIR VALUE OF PLAN ASSETS AS END OF YEAR</b>	<b>3,785</b>	<b>3,569</b>
<b>FINANCIAL ASSUMPTIONS:</b>		
<b>Discount rate (gross) at 30 June 2016:</b> 1.57% p.a. (2.32% at 30 June 2015)		
As the expected future term of the liabilities is 3.3 years, the discount rate is based on the 3 and 5 year Government Bond Rates as at 30 June 2016.		
<b>Average Salary Increases:</b> 3.5% p.a.		
Taken from the last actuarial investigation as at 30 June 2014.		
<b>Expenses:</b> 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	2016	2015
Council Solutions Regional Authority	Promotion of procurement and service delivery	101	102
Waste Care SA	Operation of a Resource Recovery Waste Transfer Station (RRWTS)	-	57
<b>TOTAL CARRYING AMOUNTS - JOINT VENTURE ENTITIES</b>		<b>101</b>	<b>159</b>

#### 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. As of the 22nd October 2015, Waste Care SA was wound up pursuant to Schedule 2, Clause 33 of the Local Government Act 1999.

### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2016	2015	2016	2015	2016	2015
Council Solutions Regional Authority	17%	17%	17%	17%	17%	17%
Waste Care SA	0%	24%	0%	24%	0%	17%

### (c) Movement in Carrying Amounts

	Council Solutions Regional Authority		Waste Care SA	
	2016	2015	2016	2015
Opening Balance	102	122	57	67
Share in Operating Result	(1)	(20)	-	(10)
Adjustments to Equity	-	-	(57)	-
<b>COUNCIL'S EQUITY SHARE IN THE JOINT VENTURE ENTITY</b>	<b>101</b>	<b>102</b>	<b>-</b>	<b>57</b>

**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: Events after the Balance Sheet Date

No matters or circumstances has arisen since 30 June 2016 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.

## Note 23: Capital City Development and Economic Development

Expenditure of \$7.67m was incurred in relation to Council's commitments under the Capital City Development Program. This represents 3.98% of total expenditure for the year ended 30 June 2016.

In accordance with the requirements of the City of Adelaide Act 1998, expenditure of \$5.92m was incurred for works, services and activities that directly related to Council's economic development program. This represents 3.07% of the total expenditure for the year ended 30 June 2016.



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AUSTRALIA

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

We have audited the accompanying financial report of Adelaide City Council ("the Council"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chief Executive Officer and the Lord Mayor, for the consolidated entity comprising the Council and the entities it controlled at the year's end or from time to time during the financial year.

### **Council's Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

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

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

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

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#### Opinion

In our opinion, the financial report of the Adelaide City Council presents fairly, in all material respects, the Council's financial position as at 30 June 2016, and its financial performance for the year then ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

A stylized, handwritten signature in blue ink that reads 'BDO'.

**BDO Audit (SA) Pty Ltd**

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

Andrew Tickle  
Director

Adelaide, 7 October 2016



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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, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2015 to 30 June 2016 have been conducted properly 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 properly 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 Board, 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 2015 to 30 June 2016. ASAE 3100 also requires 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, specifically:

1. Obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities
2. Evaluating management’s assessment of these controls
3. Assessing the risk that a material weakness exists
4. 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 money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, for the period 1 July 2015 to 30 June 2016.

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#### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

#### **Independence**

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

#### **Conclusion**

In our opinion, the Council has 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, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law for the period 1 July 2015 to 30 June 2016.

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

**BDO Audit (SA) Pty Ltd**

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

Andrew Tickle  
Director

Adelaide, 7 October 2016





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## 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 2016, 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.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 7 October 2016

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## Adelaide City Council

### General Purpose Financial Statements

for the year ended 30 June 2016

### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide City Council for the year ended 30 June 2016, the Council's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act

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



Mark Goldstone  
CHIEF EXECUTIVE OFFICER



David Powell  
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 5th October 2016



# ADELAIDE CENTRAL MARKET AUTHORITY ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016



The 2015–16 period was the third full year of operation for the Adelaide Central Market Authority (ACMA) after its formal establishment in October 2012. The current ACMA Board, Chaired by Mr Nick Begakis AO, was in place for the entire financial year 2015–16.

The ACMA Board as at 30 June 2016 included the following members:

Mr Nick Begakis AO (Chairman), Mr Peter Khoury (Deputy Chair – July 2015 to October 2015), Mr Dominic Lagana (Deputy Chair – November 2015 to June 2016), Councillor Megan Hender (Central Ward Councillor, Adelaide City Council), Mr Bill Zaharis (Trader Advisory Group Chairman), Ms Loewn Steel and Mr Andrew Jonats.

The ACMA General Manager as at 30 June 2016 was Mr Aaron Brumby, who commenced with ACMA on 18 March 2015.

During 2015–16, ACMA continued to focus on achieving the outcomes of the ACMA Strategic Plan 2015–2018, with the vision for the future of the market: “To be the world’s leading food and produce market”, and the supporting Business Plan for 2015–16. The Business Plan, which was approved by Adelaide City Council on 30 June 2015 with a supporting financial budget for the 2015–16 financial year, detailed specific activities to be undertaken to underpin the authority’s Strategic Plan.

For all of 2015–16, the Trader Advisory Group (TAG) was chaired by Mr Bill Zaharis of Thompson Fruit & Veg and Central Fresh Fruiters. He was elected Chairman in March 2015, in accordance with the TAG Terms of Reference and ACMA Charter.

Two staff appointments were made to ACMA during 2015–16. Mr Brett Chalmers replaced Mr Chris Neal as Operations Manager, and Ms Elizabeth Pashalidis took up the position of Office & Projects Administrator. The two new appointments reflect the increasing operational project management required to address legacy maintenance items and the future expanded Capital Works Program. In addition to the new staff appointments, the duties of the incumbent Security Manager for the Market (employed by Wilson Security) Mr Johnny Carbone, were expanded under agreement with his employer to facilitate a maintenance focus to the role with a new title Maintenance & Security Manager.

The official launch of the Adelaide Central Market U Install It Community Kitchen was held on 22 October 2015, with a ribbon-cutting ceremony by the South Australian Governor, the Honourable Hieu Van Le AO. The launch was attended by the Right Honourable the Lord Mayor of Adelaide, Mr Martin Haese, the Honourable Zoe Bettison MP, the ACMA Board and other VIP guests. The Community Kitchen was established as a joint venture between U Install It Kitchens (providing the kitchen cabinetry and appliances) and ACMA, as a facility for different multicultural community groups to come together and celebrate their national day or day of cultural significance, by sharing their unique cultural cuisine with the people of Adelaide, at no cost. The Community Kitchen also provided the opportunity for the Market to reconnect with various chefs around Adelaide and provide the opportunity to undertake public cooking displays associated with the Markets Monthly Celebrations and share recipes and produce with Market Customers. In 2015–16, the Community Kitchen was used for a cooking demonstration or multicultural event on 128 occasions, and its success has been widely acknowledged by both Traders and the Public.

Throughout the year, the Adelaide Central Market garnered a number of industry honours including the South Australian Tourism Industry Council Awards - Category 1, Major Tourist Attractions, Bronze Award; Trip Advisor – Certificate of Excellence as a tourism business; and most importantly, the Adelaide Food Legend Award from the Advertiser Good Food Awards. The Adelaide Food Legend Award in particular was a highlight, as this was the first time the award had been given to an organisation rather than a specific person.

In early 2015–16, ACMA acquired from David Jones, one of Adelaide’s most beloved icons of Christmas – the famous Giant Father Christmas statue as the statue would underpin the Market Christmas Strategy, attracting shopping families with children to the Market as a point of difference for the Market over other Christmas activations in the city. Renovations to the department store’s Rundle Mall façade in 2013 meant that it was no longer possible to mount the Giant Father Christmas. Adelaide Central Market Authority successfully erected, the 16.4m tall figure on the northern façade of the prominent 115-year-old, heritage-listed Market Tower. The Giant Father Christmas was the lead decoration anchoring the Market’s Christmas activities for 2015.

# FINANCE AND REPORTING

The full year financial result ended with a net deficit of funds of (\$621k) which is (\$409k) adverse to the budget of (\$212k). The Administration budget is \$79k favourable to budget due to savings in employee and contractual expenses. The Market car park was favourable to budget by \$145k due to Council Rates which were budgeted but not charged by Adelaide City Council when a decision was made regarding levies on their own properties. The Market Complex budget is (\$633k) adverse to budget due to additional expenditure associated with legacy maintenance items in the categories of electrical services, fire service and repairs and maintenance.

The ACMA Balance Sheet as of 30 June 2016 reflects net assets totalling \$2,178k which is a decrease of \$621k from

the opening balance of \$2,799 at 1 July 2015. A majority of the reduced net assets reflects expenditure on capital works. The balances of the capital enhancement and capital renewal reserves, as required by the ACMA Charter 2015, have been reported.

Significant attention was placed on reducing monthly debtors through 2015–16, with a monthly debtor result of \$17,018 (4.3% of monthly rental charges) in November 2015 being achieved. This represents the lowest monthly debtor amount since ACMA's establishment in 2012.

## Meeting Attendance

The numbers of meetings of the Authority's Board and Directors, and of each board committee held during the 2015–16 financial year ending 30 June 2016, and the number of meetings attended by each Director are as follows:

	Full Meetings of Directors		Meetings of committees							
			Audit & Risk Committee		Car park Committee		Trader Advisory Group		E-commerce Committee	
	A	B	A	B	A	B	A	B	A	B
<b>Nick Begakis AO</b>	13	13	-	-	-	-	-	-	-	-
<b>Peter Khoury</b>	13	13	11	11	11	11	1	1	3	3
<b>Dominic Lagana</b>	13	13	-	-	-	-	4	4	-	-
<b>Loewn Steel</b>	13	13	-	-	-	-	2	2	3	3
<b>Andrew Jonats</b>	13	13	-	-	-	-	1	1	-	-
<b>Megan Hender</b>	13	13	10	11	9	11	1	1	-	-
<b>Bill Zaharis</b>	13	13	-	-	9	11	12	12	-	-

# INFORMATION ON DIRECTORS

## Nick Begakis AO, Chair

Nick co-owns and is non-executive Chairman of Bellis Fruit Bars – a business he has owned since 1990 with products distributed Australia-wide. Bellis Fruit Bars has a factory at Elizabeth, manufacturing interests in China and Mexico, and a market reach that stretches across the globe.

Nick plays a key role in setting ACMA's strategic direction, particularly identifying and mitigating organisational risks and maximising opportunities. He understands the need to balance shareholder interests with increased returns, cash flow and growth. Nick also has extensive corporate governance experience in several industry sectors as well as in academia and on government boards.

## Peter Khoury, Deputy Chair (July 2015 – October 2015)

Peter has worked in the financial services sector on matters such as strategy, finance, point-of-sale systems and marketing. He has extensive skills in networking, business development, influencing, communications and stakeholder engagement.

### *Special responsibilities:*

Member of the E-commerce Committee  
Member of the Audit & Risk Committee  
Member of the Car Park Committee

## Dominic Lagana, Deputy Chair (November 2015 – June 2016)

Dominic brings skills and competencies in retail, food supply chain and marketing. He has extensive knowledge of the fresh produce market, community, operations and structure, and significant experience in creating and building iconic SA brands.

### *Special responsibilities:*

Member of the Trader Advisory Group

## Loewn Steel

Loewn's core skillset includes strategy, change management and leadership development, digital communications and marketing, together with a proven record of growing Australian businesses and expanding their brands into global markets through innovation and strong creative, strategic thinking.

### *Special responsibilities:*

Member of the E-commerce Committee

## Andrew Jonats

Andrew holds significant property, financial and leasing experience and is the Managing Partner of an Adelaide accounting firm. He is a registered real estate agent, chartered accountant, registered company auditor and registered tax agent.

## Councillor Megan Hender

Megan Hender is an elected member of the Adelaide City Council, and sits on the Adelaide Central Market Authority board as Council's representative. She is a lawyer by training and has worked as a solicitor, a university lecturer and as a senior manager in the professional services sector.

Since 2002, she has been running a successful management consulting business working with a variety of organisations, locally and interstate, principally in the areas of strategy, risk and communication. In addition, Megan was on the management committee that established the Adelaide Showground's Farmers Market, and served on that committee for a number of years. Until recently, she also sat on the Board of the award winning Adelaide Convention Centre, and now serves on the Board of the Adelaide Festival.

### *Special responsibilities:*

Member of the Audit & Risk Committee  
Member of the Car Park Committee

## Bill Zaharis

Thompson's Fruit & Veg and Central Fresh Fruiters proprietor and Traders Advisory Group (TAG) Chair, Bill has an experienced working knowledge of the Market as a leaseholder for the past five years. Bill will represent the wider trader group on the Board.

### *Special responsibilities*

Chair of the Trader Advisory Group  
Member of the Car Park Committee

# OPERATIONS

ACMA continues to consider customer and trader safety as one of its highest priorities. The 2015–16 year saw the following cumulative results of reported medical treated injuries:

- 24 medically-treated incidents from 1 July 2015 to 30 June 2016. This was a significant reduction from the 42 medically-treated incidents during 2014-15 and represents the diligent risk mitigation process put in place by the Market Office to reduce the incidents of slips and falls.
- Of the 24 incidents, there were zero slips, three trips, seven falls and 14 incidents attributed to other factors
- One reportable incident was referred to Safework SA, while 23 incidents were categorised as non-reportable.

ACMA continues to implement new strategies and operational activities to the Market, aimed at reducing the number of injuries occurring within the Market and Market Car Park that require medical treatment.

Ten fit-outs/refurbishments were completed by Adelaide Central Market Traders during 2015–16 including the following traders; the investment demonstrates a level of positive confidence in the future of the market:

- Jamface Central (Stall 28/29)
- Plantation Juice Bar (Stall R17)
- Asian Green Grocer (Stall 41)
- Seven Brothers (Stall 23&24)
- Pick Me Fresh (Stall 30&31)
- Samtass Seafood (Stall GO46&48)
- Poultry Cuisine & Game (Stall 51)
- M&M's Fruit Mart (Stall 13)
- Gourmet to Go (Stall 42)
- Producer in Residence (Stall CS1)

During 2015–16, the following key operational improvements were completed:

- Exhaust ducting was extended from Stall 39/40 (Big Table) to stall 58/59 (The Coffee Bean Shop) to allow connection to a coffee bean roaster.
- A new exhaust duct was installed to Samtass Seafood to facilitate the cooking of crumbed seafood products.

- Permanent fall-restraint safety infrastructure was installed on the Gouger Street veranda and the existing fall-restraint safety infrastructure on the main market roof was further expanded to improve contractor safety whilst working on the main roof.
- Arup Engineers undertook a full review of the structural integrity of both the Gouger Street and Grote Street heritage listed building facades to ensure structural integrity was maintained.
- Substantial repairs were undertaken to the fire services within the Market to address legacy maintenance issues with a total investment of \$93,664.
- During 2015–16 radio call signs and acronyms, with the assistance of the phonetic alphabet, were applied to the staff of the Market Office, cleaning team, security, and primary contractors, to improve the reaction time on operational matters within the market. This was a primary driver for the reduction in incident numbers from 42 medically-treated injuries in 2014-15 to 24 in 2015–16, as trip hazards and wet spills were addressed expeditiously using the radio call system.
- Additional focus was placed on the frequency and standard of cleaning within the market, which led to improvements in the level of cleanliness and much positive public feedback.
- Legacy maintenance items are addressed, and significant repairs were completed on the market's electrical infrastructure to ensure continued safety and electrical supply is maintained, at a total expense of \$256,346.
- The ACMA server rack was relocated to the operations storeroom adjacent the Market Office to provide secure, air-conditioned space for the server. Removing the server rack from the office also eliminated the resultant heat sink, which would regularly cause temperature control issues and, in some cases, trigger overheating alarms.
- Major remedial repair works were undertaken to the car park exit onto Grote Street to resolve legacy issues associated with water egress into the Market Plaza tenancy below.
- An automated external defibrillator unit was installed outside the Market Office and two additional first aid kits were placed on the main Market level to further improve the Market's first aid processes and incident response timeframes.

# CAPITAL EXPENDITURE WORKS

During 2015–16, numerous capital expenditure works projects were undertaken by ACMA to improve customer experience and ensure building compliance. These projects can be categorised into three key areas:

1. Improved ambience/best practice retail
2. Maintenance/risk mitigation, and
3. Sustainability

The works comprised of:

Project Title	Category of Work	Description of Work	Budget (Ex GST)
CCTV upgrade	Risk mitigation	Increase and improve CCTV coverage of Market and car park	\$75,000
Aisle light replacement *	Improved ambience/ best practice retail/sustainability	Replacement of existing metal halide high bay aisle lights with low energy LED lights as part of a broader Market sustainability program	\$85,000
Gouger Street lift refurbishment	Maintenance	Upgrade of mechanical systems and door controls on the Gouger Street glass lift as a result of lift use being over capacity for the lift	\$150,000
Escalator refurbishment	Maintenance/ Risk mitigation	Undertake refurbishment of four aging escalators in the Market to include installation of current standard safety features	\$50,000
External signage installation**	Improved ambience/ best practice retail	Upgrade of street facing Market brand-signage on Grote Street and Gouger Street to resolve areas of missing or damaged signage	\$150,000
Parents room and accessible toilet*	Improved ambience/ best practice retail	To convert the existing baby change room into a combined accessible toilet/baby change room as an accessible toilet did not exist in the Adelaide Central Market. This will provide additional customer service to grow the customer base.	\$120,000
Master key / access card	Risk mitigation	To improve market security by creating a new master key system and to introduce a swipe/proxy card access system to the critical market entrance points	\$75,000



Project Title	Category of Work	Description of Work	Budget (Ex GST)
Waste management centre*	Improved ambience/ best practice retail/sustainability	Create an area within the Market to allow the efficient processing of market generated waste in a sustainable manner to reduce the Market's carbon footprint	\$500,000
Dining area furniture replacement*	Improved ambience/ best practice retail	To review and replace existing common dining furniture considering market ambience and opportunity to increase seating capacity	\$50,000
Grote Street entrances and footpath	Improved ambience/ best practice retail	Undertake study and prepare concept plans to activate the Grote Street footpath and three Grote Street entrances into the Market, improving access, ambience	\$75,000
Market Office - asbestos removal	Risk mitigation	Removal of the identified asbestos in Market Office and general refurbishment as required providing office efficiency	\$40,000
Fire panel enclosure replacement	Maintenance	Replacement of rusted/ weathered fire panel enclosure on Grote Street and upgrade of fire block plans	\$5,000
Investigation of Rain Water harvesting opportunities	Sustainability	Investigation and report on the opportunity to harvest roof rainwater for use in market toilets and wash down areas in concert with ACC sustainability targets	\$20,000
Installation of mimic fire panel	Risk mitigation	Install fire mimic panel to Market Office providing opportunity for ACMA management and Market Security to respond more rapidly during fire alarms	\$10,000
LED Sensor lighting*	Improved ambience/ best practice retail/sustainability	Replace existing fluorescent lighting with LED fittings including motion sensors to improve light levels and reduce electrical consumption costs. Also reducing the Market's carbon footprint in support of ACC Carbon reduction plans	\$400,000

Project Title	Category of Work	Description of Work	Budget (Ex GST)
People counters	Improved ambience/ best practice retail	Install people counters across all pedestrian entry and exit points within the car park to provide a better understanding of pedestrian movements from the car park	\$100,000
Internal/external signage*	Improved ambience/ best practice retail	Replace existing car park signage throughout car park to provide the customer with improved way finding signage through the carpark. It is important to note that for many customers the carpark is the first experience they have of the Market, it is our "front of house", welcoming experience	\$50,000
Storage compound	Maintenance	Create a storage compound on level one for ACMA storage. Presently storage levels are inadequate, leading to damage of stored materials	\$25,000
Painting*	Improved ambience/ best practice retail	Repaint all existing painted areas in car park to provide unique identification of area parked in. It is important to note that for many customers the carpark is the first experience they have of the Market and as such should be clean, painted and well lit.	\$100,000

\* Projects with a programmed duration greater than 12 months – anticipated completion during 2016-17.

\*\* Projects on hold pending additional investigation as result of findings of initial project scope.

# MARKETING

In 2015–16, the Adelaide Central Market Authority spent a total of \$872,791 on marketing and promotional activities to achieve the outcomes set out in the annual business plan. ACMA invested \$413,722, in addition to the \$459,069 in the Central Market Marketing Fund (CMMF). During 2015–16 ACMA proactively generated 155 media articles with a Public Relations value of \$1,026,000 in addition to an estimated \$1,000,000 in unprompted supplementary media on the Market, Traders and events. The major marketing activities for 2015–16 included Christmas and Easter retail campaigns, promotion of car park incentives, monthly produce celebrations, and community engagement activities.

## Community and customer engagement

### Truffle Festival, August 2015

The inaugural Truffle Festival drew thousands of curious foodies to experience a 4-day program consisting of:

- 12 x cooking demonstrations with SA's leading chefs
- Truffle trail self-guided truffle discovery tour
- Grand Truffle Luncheon, long table 3 course event attended by 80 guests

The Truffle Festival was a vital first step to re-establishing the connection with local chefs and differentiating the Market's offering through the unique event.

### Royal Show, September 2015

The Adelaide Central Market had its first ever presence at the Royal Adelaide Show in 2015, which provided an opportunity to promote the Market brand and engage with the wider community outside the confines of the Market precinct. The event was a successful grassroots marketing activity, directly reaching over 14,000 children and their families across the 10-day event through the popular Yellow Brick Road program.

### Market birthday, January 2016

The inaugural Market Birthday event was held on Saturday 23 January 2016, to celebrate the Market's 147th anniversary. The event brought the heritage of the Market to life with a re-enactment of the original 1869 procession of traders by horse and cart. The event included a charity barbecue operated by City of Adelaide Lions Club, cooking demonstrations, face painting, balloon giveaways and received significant media attention including a full colour photo article in the Advertiser Newspaper.

### Tasting Australia, May 2016

Tasting Australia is South Australia's premium food and wine event operated and promoted by the South Australian Tourism Commission (SATC). ACMA took part in Tasting Australia 2016, activating a Market Stall at the Town Square to showcase traders and signature Market product, and by rolling out an associated events program in the Market consisting of:

- 17 x 45 minute cooking demonstrations with SA's top chefs
- Fine Food Forage, self-guided Market discovery tour
- Market Party food and wine event
- Word to Go sponsorship, supporting SATC's Bloggers conference

## Events and activities

### School holidays

The school holiday program, 'Big Market Adventures for Little Foodies', was developed to teach aspiring young epicureans about the fascinating world of food, and to encourage families to explore the Market. During 2015–16, 1,400 children encountered fresh local produce on the Market Trail; 288 children created a nutritious dish during Little Market Chefs; and over 10,000 children enjoyed our free activities including face painting, balloon giveaways and craft workshops. The school holidays program continues to receive extensive positive feedback from customers and traders, demonstrating the significance of grassroots marketing initiatives to create the next generation of Market shoppers.

## Campaigns

### Major retail campaigns: Christmas 2015 and Easter 2016

Both major campaigns comprised mostly above-the-line radio and print advertising, supported by direct mail, digital, outdoor and in-Market advertising. The campaigns for Christmas and Easter each featured interactive family activities, cooking demonstrations, gift-buying, in-Market theming and recipe development. Festive activation of the Market in Christmas 2016 was centred around the newly-acquired Giant Father Christmas on the Grote Street Tower. Both Christmas and Easter traditionally generate significant PR opportunities for the Market and traders, with \$188,000 and \$166,000 in media coverage achieved respectively.

### Central Market U-Park

In 2015–16, two major parking initiatives were successfully implemented in the Central Market car park. Following a trial – from September to November – of two hours of free parking on Tuesdays and Thursdays after 3pm, ACMA made significant changes to simplify the parking tariff structure, and introduce first hour free parking on all market days. The incentive has been very positively received by traders and customers, and with ongoing promotion across radio, outdoor, print and digital platforms, car park usage has increased since its introduction on 1 January 2016.

### Monthly celebration series

Since July 2015, the Produce Celebration series has highlighted different products available in the Market each month, providing Market traders an opportunity to promote and profile their specialties as part of a larger Market promotion. Produce Celebrations are most successful when scheduled according to seasonal consumption habits and local produce cycles, leveraging abundant supply and pricing. The major celebrations held in 2015–16 included truffles, seafood, coffee and cheese. The curation of the celebrations and events by ACMA ensures differentiation from suburban Shopping Centres to give the customer an experiential shopping experience.

## Digital/Social Media

All digital platforms and social media have performed strongly during 2015–16. Instagram was the highest performing platform for the year, with growth of 340% (13,788 followers), followed by Facebook with a 13% increase (3,537 followers) and Twitter at 12% (1,641 followers). During this period, ACMA focused on actively improving the photography of all social media posts, sharing positive reviews on the Market and traders, highlighting monthly produce celebrations, holding competitions, and promoting special events such as cooking demonstrations and master-classes, all with the intention of driving social media engagement. The appointment of a dedicated ACMA employee during 2014–15 managing the digital platforms is also a significant reason for the growth in social media engagement.

## Public Relations and Media

Proactive public relations services in 2015–16 generated \$1M in positive media. The period saw an average of 12.9 hits per month across television, radio, print and digital media, totalling 155 positive news items. PR and media highlights include national coverage totalling \$216,000 in air time on ABC Radio National (Friday 17 June) and \$150,000 in air time on the national Channel 9 Weekend TODAY Show (Saturday 4 June). Monthly Saturday morning outside radio broadcasts with FiveAA (valued at \$60,000 in air time annually) continued for the period of 2015–16, creating excellent relationships with the on-air talent and providing traders with a regular opportunity to showcase products.

## LEASING

Three new traders joined the Market in 2015–16, bringing added variety to the customer experience and seizing on customer-driven demand for a dedicated juice business (Plantation Juice Bar Stall R17), Asian Green Grocer (Stall 41) and a high-end baked goods café at Jamface Central (Stall 28/29). The introduction of Jamface Central, operated by the well-known South Australian Chef Poh Ling Yeow, has been particularly successful as her artisan produce has, on many occasions, sold out in addition to SBS shooting a number of episodes for the highly successful Poh & Co series within the Market during the stall's construction and opening.

Through 2015–16, a total of 20 lease renewals were completed for existing Market traders. This represents over 27% of all leases in the Market. Additionally, eight further Deeds of Agreement were signed in relation to varying or assigning existing leases.

In January 2016, the Adelaide Central Market Authority undertook an open Expression of Interest campaign seeking an operator for the Market Kitchen situated on the first floor of the Gouger Street heritage building. The Expression of Interest was advertised in the Business Journal section of The Advertiser on 20 and 27 January with submissions due by 1 March 2016. All submitted Expressions of Interest were reviewed in accordance with the approved acquisition plan and evaluation criteria with the oversight of a probity advisor. Negotiations with the lead proponent on a new 5-year lease for the premises continued beyond the end of the 2015–16 financial year.

On 1 March 2016, a new Market Cart Policy and Market Rules were adopted by the Adelaide Central Market Authority for the Market after consultation with the Trader Advisory Group. The new Market Cart Policy and Market Rules provide greater clarity over the general day-to-day operation of the Market and the expectations for the operating of businesses within the Market.

## ADELAIDE CENTRAL MARKET CAR PARK

The full-year financial result for the Car Park was Gross Receipts of \$5,153,450 less discounts of \$51,162 resulting in a net revenue position of \$5,102,288. This is a decrease on last financial year of \$216,712 and is reflective of a Board initiative, commencing January 2016 to offer the 'First Hour Free' car parking to increase the number of customers shopping at the Market. The full impact of the 'First Hour Free' initiative was offset by an adjustment to tariffs in the one-hour and longer stays. Customer feedback on the initiative has been overwhelmingly positive, with previous lost customers returning to the Market directly as a result of the parking incentive. The program will operate for a full 12 months to 31 December 2016, at which time it will be reviewed.

Total vehicle numbers for the financial year 2015–16 were 1,159,696 – an increase of 37,696 vehicles or 3.4% growth on the previous year, which is against the trend experienced by other CBD Car Parks and provides additional customers to lift Trader revenue and prosperity.

Car Park operating expenditure of \$3,720,759 for 2015–16 was \$65,241 less than 2014–15 and \$217,506 favourable to the 2015–16 budget.

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 whilst monitoring revenue.

In November 2015, the Adelaide Central Market Car Park commenced operation as a full-automation car parking facility providing a more efficient means of exit, and thus allowing additional entries at peak occupation times. During the first two weeks of November, U-Park (the contracted car park operator) provided on-site staff at peak times to assist customers in using the automated process. The change to automation was considered highly successful with only five customer concerns recorded.

# CONCLUSION

Throughout 2015–16, ACMA undertook extensive maintenance works within the Market to address legacy maintenance issues, and has undertaken further investigations to ensure the Adelaide Central Market continues to operate efficiently as a compliant retail asset.

The relationship between the ACMA and Market traders has continued to strengthen through open two-way collaborative communication with ACMA engaging in regular communication with leaseholders. For the 2015–16 year, important information was communicated to traders through 91 Market Talk Newsletters and four after-hours trader briefing sessions.

We would like to again take this opportunity, on behalf of the ACMA Board and administration, to acknowledge the ongoing high level of support, cooperation and goodwill from the Lord Mayor of Adelaide Martin Haese, ACC Councillors, ACC CEO Mark Goldstone, ACC Directors and the broader Administration of the Adelaide City Council offered to the Adelaide Central Market Traders and Authority.

In closing, we would like to thank the ACMA Board Members and Market Office staff for their continued enthusiasm and dedication to the Vision of the Strategic Plan for the Adelaide Central Market – “to be the world’s leading food and produce market”.

Nick Begakis AO  
CHAIRMAN  
ADELAIDE CENTRAL  
MARKET AUTHORITY

Aaron Brumby  
GENERAL MANAGER  
ADELAIDE CENTRAL  
MARKET AUTHORITY

## Adelaide Central Market Authority

### General Purpose Financial Statements for the year ended 30 June 2016

## 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 2016 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



Loewen Steel  
Acting Chair  
ADELAIDE CENTRAL MARKET AUTHORITY

Date: 22 September 2016

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>INCOME</b>			
User Charges	2a	9,012	9,097
Investment Income	2b	68	83
Other Income	2c	34	21
<b>Total Income</b>		<b>9,114</b>	<b>9,201</b>
<b>EXPENSES</b>			
Materials, Contracts & Other Expenses	3a	9,636	8,184
Depreciation, Amortisation & Impairment	3b	99	153
<b>Total Expenses</b>		<b>9,735</b>	<b>8,337</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(621)</b>	<b>864</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(621)</b>	<b>864</b>

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



# STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	4a	1,010	3,218
Trade & Other Receivables	4b	245	223
Inventories	4c	22	15
<b>Total Current Assets</b>		<b>1,277</b>	<b>3,456</b>
<b>Non-Current Assets</b>			
Infrastructure, Property, Plant & Equipment	5	1,361	601
<b>Total Non-Current Assets</b>		<b>1,361</b>	<b>601</b>
<b>TOTAL ASSETS</b>		<b>2,638</b>	<b>4,057</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	6	460	1,258
<b>Total Current Liabilities</b>		<b>460</b>	<b>1,258</b>
<b>TOTAL LIABILITIES</b>		<b>460</b>	<b>1,258</b>
<b>NET ASSETS</b>		<b>2,178</b>	<b>2,799</b>
<b>EQUITY</b>			
Accumulated Surplus		644	601
Other Reserves	7	1,534	2,198
<b>TOTAL EQUITY</b>		<b>2,178</b>	<b>2,799</b>

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

\$ '000	Notes	Accumulated Surplus	Other Reserves	Total Equity
<b>2016</b>				
Balance at the end of previous reporting period		601	2,198	2,799
Net Surplus / (Deficit) for Year		(621)	-	(621)
<b>Total Comprehensive Income</b>		<b>(621)</b>	<b>-</b>	<b>(621)</b>
Transfers between Reserves		664	(664)	-
<b>BALANCE AT THE END OF PERIOD</b>		<b>644</b>	<b>1,534</b>	<b>2,178</b>
<b>2015</b>				
Balance at the end of previous reporting period		1,935	-	1,935
Net Surplus / (Deficit) for Year		864	-	864
<b>Total Comprehensive Income</b>		<b>864</b>	<b>-</b>	<b>864</b>
Transfers between Reserves		(2,198)	2,198	
<b>BALANCE AT THE END OF PERIOD</b>		<b>601</b>	<b>2,198</b>	<b>2,799</b>

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

# STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Operating Receipts		9,924	10,039
Investment Receipts		68	83
<b>Payments</b>			
Operating Payments to Suppliers and Employees		(11,341)	(8,116)
<b>Net Cash provided by (or used in) Operating Activities</b>	8b	<b>(1,349)</b>	2,006
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Expenditure on Renewal/Replacement of Assets		(859)	(458)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(859)</b>	(458)
<b>Net Increase (Decrease) in Cash Held</b>		<b>(2,208)</b>	1,548
<b>plus: Cash &amp; Cash Equivalents at beginning of period</b>		<b>3,218</b>	1,670
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	8a	<b>1,010</b>	3,218

*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 2016

## Note 1: Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these 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 \$5,000 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 & Equipment	3 to 20 years
Other Plant & Equipment	5 to 20 years

#### Building & Other Structures

Buildings – other construction	20 to 40 years
Benches, seats, etc	2 to 10 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 & Deposits

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

### 8 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.

## Note 1: Summary of Significant Accounting Policies (continued)

### 9 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 net basis.

### 10 New accounting standards and UIG interpretations

In the current year, the Authority adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to the Authority's accounting policies.

Adelaide Central Market Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally the Authority applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted the Authority from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial report, AASB 9 *Financial Instruments* and AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* are the only new accounting standards with a future application date that are expected to have a material impact on the Authority's financial statements.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to the Authority, which means that the Authority will disclose more information about related parties and transactions with those related parties.

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main 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 and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

As a result, the Authority will be required to measure its financial assets, including its investment in XYZ at fair value. There will be no financial impact on the consolidated financial statements.

The Authority is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified.

AASB 15 is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

AASB 16 *Leases* is applicable to annual reporting periods beginning on or after 1 January 2019. When effective, this Standard will replace the current accounting requirements applicable to the leases in AASB 117 *Leases* and related interpretations. AASB 16 introduces a single lease accounting model that eliminates the requirement for leases to be classified as operating or finance leases. Although the directors anticipate that the adoption of AASB 16 will have a material impact on the Authority's financial statements, it is impractical at this stage to provide a reasonable estimate of such impact.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

The amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

## Note 1: Summary of Significant Accounting Policies (continued)

### Effective for periods commencing 1 January 2016:

- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle* [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2014-1 *Amendments to Australian Accounting Standards* (Part D)

### Effective for periods commencing 1 July 2016:

- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* [AASB 10, AASB 124 & AASB 1049]

### Effective for periods commencing 1 January 2017:

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*

### Effective for periods commencing 1 January 2018:

- AASB *Financial Instruments* (December 2009)
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2014-1 *Amendments to Australian Accounting Standards* (Part E)

### Effective for periods commencing 1 January 2019:

- AASB 16 *Leases*

## 17 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.

## 18 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	2016	2015
<b>(A) USER CHARGES</b>		
Off-Street Parking	5,062	5,288
Property Lease	3,293	3,115
Property Recovery	657	694
<b>TOTAL USER CHARGES</b>	<b>9,012</b>	<b>9,097</b>
<b>(B) INVESTMENT INCOME</b>		
Interest on Investments		
- Banks & Other	68	83
<b>TOTAL INVESTMENT INCOME</b>	<b>68</b>	<b>83</b>
<b>(C) OTHER INCOME</b>		
Merchandise Sales	34	21
<b>TOTAL OTHER INCOME</b>	<b>34</b>	<b>21</b>



### Note 3: Expenses

\$ '000	2016	2015
<b>(A) MATERIALS, CONTRACTS AND OTHER EXPENSES</b>		
<b>(i) Prescribed Expenses</b>		
Auditor's Remuneration		
- Auditing the Financial Reports	7	6
Board Fees	118	95
Operating Lease Rentals - Non-Cancellable Leases		
- Minimum Lease Payments	4,166	4,364
<b>Subtotal - Prescribed Expenses</b>	<b>4,291</b>	<b>4,465</b>
<b>(ii) Other Materials, Contracts and Expenses</b>		
Advertising & Promotion	414	-
Bank Charges & Cash Collection	120	105
Catering	26	3
Cleaning	893	774
Communications	7	5
Contractors	1,021	844
Energy & Water	634	703
External Plant Hire	-	3
Insurance	104	70
Legal Expenses	68	69
Levies Paid to Government - including NRM levy	33	32
Maintenance	923	255
Minor Plant & Equipment	48	40
Parts, Accessories & Consumables	106	50
Printing, Freight & Postage	6	2
Professional Services	320	91
Rates & Taxes	19	178
Security	367	274
Training & Development	18	15
Waste Services	193	185
Other	25	21
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>5,345</b>	<b>3,719</b>
<b>TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES</b>	<b>9,636</b>	<b>8,184</b>

### Note 3: Expenses (continued)

\$ '000	2016	2015
<b>(B) DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>		
<b>(i) Depreciation and Amortisation</b>		
Buildings & Other Structures	52	19
Street Furniture	7	32
Plant & Equipment	40	23
<b>Subtotal</b>	<b>99</b>	<b>74</b>
<b>(ii) Impairment</b>		
Street Furniture	-	79
<b>Subtotal</b>	<b>-</b>	<b>79</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>99</b>	<b>153</b>

### Note 4: Current Assets

\$ '000	2016	2015
<b>(A) CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand at Bank	1,010	3,218
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>1,010</b>	<b>3,218</b>
<b>(B) TRADE &amp; OTHER RECEIVABLES</b>		
Accrued Revenues	103	124
Debtors - General	41	90
GST Recoupment	93	-
Prepayments	8	9
<b>TOTAL TRADE &amp; OTHER RECEIVABLES</b>	<b>245</b>	<b>223</b>
<b>(C) INVENTORIES</b>		
Trading Stock	22	15
<b>TOTAL INVENTORIES</b>	<b>22</b>	<b>15</b>

## Note 5: Infrastructure, Property, Plant & Equipment

	as at 1/7/2015			Asset Movements during the Reporting Period		as at 30/6/2016		
	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 3b)	At Cost	Accumulated Dep'n	Carrying Value
\$ '000								
<b>Capital Work in Progress</b>								
Capital Work in Progress	-	-	-	165	-	165	-	165
<b>Buildings</b>								
Leasehold Improvements	503	(22)	481	532	(51)	1,035	(74)	961
<b>Infrastructure</b>								
Street Furniture	27	(10)	17	-	(7)	28	(18)	10
<b>Other</b>								
Plant & Equipment	132	(29)	103	162	(40)	294	(69)	225
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>662</b>	<b>(61)</b>	<b>601</b>	<b>859</b>	<b>(98)</b>	<b>1,522</b>	<b>(161)</b>	<b>1,361</b>

## Note 6: Liabilities

\$ '000	2016		2015	
	Current	Non Current	Current	Non Current
<b>TRADE AND OTHER PAYABLES</b>				
Payments Received in Advance	91	-	92	-
Accrued Expenses - Other	240	-	1,160	-
Inter-Entity Loan Account	92	-	-	-
Other	37	-	6	-
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>460</b>	<b>-</b>	<b>1,258</b>	<b>-</b>

## Note 7: Reserves

\$ '000	1/7/2015	Tfrs to Reserve	Tfrs from Reserve	30/6/2016
<b>OTHER RESERVES</b>				
Asset Renewal Reserve	2,041	-	(524)	1,517
Asset Enhancement Reserve	157	-	(140)	17
<b>TOTAL OTHER RESERVES</b>	<b>2,198</b>	<b>-</b>	<b>(664)</b>	<b>1,534</b>

### 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.

## Note 8: Reconciliation to Statement of Cash Flows

\$ '000	Notes	2016	2015
<b>(A) RECONCILIATION OF CASH</b>			
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 Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	4a	<b>1,010</b>	3,218
<b>BALANCES PER STATEMENT OF CASH FLOWS</b>		<b>1,010</b>	3,218
<b>(B) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FROM OPERATING ACTIVITIES</b>			
<b>Net Surplus/(Deficit)</b>		<b>(621)</b>	864
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		<b>99</b>	153
		<b>(522)</b>	1,017
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		<b>(22)</b>	(59)
Net (Increase)/Decrease in Inventories		<b>(7)</b>	(15)
Net Increase/(Decrease) in Trade & Other Payables		<b>(798)</b>	1,063
<b>NET CASH PROVIDED BY (OR USED IN) OPERATIONS</b>		<b>(1,349)</b>	2,006

## Note 9: Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2016</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,010	-	-	1,010	1,010
Receivables	144	-	-	144	144
<b>TOTAL FINANCIAL ASSETS</b>	<b>1,154</b>	<b>-</b>	<b>-</b>	<b>1,154</b>	<b>1,154</b>
<b>Financial Liabilities</b>					
Payables	369	-	-	369	369
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>369</b>	<b>-</b>	<b>-</b>	<b>369</b>	<b>369</b>
<b>2015</b>					
<b>Financial Assets</b>					
Cash & Equivalents	3,218	-	-	3,218	3,218
Receivables	214	-	-	214	214
<b>TOTAL FINANCIAL ASSETS</b>	<b>3,432</b>	<b>-</b>	<b>-</b>	<b>3,432</b>	<b>3,432</b>
<b>Financial Liabilities</b>					
Payables	1,166	-	-	1,166	1,166
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>1,166</b>	<b>-</b>	<b>-</b>	<b>1,166</b>	<b>1,166</b>

### 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 4 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 Management 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 variable interest rate. 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	2016	2015
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### 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) Lessees commitments under all non-cancellable lease agreements, are as follows:

Not later than one year	2,747	2,385
Later than one year and not later than 5 years	5,300	5,261
	<b>8,047</b>	<b>7,646</b>

#### (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 Corporation of the City of Adelaide includes a sub-lease for a portion of the car park.

Rent paid during 2015/16 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 leases that have not been recognised in the financial statements are as follows:

Not later than one year	849	911
Later than one year and not later than 5 years	-	939
	<b>849</b>	<b>1,850</b>



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## **INDEPENDENT AUDITOR'S REPORT TO THE CHAIRMAN OF THE 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 2016, the statement of comprehensive income, the statement of changes in equity and the 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 General Manager and Chairman of Adelaide Central Market Authority.

### **Authority's Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

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

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

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

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#### Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

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

**BDO Audit (SA) Pty Ltd**

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

G K Edwards  
Director

Adelaide, 26 September 2016





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## 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 2016, 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  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 26 September 2016

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## Adelaide Central Market Authority

### General Purpose Financial Statements for the year ended 30 June 2016

#### 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 2016, 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



Karen Rodda  
Management Accountant  
ADELAIDE CENTRAL MARKET AUTHORITY

Date: 22 September 2016



ADELAIDE PARK LANDS AUTHORITY  
**ANNUAL REPORT**  
**2015/16**

# Message from the Presiding Member



**As an advisory body to Adelaide City Council and the State Government, 2015/16 has been an exciting and productive year for the Adelaide Park Lands Authority (APLA).**

APLA is committed to the protection and enhancement of the Park Lands and it is also mindful of the fact that the Adelaide Park Lands are facing a changing and increasingly important role in the well-being and resilience of our local communities.

The management and planning of the Park Lands must adapt and evolve to complement to the new focus on residential growth in both the City and inner metropolitan residential populations, in response to the 30 Year Plan for Greater Adelaide.

The City of Adelaide Park Lands are currently used and visited over 10 million times a year. As the City and inner metropolitan populations become more dense, the Park Lands will play an increasingly important role in meeting the public open space and recreation needs of these growing communities by providing places to play, gather, exercise and relax.

APLA has embraced this new challenge for the role of the Park Lands in its review of the Adelaide Park Lands Management Strategy, the delivery of which has been the main focus over the past year.

In developing the Strategy, APLA has strengthened partnerships and undertaken extensive engagement with key State Government departments, adjoining Councils and with the community and Park Lands stakeholders.

What we heard from this engagement is that the community wants to see greater vibrancy in the Park Lands, with destinations and attractions to encourage increased activity. We also heard that they are a place for people to escape the rigours of urban life and a place to connect with and appreciate the natural environment.

APLA is proud to have delivered a Strategy that is visionary and reflects this diversity of use.

APLA continues to play an important role in guiding the management of the Park Lands by providing advice and feedback on a range of planning matters and the delivery of major projects in the Park Lands.

I would like to extend my thanks to the APLA members for their continued passion and commitment, especially to departing long-serving APLA members Mary Marsland, who served as Deputy Presiding Member for four years, and Stephanie Johnston, who was an APLA member for almost four years. Their insight, considered advice and an ability to bring balance into debate will be greatly missed.



**Martin Haese**

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



# Executive Summary



*Adelaide Park Lands Authority from L-R: Dr Anne Sharp, Councillor Priscilla Corbell, Jane Chapman, Mary Marsland (Deputy Presiding Member), Right Honourable the Lord Mayor, Martin Haese (Presiding Member), Roger Zubrinich, Stephanie Johnston, Councillor Anne Moran, Councillor Alex Antic*

The 2015/16 Annual Report provides a summary of the Adelaide Park Lands Authority's (APLA) role in the review of the Adelaide Park Lands Management Strategy (the Strategy). The report also summarises the wide variety of planning matters the Authority has considered over the course of the year.

The main focus of the year has been the completion of the review of the Strategy, the lead planning document for the Adelaide Park Lands. The Strategy defines the future aspirations and planning and policy directions for the Park Lands.

The Strategy provides a guide for the delivery of key moves for each of the parks in the Park Lands including major and minor projects and directions for landscaping. To complement APLA's aspirations for increased vibrancy in the Park Lands it also provides targets for future use for each of the parks. A key tangible role of the Strategy will be to guide the decision making and funding contributions of both the Adelaide City Council and the State Government.

During 2015/16, APLA has continued to work collaboratively with the State Government and neighbouring Councils and this report provides an overview of Shape the Park Lands, the engagement process undertaken with the community and stakeholders, instigated and championed by APLA.

As a result of the comprehensive engagement undertaken, APLA has developed a Strategy with a new vision, fresh objectives, outcomes, strategies and projects for the Park Lands. These reflect the diverse range of views and ideas that were gathered from the community and stakeholders.

This report demonstrates APLA's ongoing role into the development of the Strategy over the past year with members providing input and feedback through briefings and workshops.

This report also summarises the wide variety of planning matters considered by APLA, including input and advice into major State Government initiatives such as recommendations on projects to be funded under the \$20m Park Lands Development Fund, the O-Bahn City Access Project, the development of Adelaide Oval No. 2, the proposed new CBD High School and the Park Lands Development Plan Amendment.

Advice was provided on a range of Adelaide City Council projects including the creation of a new playspace in Tidlangga (Park 9) in the north-east Park Lands and the redevelopment of Narnungga (Park 25), including improved community recreation facilities and a new multi-purpose building and ovals proposed by the South Australian Cricket Association.

Advice was also provided on a range of planning and policy matters including the Park Lands Leasing and Licencing Policy, the Adelaide Park Lands Events Management Plan and the Interpretive Signage Plan for the Park Lands.

**"The broad approach of the Strategy to look outward and engage with the inner metro Councils through Park Lands Without Borders consultation process has been an important collaborative step in the development of the Strategy and has contributed significantly to the engagement and debate regarding the Park Lands and elevated its significance."**

*– Australian Institute of Landscape Architects*



# THE YEAR **IN REVIEW**



# Adelaide Park Lands Management Strategy Review

The main focus for APLA was the continuing review of the Adelaide Park Lands Management Strategy, the lead planning document guiding the future of the Park Lands and for which the Authority is responsible under the *Adelaide Park Lands Act 2005*.

APLA members led the review throughout the year, with significant ongoing input through attendance at briefings, workshops and field trips. The review was further informed by extensive community and stakeholder engagement with Park Lands users, inner-metropolitan Councils and the State Government.

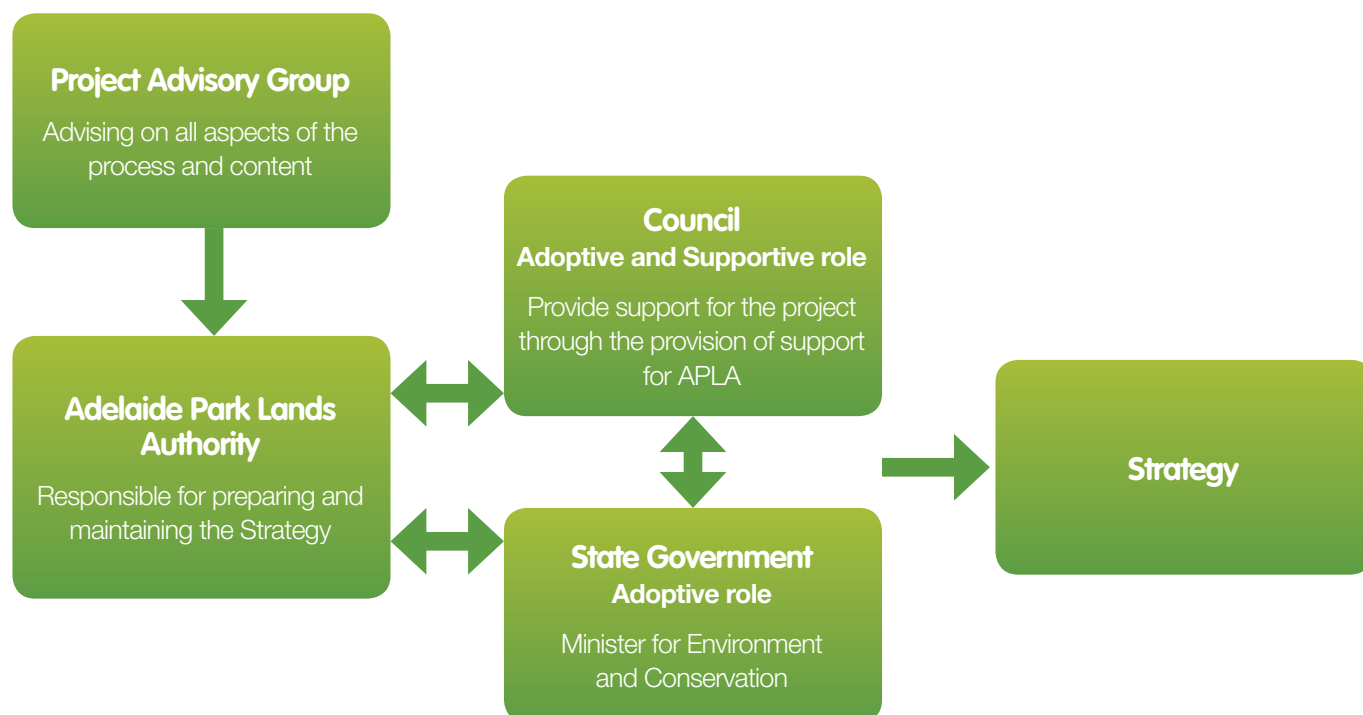
A draft was completed in late 2015 and endorsed by APLA in May 2016.

## Project Advisory Group

The governance framework for the review of the Strategy was established by APLA in February 2014 is outlined in Figure 1.

In commencing the review of the Strategy, APLA established a Project Advisory Group (PAG) to provide high level strategic advice on the review. The PAG supports the role of APLA by providing a forum for input from the principal State and local government stakeholders.

**Figure 1: Adelaide Park Lands Management Strategy Governance Framework**



The Strategy is an aspirational vision for the future of the Park Lands which responds to the expectations and needs of a diverse range of Park Lands users. The Strategy positions the Park Lands to support the forecast growth in the number of people living in the City and inner suburbs, whilst preserving its natural and cultural values.

### *Terms of Reference for the Project Advisory Group*

The Terms of Reference for PAG are as follows:

- 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.
- To facilitate communication about the conduct of the project, development of the Strategy and consultation with adjacent councils and the State Government.
- To meet monthly or as necessary, commencing as soon as possible following confirmation of membership.

### *Membership of PAG*

APLA determined that the membership of PAG would be made up of three representatives from each of the State Government, adjoining councils and the Authority as shown in Table 1.

PAG continued to meet on a monthly basis throughout the year (until the adoption of the Strategy in May 2016) and 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 APLA, the State Government and the adjoining Councils.

The following is a summary of the matters relating to the Strategy review that PAG considered and/or provided advice on during 2015/16:

- Park Lands-wide vision, guiding principles, outcomes, strategies and actions
- Precinct boundaries
- Typologies
- High level approach to community and stakeholder (statutory) consultation.

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

**Table 1: Membership of the PAG as at June 2016**

Representation	Name / Organisation
Adelaide City Council	Adrian Stokes (chair)
Adelaide Park Lands Authority	Councillor Anne Moran Roger Zubrinich Anne Sharp
State Government	John Byleveld (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)



## Developing the Strategy

APLA's role in the development of the Strategy over the course of the year, beginning with community engagement, development of the document, statutory engagement and culminating with the adoption of the draft Strategy in May 2016 is shown in Table 2.

**Table 2: APLA Input into Strategy Review**

Time	Activity	Role of APLA
July 2015	Completion of the Shape the Park Lands community and stakeholder engagement.	APLA workshop to review engagement results.
Sept-November 2015	Development of structure and content of draft Strategy including strategies, actions and precinct plans.	Workshops with APLA members to provide feedback into structure, content and policy direction of draft Strategy.
October 2015	Draft Strategy released for public consultation	Draft endorsed by APLA.
November 2015 – February 2016	Statutory consultation period begins with targeted stakeholder workshops with groups including schools, sports clubs, precinct groups, resident associations and the Kaurna community.	APLA begins preliminary engagement with stakeholders - State Government agencies, inner-rim councils.
January-February 2016	Statutory consultation period with follow-up stakeholder workshops, 3000 emails seeking feedback from participants of previous engagement exercises, online feedback opportunities, hard-copy feedback forms in libraries and community centres and a public forum.	APLA continues engagement with the general community and stakeholder and community groups supported by marketing and promotion campaign.
January 2016	Consideration of Park Lands planning matters.	APLA members take part in a Park Lands tour to consider planning matters and tensions.
25 February 2016	Community forum.	APLA hosts Community Forum and received 15 presentations from community groups, State and local government representatives.
March-April 2016	Fine tune draft Strategy to reflect feedback received during engagement process.	APLA Workshop.
May 2016	Strategy endorsed.	Strategy endorsed by APLA.

In preparing the Strategy, APLA instigated an approach to engagement that was innovative, far reaching and as accessible as possible. People were able to provide feedback about what they value about the Park Lands and what they would like to see changed.

The central element of APLA's strong commitment to engagement and consultation to inform the Strategy was the *Shape the Park Lands* Campaign. The campaign combined the use of traditional engagement methods with more innovative techniques to capture the community's aspirations for the future of the Park Lands. The discussion, through all engagement channels was initiated with the simple question "How will you shape the Adelaide Park Lands?"

A summary snapshot of the Shape the Park Lands engagement is shown on pages 10-13.

The campaign generated 1,560 ideas, 5,600 unique website visits, 50,000 Facebook reaches and 800 face-to-face conversations. This provided APLA with a substantial volume of data and awareness of the outcomes that stakeholders and the broader community were seeking from the Park Lands.

Central to the transformation of the Strategy was the development of a new vision, fresh objectives, outcomes and strategies which recognise the important role of the Adelaide Park Lands to the lifestyle of Adelaideans and the South Australian community more generally.

The engagement process resulted in a solid understanding of community needs and aspirations regarding the future use of the Adelaide Park Lands. When all the ideas and feedback from the engagement were reviewed and collated, it emerged that the community wanted:

- **Vibrancy** – parks that are vibrant with activities and events
- **Connectivity** – parks and places that are connected by paths and trails

- **Sustainability** – parks where the natural environment is protected
- **Community gardens** – places to grow food and a sense of community
- **Activation** – parks with the facilities people need to stay longer and feel comfortable
- **Playspaces** – places for people of all ages to play and have fun
- **Lighting** – parks that are well lit for safe early morning and night time use
- **Public art** – art for discovery, inspiration and play
- **Gardens and landscapes** – a variety of gardens and landscapes
- **Valued Park Lands** – respect and celebrate the value and heritage of the Park Lands.

APLA has heard that the community want to see the provision of new destinations and attractions through the Park Lands to encourage use and activation and has taken these themes and used them to shape the directions of the Strategy.

**"The document sets a compelling vision of the Park Lands and balances a range of competing needs and interests through landscape, recreation, facility and movement based projects."**

– *City of West Torrens*

**"The City supports the broad thrust of the Strategy, particularly the Park Lands role in providing 'backyards' for higher density housing surrounding the Park Lands."**

– *City of Norwood, Payneham and St Peters*

# Shape the Park Lands Summary

Level of engagement – the numbers

## 1,540 ideas



848

ideas from 717  
'conversationalists'  
interviews



147

ideas from  
Picture Adelaide



27

ideas submitted  
via Facebook



214

ideas from  
the 5000+  
website



51

online forum  
participants



681

'I'm not sold'  
votes on  
website



2,276

'like' votes  
on website



3,165

emails sent



11

weeks of online  
consultation



22,843

page views



5,683

website visits



304

ideas submitted  
via website



## Timelines

JUNE 2014

JULY 2014

AUGUST 2014

SEPTEMBER 2014

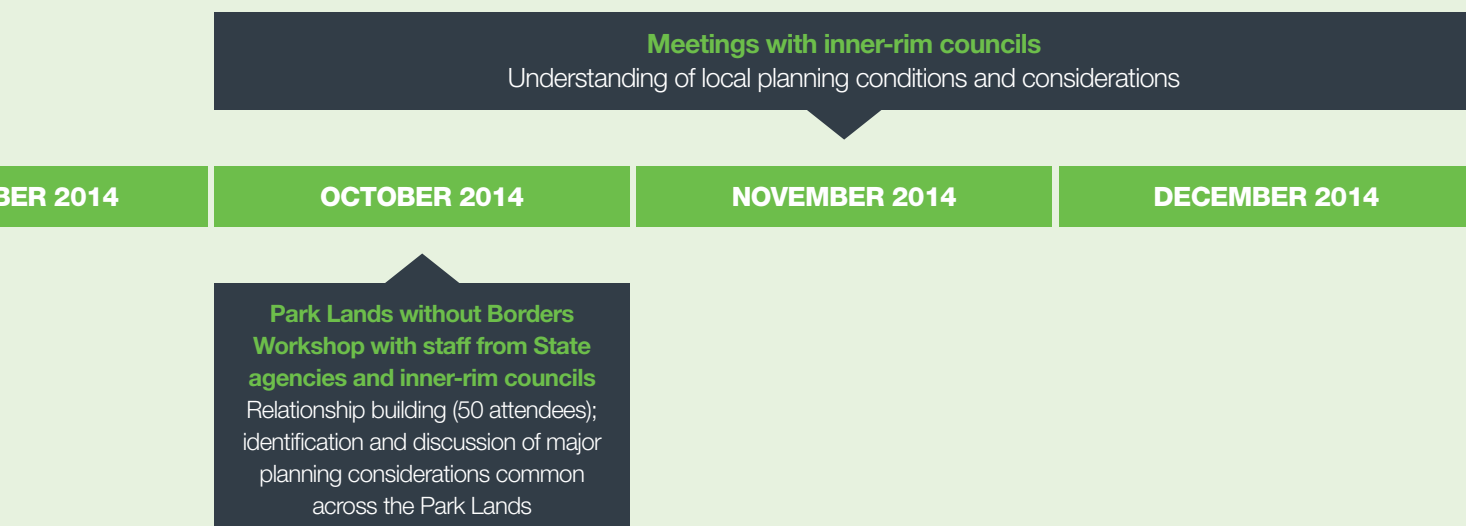
### Workshops with City of Unley

Testing of planning approach with the Council  
with the largest direct Park Lands frontage



Promotional animated video was viewed over **4,500 times** on Facebook.  
**50,000+** people were reached on Facebook with some posts generating **800+ likes**, comments and shares.

\*Web stats 4 May – 17 July 2015



# Shape the Park Lands Summary

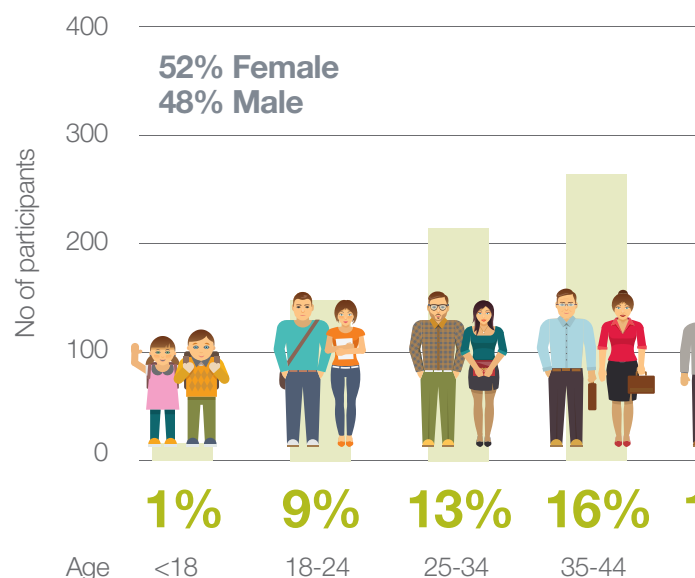
## Our Invitation

- 3,165 emails were sent to the public and stakeholders throughout the campaign
- Almost 1,500 postcards were distributed to cafes, libraries and community centres and events in the City and surrounding suburbs
- Websites: Adelaide City Council, Adelaide Park Lands
- Social media posts (Facebook, Twitter, Instagram)
- Advertisements in the Messenger Press (City and inner-metropolitan editions) and InDaily
- Advertisements, articles and stories on websites and a range of newsprint including Chinese and Vietnamese papers
- Information was placed in community centres and libraries and on the websites of the inner-metropolitan councils
- TV and radio coverage



## Who We Heard From

### WE HEARD FROM A DIVERSE RANGE OF PEOPLE AND



### FROM THE CITY, SUBURBS AND BEYOND

Of the people who told us where they lived:



JANUARY 2015

FEBRUARY 2015

MARCH 2015

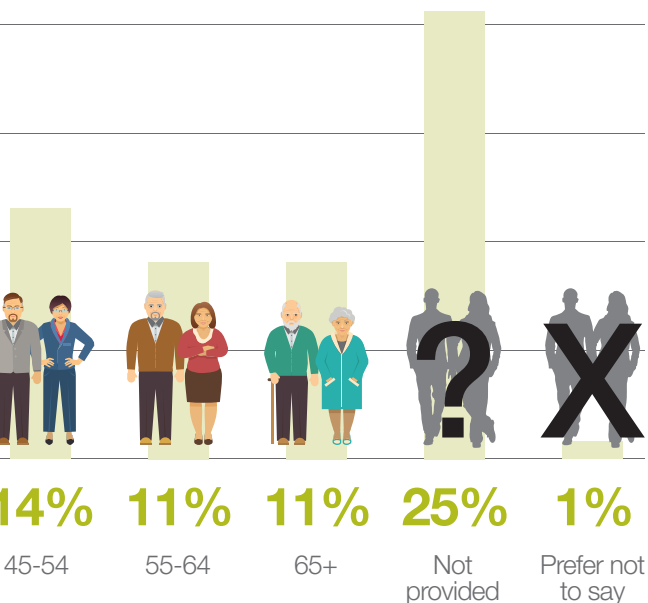
APRIL 2015

**Briefing Mayors and CEOs of inner-rim councils as part of a Local Government Association forum**

Inner-rim stakeholders informed of project status and proposed approach to community and stakeholder engagement

**Public engagement**

Liaison with staff of inner-metropolitan councils during engagement to ensure their communities were well informed



## Top 10 Themes

When all the ideas and feedback were reviewed and collated, we heard that people want:

**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:** Parks where the natural environment is protected (15%)

**COMMUNITY GARDENS:** Places to grow food and a sense of community (9%)

**ACTIVATION:** Parks with the facilities 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%)



## Statutory Engagement

APLA began statutory consultation on the draft Strategy in late November 2015. This included targeted stakeholder workshops with Park Lands stakeholder groups including schools, sports clubs, precinct groups, resident associations and the Kaurna community. Consultation also took place with the elected members from Adelaide City Council, State Government and adjoining Councils.

Statutory consultation with the general public took place over a four week period in February 2016. This included follow-up stakeholder workshops, 3,000 emails seeking feedback from participants of previous engagement exercises, online feedback opportunities via a fresh website set up to support the consultation exercise, hard-copy feedback forms in libraries and community centres.

There continued to be strong community and stakeholder awareness of, and interest in, the draft Strategy during this final stage of engagement, with over 2,100 visits to the website and over 1,000 downloads of the draft document.

APLA concluded the engagement with the hosting of a public forum where stakeholders were able to provide a verbal response to the draft Strategy to APLA members. Fifteen presentations were made at the forum which was attended by over thirty people.

In total 122 submissions were received by APLA during the statutory consultation stage (Table 3).

**Table 3: Summary of submissions received**

Source	Response
State Government (including Members of Parliament)	4
Local Government (neighbouring Councils)	5
Other organisations - Not for Profit, Non-Government	8
Community Residents and Special Interest Groups	4
Professional bodies	2
Sporting Clubs/Associations	9
Schools	2
Other	4
General public	84
<b>Total responses</b>	<b>122</b>





## Endorsement of the Strategy

The draft Strategy was endorsed by APLA in May 2016.

The Strategy was prepared:

- In response to the themes and ideas generated via the Shape the Park Lands campaign and extensive engagement with State and Local Government
- With the statutory principles of Section 4 of the *Adelaide Park Lands Act* as the planning framework
- With a clear understanding of the use patterns of the Park Lands and the nature, role and extent of the landscapes that support their use
- With an understanding of the inherent challenges and tensions associated with managing and balancing the diverse values, activities and landscapes in the Park Lands.

To the extent that it can be expected to do so, APLA has produced a Strategy that achieves this balance and provides an integrated and robust framework for decision making by the APLA, Council and the State Government.

## Next Steps

The Strategy will be presented to both Council and the State Government for consideration. Both parties must adopt it for it to come into effect.

The Adelaide Park Lands Act allows for a conferral process to occur between the State Government and Council and for any recommended changes to be referred back to the Authority for its consideration.

Pursuant to the Act, the State Government and Council may then adopt the Strategy with or without amendment, taking into account any recommendation of the Authority.

Following that process, and adoption by the State Government, the Strategy must then be laid before both Houses of Parliament.



# Advice on Park Lands Matters

While the review of the Strategy was the main focus during 2015/16, the Authority also considered a range of matters relating to its core responsibility of providing advice to Council and the State Government on Park Lands policy, management and projects.

Matters considered by the Authority have been grouped under the five key outcomes from the Strategy. It is clear that the work of the Authority over the past year has contributed towards the achievement of these outcomes and ensuring that the Adelaide Park Lands will be a highly valued system of:

- Dynamic, Active and Tranquil Places
- Connected Places and Spaces
- Welcoming and Attractive Places
- Sustainable and Enduring Places
- Memorable and Distinctive Places





# Dynamic, Active and Tranquil Places

Places of activity, creativity and tranquillity for everyone that support our changing lifestyles, health and wellbeing.

In 2015/16 the Authority:

## *Adelaide Oval No. 2*

- Supported changes to Adelaide Oval No. 2 to facilitate the playing of first class cricket including the planting of 20 large shady trees, consistent with the Landscape Master Plan for the precinct.
- Attended site visits and workshops to inform continued feedback on the Adelaide Oval No. 2 redevelopment related to landscaping and access and traffic management.

## *Adelaide Park Lands Demonstration Fund*

- Provided input into the shortlist of projects for the State Government \$20m Adelaide Park Lands Demonstration Fund to ensure that future projects deliver the best outcome for the community and Park Lands.
- Considered and discussed a range of potential projects that could be delivered as part of the Fund including:
  - » Completion of southern section of Victoria Square/ Tarntanyangga
  - » Narnungga (Park 25) upgrade
  - » Rymill Park/Murlawirrapurka upgrade
  - » Nature play spaces and adventure playgrounds

- » Demonstration projects to test elements of hub typologies.
  - » Wetlands in Victoria Park/Pakapakanthi
  - » Improved recreation opportunities in Southern Park Lands
  - » Improved recreation amenity of Woodland landscapes throughout the Park Lands
  - » Adventure playgrounds
  - » Improved and expanded path networks and opportunities for illuminated glow in the dark surfaces
  - » Management of biodiversity in Tuthangga (Park 17).
- Recommended that the State Government allocate \$200k (exclusive of GST) from the \$20m Adelaide Park Lands Demonstration Project Fund for planning and concept design for three projects consistent with the priorities of the Strategy:
    - » City Skate Park (Tarntanya Wama (Park 26) Riverbank Precinct) given the closure of the existing skate park on North Terrace and need for a new facility.
    - » Reimagined Rymill (Murlawirrapurka (Park 14), East Precinct) given the necessity and opportunity to enhance the park and its amenities and attractions following completion of the O-Bahn extension.





- » 'Newmarket' Urban Park (Narnungga (Park 25), West Precinct) chosen due to the investment in this part of the City (ie University developments, new RAH, proposed Newmarket apartments), links with North Terrace enhancements and the opportunity to integrate the planning for this area with the current South Australian Cricket Association proposal and optimise the outcomes for both active and passive recreation across both sporting and formal landscapes.

- » Formal park comprising irrigated turfed areas and supporting amenities (shelters, seating, bbqs etc)
- » Rehabilitated creekline
- » Central promenade running through the park, linking the Rugby/Porter Bikeway with the Frome Street Bikeway
- » Fenced dog park
- » Plantings.

#### *Pityarilla (Park 19) Enhancement Project*

- Supported the \$4.5m Park 19 Enhancement Project, funded by the State Government, as the first opportunity to implement one of the major initiatives identified in the Adelaide Park Lands Management Strategy.
- The Park 19 Enhancement Project will create an exemplary, community park in the southern Park Lands, providing a variety of recreation and play opportunities serviced by high quality facilities and amenities.
- The project is a partnership between the State Government and Adelaide City Council (ACC). The project will deliver:
  - » Enhanced and expanded Marshmallow Park
  - » Nature play opportunities in the reimagined creekline and surrounds
  - » Community courts
  - » A central plaza connecting playspace, courts, creekline and dog park

#### *Narnungga (Park 25)*

- Supported the concept designs for Narnungga (Park 25) to provide a multi-purpose regional sport and recreation activity hub to activate the park for a variety of users, including:
  - » Premium cricket and football field
  - » Consolidation of all existing buildings into a new multipurpose community sports pavilion proposed by the South Australian Cricket Association (SACA)
  - » Removal of existing tennis courts and covert into onsite parking
  - » Improved informal recreation opportunities including a youth recreation precinct, nature based play elements, shade and BBQ facilities
  - » New floodlit beach sports facility
  - » Support for a 42 year lease agreement between Adelaide City Council and SACA.

### *Tidlangga (Park 9) Community Hub*

- Supported a new children's playspace as part of the creation of a broader park community activity hub.
- Provided in-principle support for new consolidated sports building to support continued sport and community use in the park.

### *Ityamai-Itpina (Park 15) Upgrade*

- Supported the creation of a Temporary Skate Park in Ityamai-Itpina (Park 15) as a replacement for the former North Terrace facility closed due to the construction of new buildings as part of the new Biomedical Precinct.
- Provided input into the concept design for the upgrade of the Glover Playground and community recreation hub in the park.

### *Park Lands Event Management Plan*

- Provided input and support for the Events in the Park Lands Policy Review. The objective of the plan is to provide increased opportunities for different events of varying nature and scale to be hosted in more places in the Park Lands and more often. This will result in reduced impact and alienation of the Park Lands from events through:

- » Setting rest periods around large scale events
- » Encouraging the spatial distribution of events so the load of events is shared away from Premium sites to other sites across the Park Lands
- » Ensuring where possible that public amenities remain unfenced
- » Minimising fencing
- » Minimising the closure of pedestrian and bicycle paths.

### *Other Matters*

- Provided advice on the revision of the **Park Lands Leasing and Licensing Policy** which will increase the equity and transparency of decision making with respect to Park Lands buildings, playing fields and sports courts.
- Noted **Clipsal 500 Declarations 2016**.
- Considered and supported various confidential Park Lands **lease agreements**.
- Considered a presentation by representatives from Adelaide and Burnside Hockey Clubs for a **multi-use sport and recreation facility** for hockey and touch football in Tuthangga (Park 17).





# Connected Places and Spaces

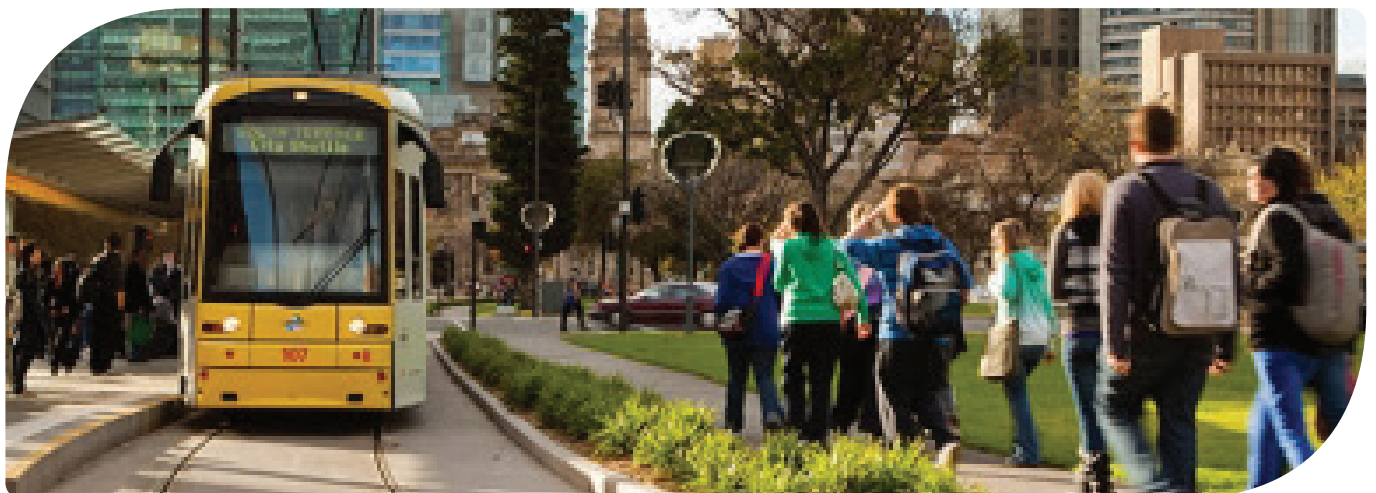
A system of connected and legible places and spaces enabling safe movement via paths and trails linking the City to the suburbs, hills and coast.



In 2015/16 the Authority:

## *O'Bahn City Access Project*

- Provided ongoing input through site visits and workshops into the planning process for the new O'Bahn City Access project. To ensure best possible outcomes for the Park Lands, the Authority provided feedback to the State Government on:
  - » The envisaged design outcomes for Rymill and Rundle Parks
  - » Remediation works and methods
  - » Expected impacts on pedestrian and cyclist movement
  - » Design information on the new pedestrian bridge across the River Torrens at Hackney
- Supported the **Adelaide Park Lands Interpretive Signage Plan** to provide interpretive signage for a range of attractions in the Park Lands including built heritage, biodiversity conservation sites, significant landscape features, (plantations, avenues and important trees), public art and sites of Kaurna significance
- Supported the extension of **Adelaide Free City Wi-Fi network** coverage into key Park Lands locations with pilot sites at parks with high visitation to be implemented in 2017.



## Welcoming and Attractive Places

Places of diverse landscapes and natural beauty providing a range of recreational, sensory and stimulating experiences of discovery.



In 2015/16 the Authority:

- Supported the establishment of a **Community Garden** in the Adelaide Park Lands opposite Bowden as part of the development of a new community recreation hub funded by the State Government to provide improved recreation opportunities for residents at the new Bowden development.
- Provided in-principle support for the establishment of a **Commemorative Chinese Rose Garden** in the Park Lands to celebrate the 15th anniversary of the City of Adelaide and Qingdao sister city relationship and the 30th anniversary of the South Australia- Shandong relationship in 2016.
- Supported the development of a **Horticultural Hub and the redevelopment of the Conservatory** in Walyu Yarta (Park 21) Veale Gardens, the removal of the conservatory and the development of a design for an open shade structure and associated landscaping.
- Supported the retention of the Women's Change Room building located in Karrawirra (Park 12).
- Supported the development of a **master plan for the ACC Nursery** and amalgamation of the proposed Hub 5 with the Nursery.





# Sustainable and Enduring Places

Places that thrive in the face of a changing climate.

In 2015/16 the Authority:

- Supported the installation of a **Bureau of Meteorology weather station** into Tampawardli (Park 24) in the western Park Land including recommendations for landscaping the immediate area and the terms and conditions of the lease.
- Supported the **South Park Lands Creek Master Plan** and provided comment to increase broader community benefit as a result of the creek works. Proposed works will improve water quality and the aesthetic and ecological condition of the creek banks and riparian zone through the planting of approximately 135,000 plants including 1,350 trees.
- Considered the use of recycled **Glenelg Adelaide Pipeline water in the Park Lands** and its impact on tree health in formal gardens and landscapes.

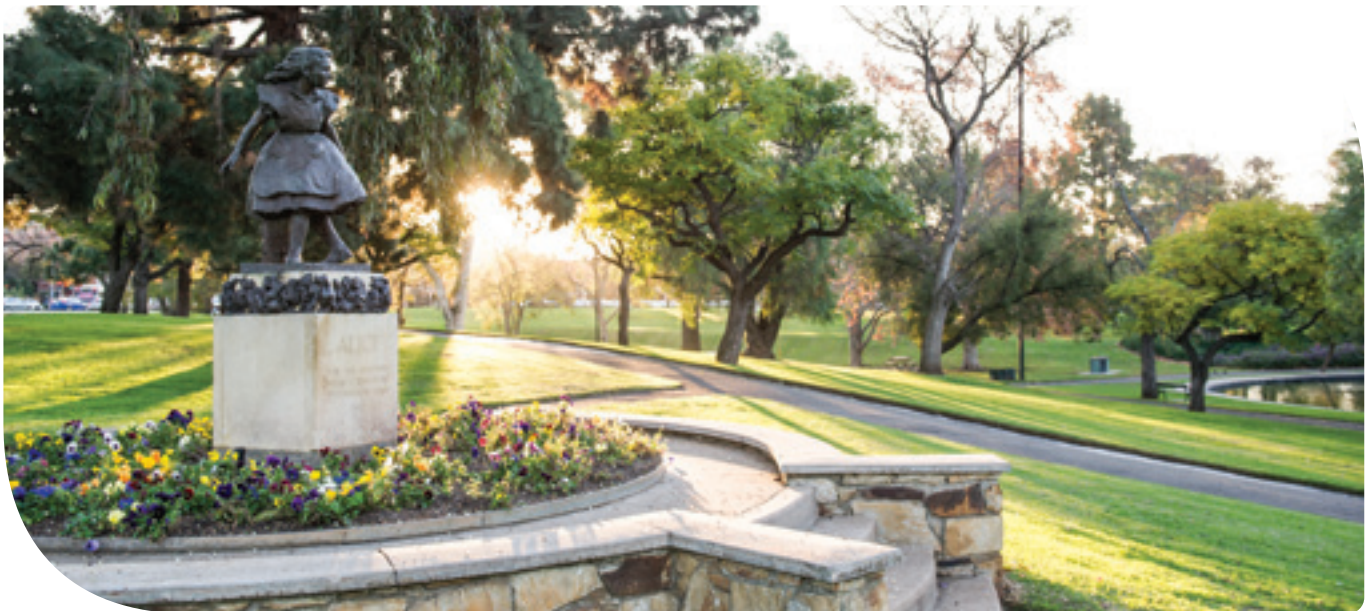


# Memorable and Distinctive Places

Places celebrating Adelaide's unique natural and cultural heritage.

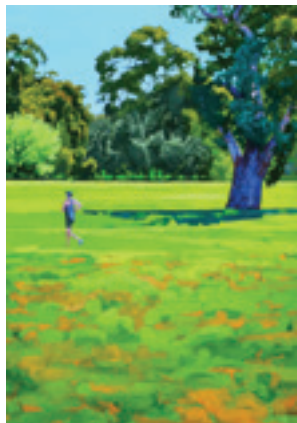
In 2015/16 the Authority:

- Supported a proposal from Relationships Australia SA to donate to the City of Adelaide a commemorative **memorial to acknowledge 'Past Forced Adoption Policies and Practices'** to be located on the Park Lands between Victoria Drive and the River Torrens east of the University Footbridge.
- Supported the relocation of the **Australasian Soldiers Dardanelles Cenotaph** from Lundie Gardens in Mirnu Wirra (Park 21W) to Kintore Avenue as part of the 'Anzac Memorial Walk' subject to:
  - » Implementation of appropriate conservation conditions during relocation
  - » Ongoing appropriate maintenance.
- Supported the construction of **Rainbow Walk** and associated landscaping in Light Square/Wauwi to acknowledge the LGBTIQ community.
- Noted a proposal to erect a **memorial to commemorate the role of Irish community** in South Australia.
- Continued to be represented on the **Park Lands Naming Committee** and supported the inclusion of a representative from Council's Reconciliation Committee on the Naming Committee.
- Noted the **Park Lands Zone Development Plan Amendment** and provided advice on proposed development policy changes relating to the definition and provision of public infrastructure within defined areas of the Park Lands. The Park Land Zone is now in operation in the Development Plan and is the valid planning instrument for future development applications.
- Noted variations to the **Park Lands Plan**.
- Received a presentation on the **Mount Lofty Ranges World Heritage bid**.
- Supported the **Adelaide Art Prize**.





# The Adelaide Park Lands Art Prize 2016



Joseph Bond: Pakapakanthi



Helen Sheriff: Regeneration



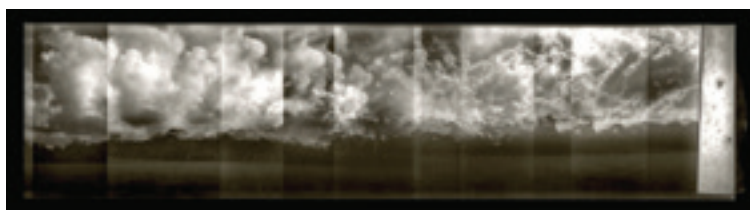
Laura Wills: Victoria Park Race Course



Peter Maddern: Boat Sheds on the Torrens



Gail Kellett: Botanic Pines



Alice Blanch Box Brownie: Panorama #14



Cat Leonard: The East Terrace Superposition

# Adelaide Park Lands Authority

## Governance & Planning

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 2, the Authority was established to undertake the following Functions, as set out at section 9 of the *Adelaide Park Lands Act 2005*:

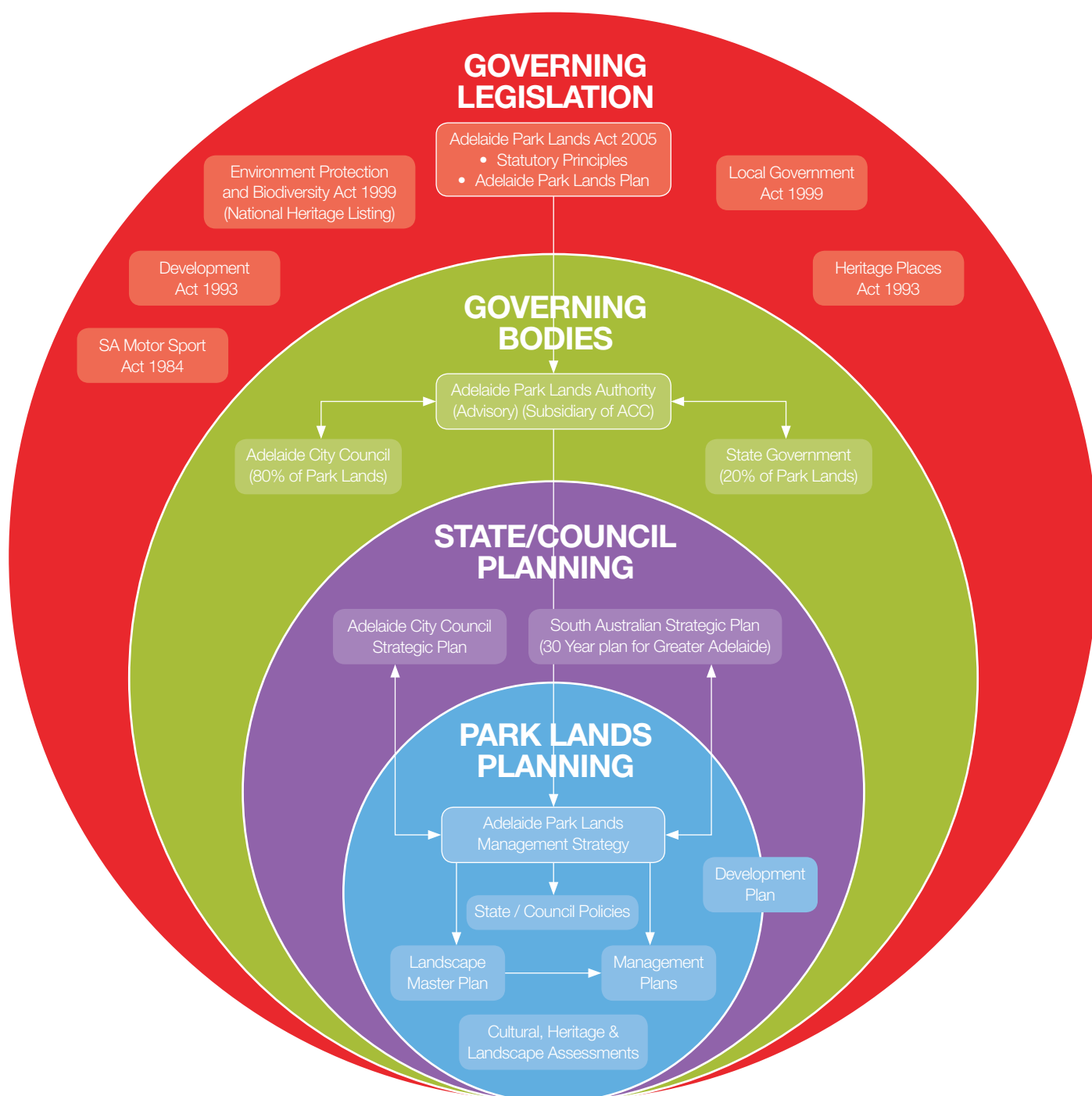
- to undertake a key policy role with respect to the management and protection of the Adelaide Park Lands;
- to prepare, and as appropriate, to revise the Adelaide Park Lands Management Strategy in accordance with the requirements of the *Adelaide Park Lands Act 2005*;
- to provide comments and advice 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 ninth financial year from 1 July 2015 through 30 June 2016.

**Figure 2: 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 2015/16 financial year the following people served as members of the Authority:

Member
<b>Presiding Member Appointed by Statute (Section 6 (1) of the Adelaide Park Lands Act 2005)</b>
<b>The Right Honourable the Lord Mayor Martin Haese</b> Accepted the position of Presiding Member upon his appointment as Lord Mayor.
<b>Ministerial appointments</b>
<b>Ms Mary Marsland PSM (Deputy Presiding Member to 9 March 2016)</b> Appointed 13 February 2012 to 12 February 2015 and re-appointed 10 March 2015 to 9 March 2016.
<b>Ms Jane Chapman</b> Appointed 13 February 2012 to 12 February 2015 and re-appointed 10 March 2015 to 9 March 2016. Re-appointed 10 March 2016 to 31 December 2016.
<b>Dr Rosemary Anne Sharp (Deputy Presiding Member from 10 March 2016)</b> Appointed 18 February 2010 to 15 February 2013 and re-appointed 31 October 2013 to 12 February 2016. Re-appointed 18 February 2016 to 31 December 2016.
<b>Ms Stephanie Johnston</b> Appointed 31 October 2013 to 12 February 2016.

### Ministerial appointments (continued)

**Mr Roger Zubrinich**

Appointed 31 October 2013 to 12 February 2016.  
Re-appointed 18 February 2016 to 31 December 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.  
Re-appointed 18 February 2016 to 31 December 2016.

**Emeritus Professor Damien Mugavin**

Appointed 18 February 2016 to 31 December 2016.

**Ms Carolyn Wigg**

Appointed 10 March 2016 to 31 December 2016.

**Ms Stephanie Johnston (deputy to Emeritus Professor Mugavin)**

Appointed 18 February 2016 to 31 December 2016.

### Council appointments

**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 Priscilla Corbell**

Appointed 1 January 2015 to 31 December 2016.

**Councillor Robert Simms**

Appointed 1 January 2015 to 31 December 2016. Resigned 15 September 2015.

**Councillor Alex Antic**

Appointed 1 January 2015 to 31 December 2016.

**Councillor Sandy Verschoor**

Appointed 1 February 2016 to 31 December 2016.

## Meetings

The Authority is required to hold at least one ordinary meeting each calendar month. During 2015/16, the Authority held:

- 12 ordinary meetings
- three special meetings
- one briefing (a confidential briefing on 25 August 2015)
- one public forum (on 25 February 2016)
- five workshops (on 8 July, 17 September, 5 November 2015 and 7 April 2016)
- two site visits (Adelaide Oval 9 September 2015, Park Lands Creek 17 March 2016)
- one Park Lands Field Trip (on 21 January 2016).

Attendance at meetings was recorded as follows:

Authority Member	Ordinary Meetings Eligible to Attend	Ordinary Meetings Attended	Special Meetings Eligible to Attend	Special Meetings Attended	Briefings/ Workshops/ Field Trips Eligible to Attend	Briefings/ Workshops/ Field Trips Attended
Presiding Member, Lord Mayor Martin Haese	12	9	3	3	10	6
Ms Mary Marsland (Dep. Presiding Member dates)	8	8	1	1	8	8
Ms Jane Chapman	12	10	3	2	10	8
Dr Anne Sharp (Dep. Presiding Member dates)	12	11	3	2	10	8
Ms Stephanie Johnston	7	7	1	1	7	4
Mr Roger Zubrinich	12	10	3	2	10	6
Damien Mugavin	5	4	2	2	3	3
Carolyn Wigg	4	4	2	2	3	3
Ms Elaine Benstead (deputy for Roger Zubrinich)	1	0	1	1	4	0
Dr James Daly (deputy for Stephanie Johnston)	0	0	0	0	3	0
Stephanie Johnston (deputy for Damian Mugavin)	1	1	0	0	0	0
Councillor Anne Moran	12	12	3	1	10	4
Councillor Alex Antic	12	8	3	1	10	0
Councillor Priscilla Corbell	12	9	3	3	10	3
Councillor Robert Simms	2	1	0	0	3	1
Councillor Sandy Verschoor	5	5	2	0	3	0

## 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 2014/15**

In September 2015, the Authority adopted its Annual Report for 2014/15 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 2015/16 Business Plan and Budget

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 2015 to June 2016 was adopted at its meeting held on 21 May 2015.

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 2016 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*.

## PERFORMANCE AGAINST THE 2015/16 BUSINESS PLAN – CORE RESPONSIBILITY

Outcomes	Performance targets	Performance measures	Achievements
<p>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.</p> <p>Implementation of Park Lands marketing initiatives which focus on the promotional targets.</p>	<p>Provide advice as required to Council and the State Government on key matters relating to the Adelaide Park Lands.</p> <p>Promotion of the Park Lands which focuses on:</p> <ul style="list-style-type: none"> <li>• Raising public awareness of their importance;</li> <li>• Increased, appropriate use; and</li> <li>• Responsible management.</li> </ul>	<ol style="list-style-type: none"> <li>1. At least 12 meetings of the Authority held per year</li> <li>2. Advice provided to Council and State Government in a timely manner</li> <li>3. Receive at least two presentations on Park Lands planning and management related matters per year</li> </ol> <p>Input into further refinement / development of existing program.</p> <p>Subject to availability of Council financial support.</p>	<p>The Authority held :</p> <ul style="list-style-type: none"> <li>• 12 ordinary meetings</li> <li>• three special meetings</li> <li>• one briefing (O'Bahn City Access Project)</li> <li>• one public forum five workshops</li> <li>• two site visits (Adelaide Oval, Park Lands Creek)</li> <li>• one Park Lands Field Trip</li> </ul> <p>Throughout the year the Adelaide Park Lands Authority and Adelaide City Council provided advice on a broad range of Park Lands planning matters including improved policy to guide the licencing and leasing of Park Lands areas and buildings, a new management plan to support events in the Park Lands, and changes to the development plan led by the State Government to facilitate public infrastructure in the Park Lands. Advice was also provided on specific such as the O-Bahn City Access Project, the new multi-purpose building proposed by the South Australian Cricket Association for Park 25 in the West Park Lands, and the creation of a new playspace in Park 9 in the north-east Park Lands. Together the planning and policy advice provided reflects the diversity and complexity of the Park Lands as a National Heritage Listed park system.</p>



## PERFORMANCE AGAINST THE 2015/16 BUSINESS PLAN – SUPPORTING RESPONSIBILITY

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 2015/16 adopted 21 May 2015
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 for 2014/15 was adopted prior to 30 September 2015
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



# AUDITED FINANCIAL STATEMENT 2015-16

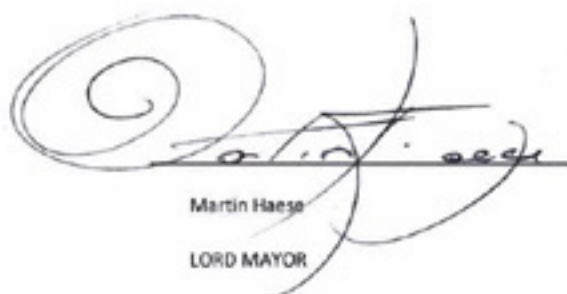
**ADELAIDE PARK LANDS AUTHORITY**  
General Purpose Financial Statements  
for the year ended 30 June 2016

**Certification of Financial Statements**

**We have been authorised by the Council to certify the financial statements in their final form.**

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2016 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Martin Haese  
LORD MAYOR

5th October 2016



# Statement of Comprehensive Income

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>INCOME</b>			
Grants, Subsidies and Contributions	2	175	162
<b>Total Income</b>		<b>175</b>	<b>162</b>
<b>EXPENSES</b>			
Materials, Contracts & Other Expenses	3	175	162
<b>Total Expenses</b>		<b>175</b>	<b>162</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>

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

# Statement of Financial Position

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	1	1
<b>Total Current Assets</b>		<b>1</b>	<b>1</b>
<b>Total Assets</b>		<b>1</b>	<b>1</b>
<b>NET ASSETS</b>		<b>1</b>	<b>1</b>
<b>EQUITY</b>			
Accumulated Surplus		1	1
<b>TOTAL EQUITY</b>		<b>1</b>	<b>1</b>

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

# Statement of Changes in Equity

for the year ended 30 June 2016

\$ '000	Notes	Accumulated Surplus	Total Equity
<b>2016</b>			
Balance at the end of previous reporting period		1	1
Net Surplus / (Deficit) for Year		-	-
<b>BALANCE AT THE END OF PERIOD</b>		<b>1</b>	<b>1</b>
<b>2015</b>			
Balance at the end of previous reporting period		1	1
Net Surplus / (Deficit) for Year		-	-
<b>BALANCE AT THE END OF PERIOD</b>		<b>1</b>	<b>1</b>

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

# Statement of Cash Flows

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Operating Receipts		175	162
<b>Payments</b>			
Operating Payments to Suppliers & Employees		175	162
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>-</b>	<b>-</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>		<b>1</b>	<b>1</b>

*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 2016

## 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 (\$'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 net basis.

## 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 2016.

The Authority has not adopted any of these standards early.

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

### *AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*

The Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. Generally Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted the Authority from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

## *AASB 124 Related Party Disclosures*

From 1 July 2016 AASB 124 Related Party Disclosures will apply to the Authority, which means that the Authority will disclose more information about related parties and transactions with those related parties.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

### **Effective for periods commencing 1 January 2016:**

- AASB 1057 Application of Australian Accounting Standards
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception [AASB 10, AASB 12 & AASB 128]
- AASB 2014-1 Amendments to Australian Accounting Standards (Part D)

**Effective for periods commencing 1 July 2016:**

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, AASB 124 & AASB 1049]

**Effective for periods commencing 1 January 2017:**

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15

**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	2016	2015
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Other Grants, Subsidies & Contributions	175	162
<b>TOTAL GRANTS, SUBSIDIES, CONTRIBUTIONS</b>	<b>175</b>	<b>162</b>
<b>(i) Sources of grants</b>		
Adelaide City Council	175	162
<b>TOTAL</b>	<b>175</b>	<b>162</b>

## Note 3: Expenses

\$ '000	2016	2015
<b>MATERIALS, CONTRACTS AND OTHER EXPENSES</b>		
<b>Prescribed Expenses</b>		
Auditor's Remuneration		
- Auditing the Financial Reports	1	3
<b>Subtotal - Prescribed Expenses</b>	<b>1</b>	<b>3</b>
<b>Other Materials, Contracts and Expenses</b>		
Contractors	132	132
Advertising	1	-
Insurance	13	13
Sitting Fees	13	10
Sponsorship	10	-
Legal Expenses	-	2
Sundry	5	1
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>174</b>	<b>159</b>
<b>TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES</b>	<b>175</b>	<b>162</b>

## Note 4: Current Assets

\$ '000	2016	2015
<b>CASH &amp; CASH EQUIVALENTS</b>		
Cash on Hand at Bank	1	1
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>1</b>	<b>1</b>

## Note 5: Reconciliation to Cash Flow Statement

\$ '000	Notes	2016	2015
<b>(A) RECONCILIATION OF CASH</b>			
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.			
Total Cash & Cash Equivalents	4	1	1
<b>BALANCES AS PER CASH FLOW STATEMENT</b>		<b>1</b>	<b>1</b>
<b>(B) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH</b>			
Net Surplus (Deficit)		-	-
<b>NET CASH PROVIDED BY (OR USED IN) OPERATIONS</b>		<b>-</b>	<b>-</b>

## Note 6: Uniform Presentation of Finances

\$ '000	2016	2015
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	175	162
less Expenses	(175)	(162)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>-</b>	<b>-</b>
<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<b>-</b>	<b>-</b>



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AUSTRALIA

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

We have audited the accompanying financial report of the Adelaide Park Lands Authority "(the Authority)", which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Lord Mayor.

### **Authority's Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 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 Authority's officers, as well as evaluating the overall presentation of the financial report.

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

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### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Adelaide Park Lands Authority as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', written over a faint, light blue rectangular stamp.

**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', written over a faint, light blue rectangular stamp.

Andrew Tickle  
Director

Adelaide, 7 October 2016



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Adelaide SA 5000  
GPO Box 2018, Adelaide SA 5001  
AUSTRALIA

## CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Park Lands Authority for the year ended 30 June 2016, 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.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 7 October 2016

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**ADELAIDE PARK LANDS AUTHORITY**  
**General Purpose Financial Statements**  
for the year ended 30 June 2016

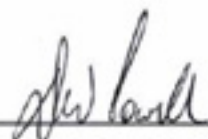
**Certification of Auditor Independence**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide City Council for the year ended 30 June 2016, the Council's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Mark Goldstone  
CHIEF EXECUTIVE OFFICER



David Powell  
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 5th October 2016





JULY 2015 – JUNE 2016  
ANNUAL REPORT

**rundle8mall**  
A RUNDLE8 GROUP COMPANY



# WELCOME TO THE RUNDLE MALL MANAGEMENT AUTHORITY 2015-2016 ANNUAL REPORT

Rundle Mall recently celebrated its fortieth anniversary as the first pedestrianised Mall in Australia and to this day 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, Riverbank Precinct, North Terrace Cultural Boulevard, Adelaide Central Market, The East End and the West End's medical, educational and entertainment Precincts.

In October 2014, Adelaide City Council and the Rundle Mall Management Authority completed Stage 1 of the Rundle Mall Masterplan – 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. In 2016-2017 Financial Year the RMMA now looks toward Adelaide City Council's \$7.85 million investment in Stage 2 of the Rundle Mall Masterplan; the redevelopment of Gawler Place North and South. Bolstered by the \$50 million investment of State Government in the North Terrace Tram Extension Project, the Rundle Mall Precinct is poised for significant change in the coming year.

This report is presented in two sections. The first section reports on how the RMMA progressed against the outcomes and objectives in the Rundle Mall Management 2015-2017 Business Plan and part two of the Report provides the audited statements for the RMMA.

## AUTHORITY DETAILS

LEGAL NAME:	Rundle Mall Management Authority
STATUS OF BUSINESS:	A body corporate under the Local Government Act 1999
ABN:	20 903 762 572
ADDRESS OF MAIN OFFICE:	Level 2, 7 James Place, Adelaide
TELEPHONE:	08 8203 7200
FAX:	08 8212 6056
E-MAIL:	info@rundlemall.com
WEBSITE:	www.rundlemall.com

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# LETTER FROM THE CHAIRMAN

The 2015-2016 Financial Year was a year of excitement, challenge and change for the RMMA and its various Stakeholders.

In 2011, the Adelaide City Council and the Rundle Mall Management Authority collaboratively developed the Rundle Mall Masterplan to bring a new vision to the Precinct; a world class place of firsts. A vision myself and the RMMA Board are still committed to achieving.

The completion of Stage One of the Rundle Mall Masterplan in October 2015, therefore provides an opportunity to acknowledge the 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 portions 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.

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
- Is a compelling central hub for the city of Adelaide
- It is and will remain unique.

The 2015-2016 Financial Year also marked the appointment of Amanda Grocock as the new General Manager of the Rundle Mall Management Authority. Having worked for the RMMA since 2012 and having created and launched the UNFOLD Rundle Mall Brand, the Board saw Amanda's experience as a strength to the future success of the Rundle Mall Precinct. Her support of the Board's vision and strategy, along with her passion for Rundle Mall and the future of digital integration for the success of bricks and mortar business is set to position Rundle Mall at the forefront of becoming a world class place of firsts.

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

**PETER JOY | Chairman**  
**Rundle Mall Management Authority**







# LETTER FROM THE GENERAL MANAGER

As the major tourist and retail destination in South Australia, Rundle Mall is constantly undergoing change and the 2015-2016 Financial Year was no exception.

When I launched the Unfold Rundle Mall brand in May 2015 I proudly stated that "the Rundle Mall Precinct is so much more than the mall. It's a promise of a large, diverse and inclusive offering with something for everyone" and it is that philosophy that I have strived to imbed in the actions of the Rundle Mall Management Authority since taking on the mantle of General Manager in September 2015.

Rundle Mall is a public space which the people of South Australia have a real connection to; a connection that in 2015-2016 Financial Year allowed the UNFOLD Rundle Mall brand to embed itself and encourage visitors to discover the Rundle Mall Precinct for themselves.

The completion of Adelaide City Council's \$30 million Rundle Mall Redevelopment Project in October 2015 provided the City with a beautiful public realm and the Rundle Mall stakeholders with a wonderful platform on which to grow their businesses. The improvement of the Mall itself however shone a spotlight on many other improvement opportunities that existed within the wider Precinct. As such, within the 2015-2016 Financial Year the Rundle Mall Management Authority sought and received support from the Adelaide City Council to execute Stage 2 of the Rundle Mall Masterplan, securing a \$7.85 million investment in Gawler Place North and South.

As the process through which we collectively shape our public realm to maximize shared value, placemaking forms an integral part of the Rundle Mall Management Authority's mandate and encourages visitors to the Precinct to embrace its diverse mix of features. The Gawler Place Redevelopment Project will go a long way to shaping the public realm in this manner, whilst the RMMA continues to implement a far reaching events strategy designed to ensure a remarkable experience for visitors and foster a sense of collaboration with users of the space.

The Rundle Mall Management Authority continues 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, and I look forward to leading the stakeholders of the Rundle Mall Precinct through the next phase of development and change.

**AMANDA GROCOCK MBA | General Manager**  
**Rundle Mall Management Authority**





## THE RMMMA'S MISSION

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

## THE RMMMA'S 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 at the heart of the South Australian community.

## THE RMMMA'S VALUE PROPOSITION

The Rundle Mall Management Authority's Value Propositions are contained in its 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 and maintain economic viability
- Enhance and sustain the Precinct as the State's premier retail and 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 and Local Government, investors, retailers, property owners and 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 and alternate funding sources
- Work closely with Council Administration to create a vibrant and attractive Precinct through the presentation of a high quality public realm

# ABOUT THE RMMA

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, and administration. Two additional part-time employees resource casual mall leasing and the concessions program.

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 (RMMA) 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 Pulleney 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, 4 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 \$800 million, approximately 24 million visitations per annum and employing in the vicinity of 5,000 people, Rundle Mall remains the retailing heart of South Australia.





# MEET THE BOARD



PETER JOY  
Chairman



BRUCE RIPPIN  
Deputy Chairman



MARTIN HAESE  
Lord Mayor



NATASHA MALANI  
Councillor



KATE GOULD  
Director



DAVID COOKE  
Director



ROB MCKAY  
Director



DEBORAH MILLER  
Director

# MEET THE TEAM



**AMANDA GROCOCK**  
General Manager  
08 8203 7748



**KATE FUSS**  
Business Relationship Manager  
08 8203 7970



**JOHANNA WILLIAMS**  
Marketing Manager  
08 8203 7085



**LAUREN JONES**  
Executive Assistant  
08 8203 7204



**TEALL PALMER**  
Administration Assistant  
08 8203 7200



**NYSSA LAMBERT**  
Marketing Coordinator  
08 8203 7662



**ABBY FELTRIN**  
Digital Coordinator  
08 8203 7253

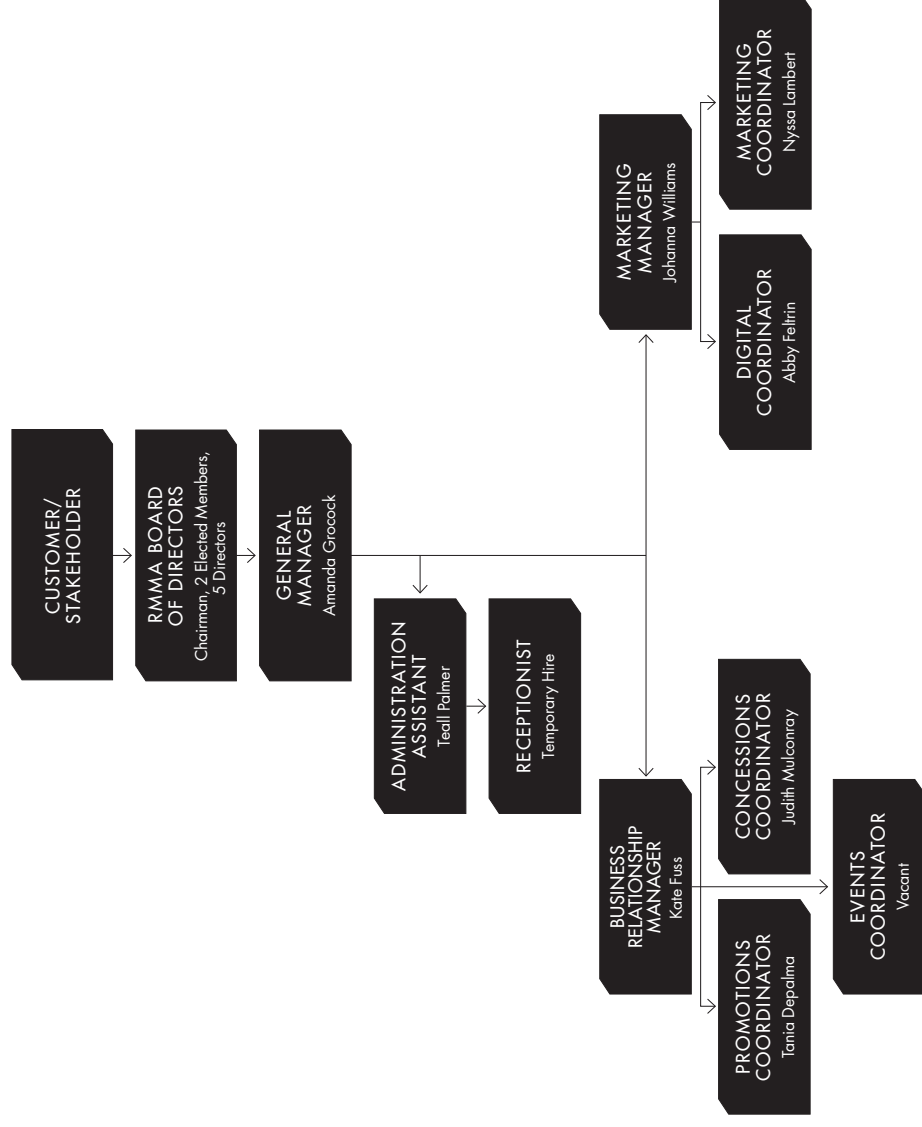


**TANIA DE PALMA**  
Promotions Coordinator  
08 8203 7690



**JUDITH MULCONRAY**  
Concession Coordinator

# ORGANISATIONAL STRUCTURE





# GOVERNANCE

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 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 2015-2016 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 sub-delegations 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.



# KEY OBJECTIVES AND ACTIVITIES

## 1. POSITION RUNDLE MALL AS THE PREMIER RETAIL DESTINATION AND MEETING PLACE IN SOUTH AUSTRALIA

OBJECTIVE	SUCCESS MEASURE	OUTCOME
Brand Launch	\$100k PR in May - July	<b>Complete:</b> UNFOLD Rundle Mall brand launched in May 2015 PR Achieved to the value of \$223,716 for the period
Position Rundle Mall as the heart of the CBD & premier shopping destination	Increase sales, foot traffic & visitation	<b>Complete:</b> UNFOLD Brand and Marketing campaigns assisted in delivering an 11.4% increase of tourist visitation during financial year
Encourage early evening visitation & activity	10% over 5 years 75% retailer support for early evening opening: Oct - April	<b>Complete:</b> 75% Mall facing participation in daylight savings period
Introduce sleeve retailing concept	November 2016	Strategy revised by the RMMA Board
The Mall as a venue	Increase income \$200k	\$513,000 income generated from temporary activation and events; \$128,000 up on 2014-2015 Financial Year
Strengthen Unique positioning	6 new concessions	<b>Complete:</b> 7 new concessions operating within the Rundle Mall Precinct in 2015-2016 Financial Year
Increase public holiday awareness	Increased visitation on Public Holidays. \$50k PR	<b>Complete:</b> Boxing Day visitation of 180,000 achieved PR achieved to the value of \$93,000
Activate and enliven through arts and culture	Art competition: December 2016	Budget and strategy revised by RMMA Board
Retailer community involvement	4 retailer forums 4 reference group meetings: July - June	<b>Complete:</b> Required Retailer Forums held with increased retailer attendance on previous year
Activate city linkages	Football sponsorship: July - June	<b>Complete:</b> Sponsorship relationships with both Adelaide Football Club and Port Adelaide Football Club

## 2. INCREASE THE NUMBER OF VISITORS TO THE RUNDLE MALL PRECINCT THROUGH THE DYNAMIC ENGAGEMENT OF SHOPPERS, VISITORS AND CLIENTS

OBJECTIVE	SUCCESS MEASURE	OUTCOME
Install people counting	Establish base number October: Q1 2015	Permanent People Counting Project incomplete at financial year end
Produce Event calendar	July	<b>Complete:</b> Rolling event calendar published on Rundle Mall Website in November 2015
Improve additional revenue from hireable event spaces	\$650,000 in 2015-2016; July - June	Income from hire of event spaces generated \$513,000 in 2015-2016 Financial Year
Introduce new and diversify existing events to attract new & retain existing consumers	60 events, 15 concessions and 10% yr on yr increase: July - ongoing	<b>Complete:</b> 335 events staged and hosted in the RM Precinct 15 concessions achieved in the period 33% increase in income generated year on year
Prepare a digital strategy & develop Digital Comms	Website scoped by Jan 2016	<b>Complete:</b> Website and new E-newsletter launched October 2015
Decorate the Mall for Christmas, in conjunction with ACC Christmas in the City outcomes	5 year Christmas decorations plan Positive media about decorations: December 2015	<b>Complete:</b> New Christmas decorations launched in November 2015 to positive media support

### 3. POSITION RUNDLE MALL AS THE PREMIER LOCATION TO DO BUSINESS IN SOUTH AUSTRALIA

OBJECTIVE	SUCCESS MEASURE	OUTCOME
Develop a business attraction policy and process	\$20M investment per annum measured via DA's	\$5,038,073 investment via DA's in 2015-2016 Financial Year
Target and attract new unique retailers to the Mall	1 new brand per annum	<b>Complete:</b> New Retailers include: Calibre, Origani (x2), Kathmandu, CDW, Monday's, and Cotto
Complete whole Precinct masterplan	Defined mini-Precincts with portfolio role and business attraction / activation plans. 1 lane way investment agreed 2016 plan	<b>Complete:</b> Included in RM Masterplan 2011
Implement a business friendly CRM and directory system		Adelaide City Council CRM Project incomplete at 2015-2016 Financial Year end

### 4. ACCESS TO THE PRECINCT IS EASY AND AFFORDABLE

OBJECTIVE	SUCCESS MEASURE	OUTCOME
Complete a study with ACC on car park usage and income	Implement early evening parking deal: July – October	Adelaide City Council Project incomplete at financial year end
Engage with DPTI to improve transport connections to Rundle Mall	Meeting with Minister: July 2015 Increase evening transport 5 to 7 pm. Thurs to Sat: December 2016	<b>Complete:</b> New Transport arrangements negotiated for Christmas & Boxing Day
Transport routes and timetable on way finding screens.	Timetables on way finding screens: December 2015	Wayfinding Project incomplete at financial year end
Improve connection with other Precincts	Central Market stall in RM City links on way finders: December 2015	Wayfinding Project incomplete at financial year end
Create a cycle Hub with Bike SA	Increase visitation by bike: June 2016	Budget and strategy revised by RMMA Board

### 5. CONTINUOUS IMPROVEMENT OF THE RMMA GOVERNANCE MODEL, CHARTER AND MANAGEMENT PROCESS TO DELIVER AGREED STRATEGY

OBJECTIVE	SUCCESS MEASURE	OUTCOME
Review the RMMA Charter to ensure delivery of strategy	New charter: April 2016	Charter reviewed and updated accordingly in June 2016
Review management organisation of RMMA to deliver strategy	Organisation in business plan 2015-2017	<b>Complete:</b> New GM recruitment effected Organisational direction
Review stakeholder communications and consultation with RMMA	Property owner and agent meetings quarterly: July 2016	<b>Complete:</b> Meetings completed in line with Business Plan
Develop a sustainable digital hosting solution	Migration of web site to new host: December 2015	<b>Complete:</b> New hosting relationship and Rundle Mall Website launched October 2015



# 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 2015-2016. This rate has remained unchanged for the past two financial year periods.

## RUNDLE MALL DIFFERENTIAL SEPARATE RATE

The Local Government Act 199 (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 2015-2016 Financial Year, the Differential Rate provided approximately \$3.581 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 businesses 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 the 2015-2016 Financial Year additional income of \$614,000 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 the 2016-2017 Financial Year of \$447,000.

### TOTAL INCOME: (\$'000)

DESCRIPTION	2015-16	2014-15	VARIANCE	COMMENT:
Differential Rate	3,581	3,505	76	Increase driven by increased property valuation
Self-Generated Income	614	449	164	CML and Concessions generated \$513,000 of income, with print advertisements supporting an additional \$100,000
<b>TOTAL</b>	<b>4,195</b>	<b>3,954</b>	<b>241</b>	

### TOTAL EXPENDITURE: (\$'000)

DESCRIPTION	2015-16	2014-15	VARIANCE	COMMENT:
Advertising & Sponsorships	2,052	1,924	128	Print costs previously accounted for in 'Printing' now included in 'Advertising & Sponsorships'
Contractors & Professional Services	1,393	1,221	172	Staff costs effected by previous temporary hirers becoming full time employees and the employment of a consultant to complete the RMMA Digital Strategy
Security	210	206	4	
Premises	94	87	7	
Plant & Equipment	84	172	(88)	2014-2015 Financial Year staging/infrastructure costs supported by launch of UNFOLD Brand & month of activation; not required in 2015-2016 Financial Year
Minor Assets	52	61	(9)	
Printing	42	173	(131)	Print costs previously accounted for in 'Printing' now included in 'Advertising & Sponsorships'
Insurance	13	12	1	
Catering	10	10	0	
Car parking	8	5	3	
Telephone	3	1	2	
Tax	1	-	1	
Bad & Doubtful Debts	16	1	15	
Sundry	23	26	(3)	
Auditors	1	12	(11)	KMPG Procurement Audit undertaken in 2014-2015 Financial Year; not required in 2015-2016 Financial Year
<b>TOTAL</b>	<b>4,002</b>	<b>3,911</b>	<b>91</b>	-

**AUDITOR'S REPORT & FINANCIAL STATEMENTS**  
SEE APPENDIX A



## **RUNDLE MALL MANAGEMENT AUTHORITY**

### **General Purpose Financial Statements**

for the year ended 30 June 2016

### **Certification of Financial Statements**

**We have been authorised by the Council to certify the financial statements of the Rundle Mall Management Authority in their final form.**

**In my opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Rundle Mall Management Authority's financial position at 30 June 2016 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Rundle Mall Management Authority's accounting and other records.

  
\_\_\_\_\_  
Peter Joy  
Chair of the Board

5<sup>th</sup> October 2016

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>INCOME</b>			
Rates Revenue	2	3,581	3,505
User Charges	2	614	449
<b>Total Income</b>		<b>4,195</b>	<b>3,954</b>
<b>EXPENSES</b>			
Materials, Contracts & Other Expenses	3	4,002	3,911
<b>Total Expenses</b>		<b>4,002</b>	<b>3,911</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>193</b>	<b>43</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>193</b>	<b>43</b>

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

# STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade & Other Receivables	4	461	263
<b>Total Current Assets</b>		<b>461</b>	<b>263</b>
<b>Total Assets</b>		<b>461</b>	<b>263</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	5	15	9
<b>Total Current Liabilities</b>		<b>15</b>	<b>9</b>
<b>Total Liabilities</b>		<b>15</b>	<b>9</b>
<b>NET ASSETS</b>		<b>447</b>	<b>254</b>
<b>EQUITY</b>			
Accumulated Surplus		447	254
<b>TOTAL EQUITY</b>		<b>447</b>	<b>254</b>

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

\$ '000	Accumulated Surplus	Total Equity
<b>2016</b>		
Balance at the end of previous reporting period	254	254
Net Surplus / (Deficit) for Year	193	193
<b>BALANCE AT THE END OF PERIOD</b>	<b>447</b>	<b>447</b>
<b>2015</b>		
Balance at the end of previous reporting period	211	211
Net Surplus / (Deficit) for Year	43	43
<b>BALANCE AT THE END OF PERIOD</b>	<b>254</b>	<b>254</b>

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

# STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

\$ '000	Notes	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Operating Receipts		3,997	3,911
<b>Payments</b>			
Operating Payments to Suppliers and Employees		(3,997)	(3,911)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>-</b>	<b>-</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>		<b>-</b>	<b>-</b>

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 2016

## 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 (\$'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 net basis.

### 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 2016.

The Authority has not adopted any of these standards early.

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



## Note 1: Summary of Significant Accounting Policies (Continued)

### AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

The Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted the Authority from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

### AASB 124 Related Party Disclosures

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to the Authority, which means that the Authority will disclose more information about related parties and transactions with those related parties.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

#### Effective for periods commencing 1 January 2016:

- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* [AASB 1, 127 & 128]
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle* [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049]

- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception* [AASB 10, AASB 12 & AASB 128]
- AASB 2014-1 *Amendments to Australian Accounting Standards* (Part D)

#### Effective for periods commencing 1 July 2016:

- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* [AASB 10, AASB 124 & AASB 1049]

#### Effective for periods commencing 1 January 2017:

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*

## 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	2016	2015
<b>RATES REVENUES</b>		
Rundle Mall Levy	3,581	3,505
<b>TOTAL GENERAL RATES</b>	<b>3,581</b>	<b>3,505</b>
<b>USER CHARGES</b>		
Advertising & Leasing	614	449
<b>TOTAL USER CHARGES</b>	<b>614</b>	<b>449</b>

## Note 3: Expenses

\$ '000	2016	2015
<b>MATERIALS, CONTRACTS AND OTHER EXPENSES</b>		
<b>Prescribed Expenses</b>		
Auditor's Remuneration		
- Auditing the Financial Reports	1	2
- Other Services	-	10
<b>Subtotal - Prescribed Expenses</b>	<b>1</b>	<b>12</b>
<b>Other Materials, Contracts and Expenses</b>		
Advertising & Sponsorship	2,052	1,924
Contractors & Professional Services	1,393	1,221
Security	210	206
Premises Hire & Associated Costs	94	87
Plant & equipment	84	172
Minor Assets, Furniture & Fittings, Materials	52	61
Printing	42	173
Insurance	13	12
Catering	10	10
Car Parking	8	5
Telephone	3	1
Tax	1	-
Bad & Doubtful Debts	16	1
Sundry	23	26
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>	<b>4,001</b>	<b>3,899</b>
<b>TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES</b>	<b>4,002</b>	<b>3,911</b>

## Note 4: Current Assets

\$ '000	2016	2015
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Trade & Other Receivables - ACC	393	151
Trade & Other Receivables	64	80
GST Recoupment	20	32
Less: Allowance for Doubtful Debts	(16)	-
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>461</b>	<b>263</b>

## Note 5: Current Liabilities

\$ '000	2016	2015
<b>TRADE &amp; OTHER PAYABLES</b>		
Accrued Expenses	15	9
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>15</b>	<b>9</b>

## Note 6: Reconciliation to Cash Flow Statement

\$ '000	2016	2015
<b>(A) RECONCILIATION OF CASH</b>		
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.		
Total Cash & Cash Equivalents	-	-
<b>BALANCES AS PER CASH FLOW STATEMENT</b>	<b>-</b>	<b>-</b>
<b>(B) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FROM OPERATING ACTIVITIES</b>		
<b>Net Surplus (Deficit)</b>	<b>193</b>	<b>43</b>
Add (Less): Changes in Net Current Assets	-	-
Net (Increase) Decrease in Receivables	(193)	(43)
<b>NET CASH PROVIDED BY (OR USED IN) OPERATIONS</b>	<b>-</b>	<b>-</b>

## Note 7: Uniform Presentation of Finances

\$ '000	2016	2015
<hr/> The following is a high level summary of both operating and capital investment activities of the Rundle Mall Management Authority prepared on a simplified Uniform Presentation Framework basis. <hr/>		
<hr/> All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. <hr/>		
<hr/> The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each councils finances. <hr/>		
Income	<b>4,195</b>	3,954
less Expenses	<b>(4,002)</b>	(3,911)
<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>193</b>	43
<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<b>193</b>	43



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## **INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF THE RUNDLE MALL MANAGEMENT AUTHORITY**

We have audited the accompanying financial report of the Rundle Mall Management Authority "(the Authority)", which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements by the Chair of the Board.

### **Authority's Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We have 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 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 Authority's officers, as well as evaluating the overall presentation of the financial report.

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

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#### Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Rundle Mall Management Authority as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

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

Andrew Tickle  
Director

Adelaide, 7 October 2016





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## 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 2016, 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.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 7 October 2016

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**RUNDLE MALL MANAGEMENT AUTHORITY**  
**General Purpose Financial Statements**  
for the year ended 30 June 2016

**Certification of Auditor Independence**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide City Council for the year ended 30 June 2016, the Council's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act

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



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Mark Goldstone  
CHIEF EXECUTIVE OFFICER



---

David Powell  
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 5<sup>th</sup> October 2016



# ANNUAL REPORT 2015/2016

**Council Solutions**<sup>™</sup>  
*improved outcomes*



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 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 \$415 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](http://councilsolutions.sa.gov.au)

ABN 92 168 067 160

Date prepared 30 September 2016



## Foreword from the Chair

Council Solutions, now in its fourth year of operation since being established as a Regional Authority in 2012, has implemented a strong platform to optimise the financial sustainability of Constituent Councils through the benefits of collaborative strategic procurement and contract management, and the provision of other shared functions.

In the past financial year in excess of \$51 million of Council expenditure has been managed under collaborative procurement arrangements. Procurement spend diagnostics software has been utilised across the Constituent Councils to target and schedule further strategic procurement opportunities and support the development of a Regional Forward Procurement Plan.

I would like to acknowledge the efforts of the Board and thank them for their cooperation and support in leveraging the economies of scale across Constituent Councils to maximise the value each Council is able to provide to the community.

I thank our Audit Committee who supports us in achieving the highest standards of accountability, transparency and governance.

I would also like to acknowledge Maggie Dowling for her significant contribution as Chief Executive Officer from December 2013 to January 2016. I also thank Ian Thompson, Acting Chief Executive Officer from February to May 2016 and the Council Solutions team for their commitment, dedication and support.

Finally, I welcome Oliver Barry, who commenced as Chief Executive Officer in May 2016.



Catherine Cooper  
Chair of the Board, Council Solutions Regional Authority



## Report from the Chief Executive Officer

Since my commencement on 16 May 2016 it is clear to me that Council Solutions is in a unique position to work in partnership with our Constituent Councils to deliver outstanding outcomes for Councils and ratepayers.

A number of key enabling systems and frameworks have been established such as the Procurement Dashboard software supporting expenditure analysis and the Regional Forward Procurement Plan process. There is a fantastic opportunity to further build upon the achievements of recent years in order to support Constituent Councils in providing improved services to the community.

Over the past 12 months our two highest value contracts comprising a combined annual expenditure in excess of \$34 million have been successfully re-tendered with excellent outcomes achieved.

In addition, Councils Solutions has facilitated the exercise of extension options for 12 existing contract arrangements across 33 suppliers with a combined total value in excess of \$13 million per annum.

I thank the Board for their support and the Council Solutions team: Taryn Alderdice, Clare Couper, Audrey Rangel and Ian Thompson and previous team members Maggie Dowling and Rachel Bell.

I look forward to continuing to work with our key stakeholders across Constituent Councils including the Procurement Leaders Group, Directorate and Chief Executive Officers to achieve optimum collaborative procurement outcomes and explore additional service opportunities that may be delivered jointly to maximise efficiency and effectiveness.



Oliver Barry  
Chief Executive Officer, Council Solutions Regional Authority



## Board of Management 2016



Independent Chairperson  
Ms Catherine Cooper



Adelaide City Council  
Mr Mark Goldstone



City of Charles Sturt  
Mr Paul Sutton



City of Marion  
Mr Adrian Skull



City of Onkaparinga  
Mr Mark Dowd



City of Salisbury  
Mr John Harry



City of Tea Tree Gully  
Mr John Moyle

## Board of Management 2016

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 five formal meetings during the year to consider the strategic direction and financial integrity of the organisation. Attendance at meetings was as follows:

Board Position	Board Member	Meetings Attended
Independent Chairperson	Ms Catherine Cooper	5
Adelaide City Council	Mr Stephen Hains, Acting CEO <sup>1</sup>	1
	Mr Mark Goldstone, CEO <sup>2</sup>	3
City of Charles Sturt	Mr Paul Sutton, CEO	5
City of Marion	Mr Geoff Whitbread, Acting CEO <sup>3</sup>	1
	Mr Adrian Skull, CEO <sup>4</sup>	4
City of Onkaparinga	Mr Mark Dowd, CEO	4
City of Salisbury	Mr John Harry, CEO	5
City of Tea Tree Gully	Mr John Moyle, CEO	4

<sup>1</sup> Mr Stephen Hains completed his Acting CEO assignment with Adelaide City Council in August 2015

<sup>2</sup> Mr Mark Goldstone was appointed CEO of Adelaide City Council in October 2015

<sup>3</sup> Mr Geoff Whitbread completed his Acting CEO assignment with the City of Marion in August 2015

<sup>4</sup> Mr Adrian Skull was appointed CEO of the City of Marion in August 2015

## 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 2013.

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 work flow 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 as well as from Board meetings.

## Committee Membership and Meetings Attended

The Audit Committee met on 4 occasions during the financial year.

Member	Meetings Attended
Ms Tanya Johnston (Chair) Independent Member	4
Mr David Papa Independent Member	4
Mr Mark Dowd Board Member (Resigned 1 May 2016)	1
Mr John Moyle Board Member (Appointed 2 May 2016)	2
Mr Thornton Harfield (Nominated Proxy)	1

As illustrated in the table above there was a change in membership during the year with Mark Dowd (CEO Onkaparinga) resigning with John Moyle (CEO Tea Tree Gully) replacing him from 2 May 2016.

The Committee thanks Mark for his services and the dedication shown to this Committee since its inception on 14 February 2014.

## Governance and Operating Framework

Led by the Chief Executive Officer, Council Solutions works in partnership with its Constituent Councils to deliver value outcomes.

This is supported by the expertise of staff at Constituent Councils, applied through a structured operating management framework providing the oversight, advisory and/or operational 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 collaborative culture that is the key to its ongoing success
- ☛ Solicit strategic input, influence and hands-on involvement from its Constituent Councils
- ☛ Provide a service that delivers value to its Constituent Councils

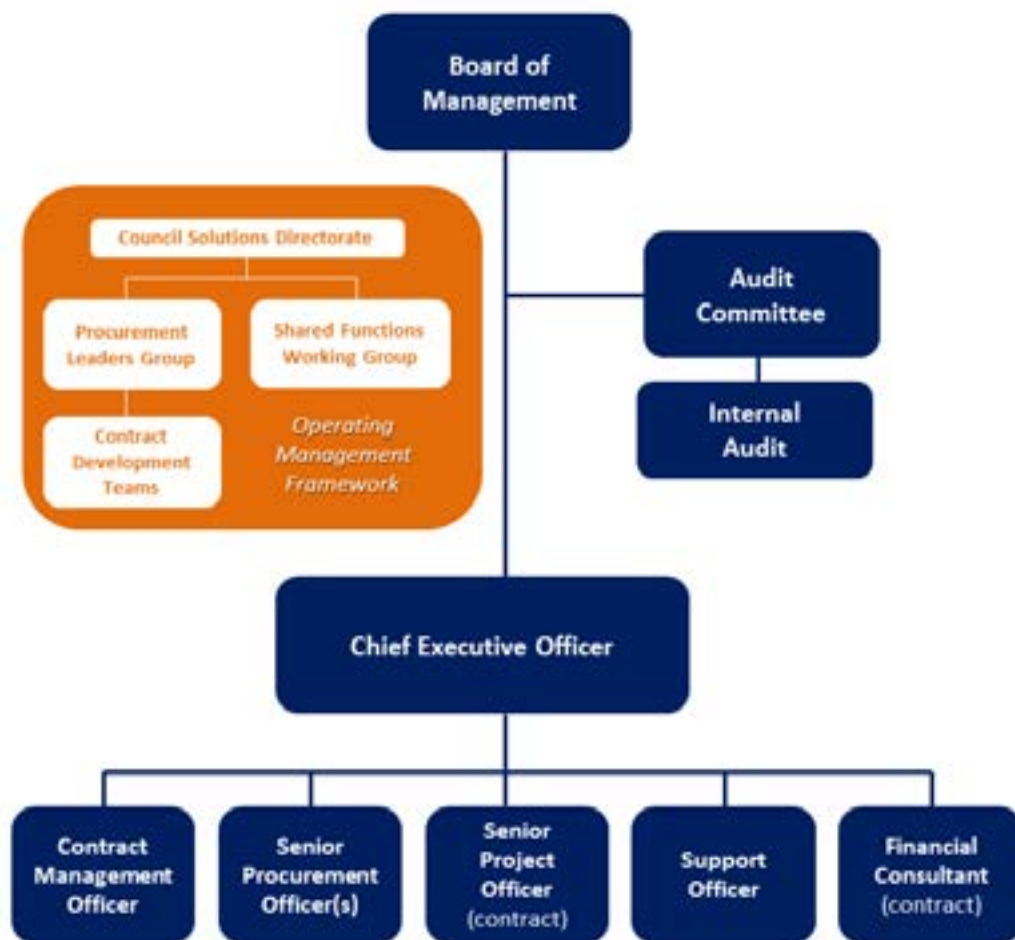
## Structure and Staffing

As at 30 June 2016, Council Solutions comprised five staff (4.2 FTE) delivering expertise in management, procurement, contract management, governance and policy and administration. In addition, support has also been provided to the team by two contractors, Tammy Whitehouse, Senior Project Officer and Rex Mooney, Financial Consultant.

The Council Solutions team comprises:

- Chief Executive Officer – Oliver Barry
- Contract Management Officer – Taryn Alderdice
- Senior Procurement Officers – Clare Coupar and Ian Thompson
- Support Officer– Audrey Rangel

## Governance and Organisation Structure



## Achievements 2015-2016

In 2015/16 the Regional Forward Procurement Plan project commenced. Utilising the spend diagnostics information available via the implementation of the Procurement Dashboard software across Constituent Councils, this project supports targeted opportunity identification and scheduling so as to maximise the combined leverage of procurement expenditure.

Council Solutions also successfully undertook procurement processes to renew the Bituminous Roadworks and Temporary Labour Hire contracts. The annual expenditure by Councils under these two contracts is the highest in the Council Solutions suite.

### Bituminous Roadworks

Council Solutions undertook a tender process for Bituminous Works on behalf of the Cities of Charles Sturt, Marion, Onkaparinga, Salisbury and a non-Constituent Council, Mount Barker District Council (Participating Councils). The resulting outcome is a robust four year contract (extendable by another two x two year extension options) that captures the best value outcome for the Participating Councils from a competitive market.

Significant savings have been achieved which will allow the Participating Councils to deliver best value to residents, organisations and businesses in managing the annual programme of works that will be delivered across the road network, comprising approximately 4,085km of local, collector and distributor roads.

Continuous improvement is a strong focus for the Participating Councils and accordingly the contract established will deliver:

- ☞ environmental improvements by further reducing the carbon footprint;
- ☞ improved asset management and asset life;
- ☞ innovation in products and methods of work to enhance the sustainability, serviceability and safety across the road network;
- ☞ opportunities to participate in research and development; and
- ☞ benefit to the South Australian economy through local employment.

### Temporary Labour Hire

Council Solutions undertook a tender process on behalf of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully for Temporary Labour Hire. The resulting outcome is an initial three year term contract (with the option of a further three year extension).

In establishing this contract, the following benefits have been achieved:

- ☞ A convenient 'one stop' sourcing framework for both office and field staff.
- ☞ Online Timesheets for all temporary staff, streamlining approval processes with the ability to utilise a onestep approval for single or multiple timesheets.
- ☞ Real time online reporting providing full transparency of temporary staff usage and costs.
- ☞ The provision of temporary staff calculators to assist in budgeting temporary staff costs.
- ☞ Improved governance through the alignment of rates to appropriate Awards and Enterprise Agreements.
- ☞ Reduced costs to Councils via the provision of job role specific Personal Protective Equipment (PPE) for temporary staff.

### Contract Extensions

In addition, over the past 12 months Councils Solutions has facilitated the extension of 12 existing collaborative contract arrangements across 33 suppliers with a combined total value in excess of \$13 million per annum.

## Governance

During 2015/16, achievements include:

- ☞ The continued prudent review and assessment undertaken by the Audit Committee.
- ☞ Review and endorsement by the Audit Committee of new policies including Whistleblower Protection and Fraud & Corruption Policies, to be provided to the Board of Management for adoption.
- ☞ Continued assessment of efficient and effective execution of all decisions made by the Board, and management of Council Solutions.

## People

Council Solutions is a small and dedicated team comprising expertise in strategic procurement, contract management, legal and data analysis skills.

To address capacity following the departure of a team member and to assist in supporting the Regional Forward Procurement Plan project and other procurement initiatives Ms Tammy Whitehouse, Senior Project Officer was engaged in March 2016 on a temporary contract basis.

## Finance

Council Solutions has reported a break even operating result for the financial year ending 30 June 2016. This means in simple terms that the Authority has covered its operating expenses from its available operating revenue.

Whilst management fee revenue has remained consistent with the amount received in the 2014/15 financial year, savings have been generated due to reduced salary costs resulting from unfilled positions at different times throughout the year. Non salary expenditure has also been closely monitored with savings generated in this area as well. Accordingly the Authority has maintained a strong level of cash reserves.

## Communications

Effective and efficient stakeholder communication is essential to the effective operation of Council Solutions. In 2015/16 the Council Solutions Members Website was launched to support this.

This portal is a central hub providing supporting information such as meeting dates, agendas and papers to key groups comprising the Council Solutions operating framework including the Board of Management, Council Solutions Directorate and Procurement Leaders Group. The Members Website is also used as a central information and documentation hub to support the management of existing contracts and to assist the project teams delivering new collaborative procurement initiatives.



## Procurement and Contract Management

The total combined procurement expenditure by Constituent Councils is approximately \$415 million per annum. This provides a compelling opportunity for collaboration to gain the best value and drive efficiencies for the Constituent Councils.

During the 2015/16 year a total of \$51.2 million of Council expenditure was undertaken utilising collaborative procurement contracts established by Council Solutions. Our existing contracts cover 41 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.

The Regional Forward Procurement Plan initiative that is currently underway will provide the roadmap to further expand the portfolio of collaborative procurement contracts utilised by Constituent Councils.

In 2015/16 Council Solutions undertook procurement processes in the market to renew the two largest contracts; Bituminous Roadworks and Temporary Labour Hire.

Council Solutions has also lodged an application for authorisation from the Australian Competition and Consumer Commission to undertake the Waste Management Services Project, with an expected Determination in November 2016.

In addition, Council Solutions has commenced a review and refresh of tender documentation and contractual documents to ensure that they reflect any legislative changes and contemporary practices.

### Council Solutions Contract Management List: as at 30 June 2016

Contract	Contract Value \$ (2015/16 expenditure)
Bituminous Treatments For Various Roadworks	23,070,000
Temporary Labour Hire	11,490,000
Legal Services	3,420,000
Cleaning Services	2,980,000
Supply Or Supply & Install Of Segmental Pavers	2,600,000
Tree Removal, Pruning & Ancillary Services	2,340,000
Leasing Finance of IT Equipment	1,620,000
Supply, Supply & Delivery Of Quarry Materials	1,150,000
Manufacture, Supply & Delivery Of Concrete	1,080,000
Supply & Installation of Irrigation Systems	570,000
Supply, Installation And Repair Of Fencing	430,000
Roadworks – Crack Sealing	378,000
Provision of a Printing and Mailing Service for Rate & Dog Notices	230,000
Arboricultural Consultancy Advice Services	140,000
Design Consultancy of Irrigation Systems	120,000
Maintenance & Repair of Irrigation Systems	24,000
Provision Of Pest Control Services - European Wasps	21,000
Transactional Banking Services	Not Applicable

## Financial Summary Report: as at 30 June 2016

Statement of Comprehensive Income	2016 \$'000	2015 \$'000
Income	1053	977
Less: Operating expenses	1059	1097
<b>Operating Surplus (Deficit) for the year</b>	<b>(6)</b>	<b>(120)</b>
Total other comprehensive income	-	-
<b>Comprehensive result for the year</b>	<b>(6)</b>	<b>(120)</b>

Balance Sheet		
Current assets	657	650
Non-current assets	-	-
<b>Total assets</b>	<b>657</b>	<b>650</b>
Current liabilities	55	42
Non-current liabilities	-	-
<b>Total liabilities</b>	<b>55</b>	<b>42</b>
<b>Net assets</b>	<b>602</b>	<b>608</b>
Accumulated surplus	459	465
Share Capital	143	143
<b>Total Equity</b>	<b>602</b>	<b>608</b>

**Audited Financial Statements**

**General Purpose Financial Reports  
for the year ending 30 June 2016**

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**Council Solutions Regional Authority**  
**Certification Of Financial Statements**  
**for the year ending 30 June 2016**

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 2016 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: 26/8/16

**Council Solutions Regional Authority**  
**Statement Of Comprehensive Income**  
for the year ending 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>Income</b>			
Investment Income	2	10	20
Management Fee	2	933	926
Other Income	2	110	31
<b>Total Income</b>	2	<b>1,053</b>	<b>977</b>
<b>Expenses</b>			
Materials, contracts & other expenses	3	1,059	1,097
<b>Total Expenses</b>	3	<b>1,059</b>	<b>1,097</b>
<b>Operating Surplus</b>		<b>(6)</b>	<b>(120)</b>
<b>Net Surplus</b>		<b>(6)</b>	<b>(120)</b>
<b>Total Other Comprehensive Income</b>	2	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>(6)</b>	<b>(120)</b>

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

**Council Solutions Regional Authority**  
**Balance Sheet**  
**as at 30 June 2016**

	Notes	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	267	446
Receivables	4	390	203
<b>Total Current Assets</b>	4	<b>657</b>	<b>650</b>
<b>Total Assets</b>	4	<b>657</b>	<b>650</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	5	28	21
Other Current Liabilities	5	27	21
<b>Total Current Liabilities</b>	5	<b>55</b>	<b>42</b>
<b>Total Liabilities</b>	5	<b>55</b>	<b>42</b>
<b>Net Assets</b>		<b>602</b>	<b>608</b>
<b>Equity</b>			
Accumulated Surplus		459	465
Share Capital		143	143
<b>Total Equity</b>		<b>602</b>	<b>608</b>

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 2016

	Initial Contribution by Owners	Accumulated Surplus	Total
	\$'000	\$'000	\$'000
<b>2016</b>			
Opening Balance	143	465	608
Net Surplus for Year	-	(6)	(6)
Balance at end of period	<u>143</u>	<u>459</u>	<u>602</u>

	Initial Contribution by Owners	Accumulated Surplus	Total
	\$'000	\$'000	\$'000
<b>2015</b>			
Opening Balance	143	585	728
Net Surplus for Year	-	(120)	(120)
Balance at end of period	<u>143</u>	<u>465</u>	<u>608</u>

**Council Solutions Regional Authority**  
**Cash Flow Statement**  
**for the year ending 30 June 2016**

		<b>2016</b>	<b>2015</b>
	Note s	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows From Operating Activities</b>			
Receipts			
Operating receipts		856	1,162
Investment Receipts		10	20
Payments			
Operating payments to suppliers & employees		(1,047)	(1,350)
<b>Net Cash provided by (or used in) Operating Activities</b>	6	<b>(179)</b>	<b>(169)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(179)</b>	<b>(169)</b>
Cash & cash equivalents at beginning of period		446	615
<b>Cash &amp; cash equivalents at end of period</b>	4	<b>267</b>	<b>446</b>

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

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2016**

**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.

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2016**

**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 2016 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.

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2016**

**Note 2 - Income**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investments</b>		
Interest Income	10	20
	<b>10</b>	<b>20</b>
<b>Management Fee</b>		
Management Fee	933	926
	<b>933</b>	<b>926</b>
<b>Other Income</b>		
Reimbursements	110	31
	<b>110</b>	<b>31</b>

**Note 3 - Expenses**

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Materials, Contracts &amp; Other Expenses</b>		
Advertising	11	10
Audit Fees	4	6
Catering	3	4
Contractors	73	45
Consultant Fees	199	204
Entertainment Costs	1	1
Fringe Benefits Tax	8	10
Insurance	26	25
IT Expenses	3	3
Legal Fees	75	145
Membership Fees & Subscriptions	1	5
Motor Vehicle	17	18
Recruitment	15	11
Reimbursements - Salary & Wages	541	533
Rent	24	24
Sitting Fees	25	26
Sundry	29	23
Telephone	1	3
Training and Development	3	3
	<b>1,059</b>	<b>1,097</b>

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2016**

**Note 4 - Current Assets**

	2016	2015
	\$'000	\$'000
<b>Cash &amp; Cash Equivalents</b>		
Cash at Bank	267	446
	<u>267</u>	<u>446</u>
<b>Receivables</b>		
Accounts Receivables	282	132
Accrued Income	106	71
Prepaid Expenses	2	-
	<u>390</u>	<u>203</u>
<b>Total Current Assets</b>	<u>657</u>	<u>650</u>

**Note 5 - Liabilities**

	2016	2015
	\$'000	\$'000
<b>Trade &amp; Other Payables</b>		
Creditors	24	10
Accruals	4	11
	<u>28</u>	<u>21</u>
<b>Other Current Liabilities</b>		
Payable to Adelaide City Council	27	21
	<u>27</u>	<u>21</u>
<b>Total Liabilities</b>	<u>55</u>	<u>42</u>



**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2016**

**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.

	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at Bank	267	446
<b>Balances per Cash Flow Statement</b>	<b>267</b>	<b>446</b>

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

Net Surplus	(6)	(120)
Net (increase)/decrease in Receivables	(185)	205
Net increase/(decrease) in Current Liabilities	12	(253)
<b>Net Cash provided by (or used in) operations</b>	<b>(179)</b>	<b>(169)</b>

**Council Solutions Regional Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ending 30 June 2016**

**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;

<b>2016</b>	<b>Weighted Average Interest Rate</b>	<b>Fair Value of Variable Interest Rate Instrument s</b>	<b>Fair Value of Fixed Interest rate instruments maturing within One Year</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 1 less 5 Yrs</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 5 Yrs</b>	<b>Fair Value of Non-Interest Bearing Instruments</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets:</b>						
Cash	1.8%	267	-	-	-	-
Receivables		-	-	-	-	390
<b>Total Financial Assets</b>		<b>267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>390</b>
<b>Financial Liabilities:</b>						
Creditors and Provisions	0.0%	-	-	-	-	55
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55</b>
<b>2015</b>	<b>Weighted Average Interest Rate</b>	<b>Fair Value of Variable Interest Rate Instrument</b>	<b>Fair Value of Fixed Interest rate instruments maturing within One Year</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 1 less 5 Yrs</b>	<b>Fair Value of Fixed Interest rate instruments maturing Due &gt; 5 Yrs</b>	<b>Fair Value of Non-Interest Bearing Instruments</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets:</b>						
Cash	1.9%	446	-	-	-	-
Receivables		-	-	-	-	203
<b>Total Financial Assets</b>		<b>446</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203</b>
<b>Financial Liabilities:</b>						
Creditors and Provisions	0.0%	-	-	-	-	42
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42</b>

**(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 2016**

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 2016, 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 Cooper  
CHAIR


Date: 24-8-2016

  
Tanya Johnston  
PRESIDING MEMBER OF AUDIT COMMITTEE


Date: 26/08/16


  
Mark Dowd  
CHIEF EXECUTIVE OFFICER  
City of Onkaparinga  
Date: 23/8/16

  
Mark Goldstone  
CHIEF EXECUTIVE OFFICER  
Adelaide City Council  
Date: 23/8/16

  
Paul Sutton  
CHIEF EXECUTIVE OFFICER  
City of Charles Sturt  
Date: 29/8/16

  
Adrian Skull  
CHIEF EXECUTIVE OFFICER  
City of Marion  
Date: 24.8.16

  
John Harry  
CHIEF EXECUTIVE OFFICER  
City of Salisbury  
Date: 24/8/2016.

  
John Moyle  
CHIEF EXECUTIVE OFFICER  
Tea Tree Gully  
Date: 24/8/16

Ian G McDonald FCA



**Council Solutions Regional Authority**

**ANNUAL FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**STATEMENT BY AUDITOR**

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the year ended 30 June 2016, we have maintained our 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*.

A handwritten signature in blue ink that reads 'Ian McDonald'.

**Ian G McDonald FCA**

Dated this 22<sup>nd</sup> day of August 2016

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# Ian G McDonald FCA



## Independent Auditor's 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 for the year ended 30 June 2016, 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.

### 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, 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.

A handwritten signature in dark ink, appearing to read 'Ian McDonald'.

Ian G McDonald FCA  
Chartered Accountant  
Registered Company Auditor 16458

Signed at Adelaide, South Australia this 13<sup>th</sup> day of September 2016

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