

Audited Financial Statements

for the year ended 30 June 2017



City of Adelaide

General Purpose Financial Statements for the year ended 30 June 2017

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 2017 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: 9th October 2017

Statement of Comprehensive Income

for the year ended 30 June 2017

\$'000	Notes	Consolidated 2017	Consolidated 2016
INCOME			
Rates Revenues	2a	101,330	99,256
Statutory Charges	2b	16,709	16,835
User Charges	2c	65,938	65,073
Grants, Subsidies & Contributions	2g	4,082	5,615
Investment Income	2d	760	478
Reimbursements	2e	21,814	1,762
Other Income	2f	478	182
Total Income		211,111	189,201
EXPENSES			
Employee Costs	3a	68,880	69,023
Materials, Contracts & Other Expenses	3b	82,257	79,145
Depreciation, Amortisation & Impairment	3c	42,636	39,468
Finance Costs	3d	31	200
Net loss - Equity Accounted Council Businesses	19	13	13
Total Expenses		193,817	187,849
OPERATING SURPLUS / (DEFICIT)		17,294	1,352
Asset Disposal & Fair Value Adjustments	4	(2,795)	1,358
Amounts Received Specifically for New or Upgraded Assets	2g	21,626	854
NET SURPLUS / (DEFICIT) ¹		36,125	3,564
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	5,916	8,725
Net Actuarial Gains on Defined Benefit Plan	9b	402	179
Total Other Comprehensive Income		6,318	8,904
TOTAL COMPREHENSIVE INCOME		42,443	12,468

¹ Transferred to Equity Statement

Statement of Financial Position

for the year ended 30 June 2017

\$'000	Notes	Consolidated 2017	Consolidated 2016
ASSETS			
Current Assets			
Cash & Cash Equivalents	5a	31,141	3,361
Trade & Other Receivables	5b	16,237	5,611
Other Financial Assets	5c	264	394
Inventories	5d	555	511
Total Current Assets		48,197	9,877
Non-Current Assets			
Financial Assets	6a	565	710
Equity Accounted Investments in Council Businesses	6b	88	101
Investment Property	7a	2,816	2,743
Infrastructure, Property, Plant & Equipment	7a	1,341,563	1,338,520
Other Non-Current Assets	6c	1,446	1,001
Total Non-Current Assets		1,346,478	1,343,075
Total Assets		1,394,675	1,352,952
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	21,753	21,617
Borrowings	8b	-	1,700
Provisions	8c	12,754	12,189
Total Current Liabilities		34,507	35,506
Non-Current Liabilities			
Trade & Other Payables	8a	293	293
Provisions	8c	2,035	1,756
Total Non-Current Liabilities		2,328	2,049
Total Liabilities		36,835	37,555
NET ASSETS		1,357,840	1,315,397
EQUITY			
Accumulated Surplus		864,319	827,331
Asset Revaluation Reserves	9a	491,404	485,488
Other Reserves	9b	2,117	2,578
TOTAL COUNCIL EQUITY		1,357,840	1,315,397

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

Statement of Changes in Equity

for the year ended 30 June 2017

Consolidated \$'000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2017					
Balance at the end of previous reporting period		827,331	485,488	2,578	1,315,397
a. Net Surplus / (Deficit) for Year		36,125	-	-	36,125
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	5,916	-	5,916
- Defined Benefit Actuarial Gain	9b	-	-	402	402
Other Comprehensive Income		-	5,916	402	6,318
Total Comprehensive Income		36,125	5,916	402	42,443
c. Transfers between Reserves		863	-	(863)	-
BALANCE AT THE END OF PERIOD		864,319	491,404	2,117	1,357,840
2016					
Balance at the end of previous reporting period		823,103	476,763	3,063	1,302,929
a. Net Surplus / (Deficit) for Year		3,564	-	-	3,564
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	8,725	-	8,725
- Defined Benefit Actuarial Gain	9b	-	-	179	179
Other Comprehensive Income		-	8,725	179	8,904
Total Comprehensive Income		3,564	8,725	179	12,468
c. Transfers between Reserves		664	-	(664)	-
BALANCE AT THE END OF PERIOD		827,331	485,488	2,578	1,315,397

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

Statement of Cash Flows

for the year ended 30 June 2017

\$'000	Notes	Consolidated 2017	Consolidated 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts		209,737	189,200
Investment Receipts		760	478
Payments			
Operating Payments to Suppliers & Employees		(150,837)	(147,732)
Finance Payments		(31)	(200)
Net Cash provided by (or used in) Operating Activities	11b	59,629	41,746
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		12,441	854
Sale of Replaced Assets		634	1,469
Sale of Surplus Assets		297	2,342
Receipt of Shared Equity Contribution		275	295
Distributions Received from Equity Accounted Council Businesses		-	56
Payments			
Expenditure on Renewal/Replacement of Assets		(34,344)	(28,266)
Expenditure on New/Upgraded Assets		(9,063)	(12,753)
Capital Contributed to Equity Accounted Council Businesses		(155)	(13)
Net Cash provided by (or used in) Investing Activities		(29,915)	(36,016)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Bonds & Deposits		-	282
Payments			
Repayments of Borrowings		(1,700)	(8,800)
Repayment of Bonds & Deposits		(234)	-
Net Cash provided by (or used in) Financing Activities		(1,934)	(8,518)
Net Increase (Decrease) in Cash Held		27,780	(2,788)
plus: Cash & Cash Equivalents at beginning of period	11	3,361	6,149
CASH & CASH EQUIVALENTS AT END OF PERIOD	11	31,141	3,361

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 2017

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 on a going concern basis 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

City of Adelaide 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 income 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 income 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 materiality thresholds 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.

During the period, Council identified assets that had not been previously recorded, as reliable information in relation to their existence and value was not available. An independent valuation of these assets will be conducted in the 2017/18 financial year to establish an appropriate fair value to be recognised accordingly.

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 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 20 years
Other Plant & Equipment	3 to 20 years
Benches, seats, etc.	10 to 20 years
Playground Equipment	5 to 15 years

Note 1: Summary of Significant Accounting Policies (continued)

Buildings

Structural	80-100 years
Other Building Components	15-60 years

Infrastructure

Sealed Roads – Surface	15 to 30 years
Sealed Roads – Structure	50 to 80 years
Bridges – Concrete	20 to 100 years
Bridges – Timber	30 to 40 years
Paving & Footpaths	20 to 60 years
Kerb & Water Table	60 to 100 years
Drains	40 to 100 years
Culverts	40 to 80 years
Flood Control Structures	80 to 100 years
Reticulation Pipes – PVC	15 to 25 years
Reticulation Pipes – other	15 to 25 years
Pumps & Telemetry	5 to 10 years
Traffic Signals	10 to 15 years
Lighting and Electricals	25 to 30 years
Electrical Switch Boards	30 years
CCTV	5 to 10 years
Sports Fields	5 to 45 years
Trees	20 to 100 years
Green Assets	5 Years
Statues & Monuments	Indefinite
Urban Elements	5 to 80 years

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 dependant 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 properties.

8 Payables

8.1 Goods & Services

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

8.2 Payments Received in Advance, Retentions & 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	2.41% (2016, 1.96%)
Weighted avg. settlement period	10 years (2016, 10 yrs)

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 receivables are deemed to exceed 25,000 tonnes of carbon dioxide equivalent (CO₂e) emissions annually. In assessing Council's future liability to "carbon tax" regard has been had to the quantity and types of refuse received, estimated future CO₂e type gas emissions, estimates of the likely timing of such emissions, the potential offsets by collection of emitted gases and other methods, and estimates of future CO₂e permit prices.

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

In the current year, Council 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 Council's accounting policies.

City of Adelaide has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

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.

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 annual reporting periods beginning on or after 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*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 13 February 2017

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments (December 2009)*

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.

- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

Note 1: Summary of Significant Accounting Policies (continued)

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

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 2017	Consolidated 2016
(A) RATES REVENUES		
General Rates		
General Rates	100,979	98,941
Less: Mandatory Rebates	(4,624)	(4,580)
Less: Discretionary Rebates, Remissions & Write Offs	(460)	(442)
Total General Rates	95,895	93,919
Other Rates		
Natural Resource Management Levy	1,537	1,499
Rundle Mall Separate Levy	3,671	3,596
Total Other Rates	5,208	5,095
Other Charges		
Penalties for Late Payment	227	242
Total Other Charges	227	242
TOTAL RATES REVENUES	101,330	99,256
(B) STATUTORY CHARGES		
Development Act Fees	1,931	1,238
Animal Registration Fees & Fines	29	23
Parking Fines / Expiation Fees	13,621	14,258
Other Fees, Fines, Penalties & Expiations	43	54
Encroachments Fees	354	334
Food Inspections Fees/Fines	80	56
Outdoor Dining Fees	231	471
Residential Parking Permits	38	31
Section 7 Searches	81	84
Temporary Parking Control Permits	231	229
Water Systems Fees	70	57
TOTAL STATUTORY CHARGES	16,709	16,835

Note 2: Income (continued)

\$'000	Consolidated 2017	Consolidated 2016
(C) USER CHARGES		
Parking Fees	11,488	11,213
Property Lease	8,770	8,313
Sundry	52	6
Adelaide Aquatic Centre Charges	6,229	6,350
Adelaide Golf Links Charges	2,028	1,970
Adelaide Town Hall Charges	1,061	975
Bus Ticket Sales	10	11
Business Development	3	3
Compost Sales	574	533
Event Fees	276	327
Library Centre	20	38
Off-Street Parking	31,631	31,599
Park Lands Events Fees	547	650
Property Recovery	2,721	2,427
Rundle Mall	528	658
TOTAL USER CHARGES	65,938	65,073
(D) INVESTMENT INCOME		
Interest on Investments		
- Local Government Finance Authority	11	8
- Banks & Other	478	109
Investment Property Rental Income	194	193
Financial Instrument - Fair Value Increase / (Decrease)	77	168
TOTAL INVESTMENT INCOME	760	478
(E) REIMBURSEMENTS		
Private Works	948	1,297
Land Settlement	20,630	-
Other	236	465
TOTAL REIMBURSEMENTS	21,814	1,762
The Corporation received proceeds upon the legal settlement of land that was previously compulsory acquired from Council. In prior periods this was disclosed accordingly as a contingent asset in Note 21.		
(F) OTHER INCOME		
Sundry	478	182
TOTAL OTHER INCOME	478	182

Note 2: Income (continued)

\$'000	Consolidated 2017	Consolidated 2016
(G) GRANTS, SUBSIDIES, CONTRIBUTIONS		
Amounts Received Specifically for New or Upgraded Assets	21,626	854
Other Grants, Subsidies & Contributions	2,210	2,897
Untied - Financial Assistance Grant	1,065	634
Roads to Recovery	-	1,253
Home & Community Care Grant	219	237
Library & Communications	588	594
TOTAL GRANTS, SUBSIDIES, CONTRIBUTIONS	25,708	6,469

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

(i) Sources of grants

Commonwealth Government	808	1,465
State Government	23,268	4,424
Other	1,632	580
TOTAL	25,708	6,469

(H) CONDITIONS OVER GRANTS & CONTRIBUTIONS

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	196	278
Less:		
Expended during the current period from revenues recognised in previous reporting periods		
Infrastructure	(144)	(278)
Subtotal	(144)	(278)
Plus:		
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions		
Infrastructure	6	196
Subtotal	6	196
Unexpended at the close of this reporting period	58	196
NET INCREASE (DECREASE) IN ASSETS SUBJECT TO CONDITIONS IN THE CURRENT REPORTING PERIOD	(138)	(82)

Note 3: Expenses

\$'000	Notes	Consolidated 2017	Consolidated 2016
(A) EMPLOYEE COSTS			
Salaries & Wages		63,000	61,564
Employee Leave Expense		7,471	7,719
Superannuation - Defined Contribution Plan Contributions		6,446	6,007
Superannuation - Defined Benefit Plan Contributions		-	15
Superannuation - Unfunded Superannuation Liability	18	(36)	179
Workers' Compensation Insurance		1,883	1,637
Income Protection Insurance		230	263
Less: Capitalised & Distributed Costs		(10,114)	(8,361)
TOTAL OPERATING EMPLOYEE COSTS		68,880	69,023
Total number of Employees			
Number of Employees (full time equivalent at end of reporting period)		603	607
Number of Employees (temporary full time equivalent at end of reporting period)		137	148
(B) MATERIALS, CONTRACTS AND OTHER EXPENSES			
(i) Prescribed Expenses			
Auditor's Remuneration		66	62
Bad and Doubtful Debts		178	185
Elected Members' Expenses		473	462
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		6,660	6,952
Subtotal - Prescribed Expenses		7,377	7,661
(ii) Other Materials, Contracts & Expenses			
Contractors		15,341	14,493
Maintenance		7,569	5,270
Legal Expenses		1,258	1,741
Levies Paid to Government - including NRM levy		1,975	1,912
Parts, Accessories & Consumables		5,727	5,617
Professional Services		4,843	4,781
Advertising and Promotion		2,667	3,418
Bank Charges and Cash Collection		1,009	1,015
Catering		567	566
Cleaning		2,637	2,608
Communications		521	458
Contractual Expenses		293	310
Energy and Water		6,742	7,580
Entertainment - Council and Civic Events		163	118

Note 3: Expenses (continued)

\$'000	Consolidated 2017	Consolidated 2016
(ii) Other Materials, Contracts & Expenses (continued)		
External Plant Hire	989	867
Insurance	2,239	1,973
Investment Property Expenses	166	121
Minor Plant and Equipment	603	564
Printing, Freight and Postage	750	638
Project Related Expenditure		
- Drainage and Waterways	2,019	(231)
- Initiation and Data Collection	(199)	1,090
- IT Corporate System	395	297
- Lighting and Electrical	8	1,566
- Park Lands and Squares	2,405	1,230
- Plant and Equipment	(15)	1
- Property	1,606	2,751
- Roads and Footpaths	795	(78)
- Street Furniture	352	284
- Transportation	736	182
Rates and Taxes	427	580
Registrations	204	203
Searches	425	482
Security	1,897	1,603
Sponsorships, Contributions and Donations	5,092	5,071
Subscriptions	793	763
Training and Development	700	620
Waste Services	999	949
Other	370	234
Less: Capitalised and Distributed Costs	(188)	(163)
Subtotal - Other Material, Contracts & Expenses	74,880	71,484
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES	82,257	79,145

Note 3: Expenses (continued)

\$'000	Consolidated 2017	Consolidated 2016
(C) DEPRECIATION, AMORTISATION AND IMPAIRMENT		
(i) Depreciation and Amortisation		
Buildings & Other Structures	11,168	10,894
Park Land Improvements	3,220	3,202
Infrastructure		
- Stormwater & Drainage	2,571	2,574
- Bridges	2,332	2,327
- Footpaths	2,919	2,822
- Kerb & Water table	918	849
- Public Lighting	3,216	3,150
- Roads	5,251	5,342
- Ticket Machines	531	447
- Traffic Signals	1,260	1,080
- Urban Elements	1,997	1,897
Plant & Equipment	4,117	862
Library Books	506	357
Equipment, Furniture & Fittings	2,672	3,587
Subtotal	42,678	39,390
(ii) Impairment		
Buildings	36	-
Sports Fields & Park Land Improvements	(78)	78
Subtotal	(42)	78
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	42,636	39,468
(D) FINANCE COSTS		
Interest on Loans	31	200
TOTAL FINANCE COSTS	31	200

Note 4: Asset Disposal & Fair Value Adjustments

\$'000	Consolidated 2017	Consolidated 2016
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	634	1,469
Less: Carrying Amount of Assets Sold	(2,239)	(1,312)
Gain (Loss) on Disposal	(1,605)	157
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	297	2,342
Less: Carrying Amount of Assets Sold	(1,405)	(1,425)
Gain (Loss) on Disposal	(1,108)	917
FAIR VALUE ADJUSTMENTS		
Investment Property - Fair Value Increase / (Decrease)	(82)	45
Revaluation Increments - Fair Value Adjustments	-	239
Total Fair Value Adjustments	(82)	284
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	(2,795)	1,358

Note 5: Current Assets

\$'000	Consolidated 2017	Consolidated 2016
(A) CASH & CASH EQUIVALENTS		
Cash on Hand at Bank	10,567	2,436
Deposits at Call	574	925
Short Term Deposits	20,000	-
TOTAL CASH & CASH EQUIVALENTS	31,141	3,361
(B) TRADE & OTHER RECEIVABLES		
Rates - General & Other	1,788	1,590
Accrued Revenues	1,619	1,094
Debtors - General	12,085	1,552
GST Recoupment	(92)	759
Prepayments	1,127	785
Subtotal	16,527	5,780
Less: Allowance for Doubtful Debts	(290)	(169)
TOTAL TRADE & OTHER RECEIVABLES	16,237	5,611
(C) OTHER FINANCIAL ASSETS (INVESTMENTS)		
Ergo Apartments - Shared Equity Loans	264	394
TOTAL OTHER FINANCIAL ASSETS (INVESTMENTS)	264	394
<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>		
(D) INVENTORIES		
Stores & Materials	326	289
Trading Stock	198	168
Other	31	54
TOTAL INVENTORIES	555	511

Note 6: Non-Current Assets

\$ '000	Notes	Consolidated 2017	Consolidated 2016
(A) FINANCIAL ASSETS			
Ergo Apartments - Shared Equity Loans		565	710
TOTAL FINANCIAL ASSETS		565	710
(B) EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES			
Council Solutions Regional Authority	19	88	101
TOTAL EQUITY ACCOUNTED INVESTMENTS IN COUNCIL BUSINESSES		88	101
(C) OTHER NON-CURRENT ASSETS			
Employee Entitlements (unfunded superannuation asset)		1,446	1,001
TOTAL OTHER NON-CURRENT ASSETS		1,446	1,001

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

as at 1/7/2016

\$ '000	Fair Value Level	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
Capital Work in Progress		-	27,525	-	27,525
Land					
Land - Crown	3	-	388,400	-	388,400
Land - Other	2	105,186	-	-	105,186
Land - Other	3	4,290	-	-	4,290
Buildings					
Buildings	2	383,400	-	221,760	161,640
Buildings	3	99,726	-	12,555	87,171
Park Land Improvements	3	66,612	-	35,766	30,846
Infrastructure					
- Stormwater and Drainage	3	108,375	-	60,892	47,483
- Bridges	3	156,192	-	83,643	72,549
- Footpaths	3	129,471	-	40,358	89,113
- Footpath Landscaping	3	2,831	-	-	2,831
- Kerb & Water table	3	63,939	-	18,735	45,204
- Public Lighting	3	77,985	-	28,232	49,753
- Roads	3	226,435	-	105,241	121,194
- Statues & Fountains	3	560	-	-	560
- Ticket Machines	3	4,006	-	2,332	1,674
- Traffic Signals	3	23,612	-	10,157	13,455
- Urban Elements	3	67,291	-	11,847	55,444
Other					
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
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		1,519,911	488,822	670,213	1,338,520
Comparatives		1,458,680	492,486	620,424	1,330,742

Note 7a (ii): Investment Property

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

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)	Impairment Reversal (via P/L)
	New / Upgrade	Renewals				
Capital Work in Progress	14,405	37,210	-	-	-	
Land						
Land - Crown	-	-	-	-	-	-
Land - Other	-	-	-	-	-	-
Land - Other	-	-	-	-	-	-
Buildings						
Buildings	-	-	(275)	(6,366)	(36)	-
Buildings	-	-	(1,130)	(4,802)	-	-
Park Land Improvements	-	-	-	(3,220)	-	78
Infrastructure						
- Stormwater & Drainage	-	-	-	(2,571)	-	-
- Bridges	-	-	-	(2,332)	-	-
- Footpaths	-	-	(34)	(2,919)	-	-
- Footpath Landscaping	-	-	-	-	-	-
- Kerb & Water table	-	-	(152)	(918)	-	-
- Public Lighting	-	-	-	(3,216)	-	-
- Roads	-	-	(658)	(5,251)	-	-
- Statues & Fountains	-	-	-	-	-	-
- Ticket Machines	-	-	(206)	(531)	-	-
- Traffic Signals	-	-	(298)	(1,260)	-	-
- Urban Elements	-	-	-	(1,997)	-	-
Other						
Civic Collection	-	-	-	-	-	-
Equipment, Furniture & Fittings	-	-	-	(4,117)	-	-
Library Books	-	-	-	(506)	-	-
Plant & Equipment	-	-	(891)	(2,672)	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	14,405	37,210	(3,644)	(42,678)	(36)	78
Comparatives	12,753	35,415	(2,737)	(39,390)	(78)	-

Note 7a (ii): Investment Property

Buildings & Structures	-	-	-	-	-	-
TOTAL INVESTMENT PROPERTY	-	-	-	-	-	-
Comparatives	-	-	-	-	-	-

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

Asset Movements during the Reporting Period

\$ '000	Adjustments & Transfers	Project Related Expenditure (Note 3b)	Revaluation Increments/ Decrements to P&L - Investment Properties (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)
Capital Work in Progress	(40,833)	(8,101)	-	-	-	-
Land						
Land - Crown	-	-	-	-	-	-
Land - Other	(1,585)	-	-	-	-	-
Land - Other	-	-	-	-	-	-
Buildings						
Buildings	7,749	-	-	-	-	-
Buildings	4,194	-	-	-	-	-
Park Land Improvements	1,875	-	-	-	-	-
Infrastructure						
- Stormwater & Drainage	701	-	-	(1,508)	-	-
- Bridges	203	-	-	-	-	-
- Footpaths	6,534	-	-	-	-	-
- Footpath Landscaping	-	-	-	-	-	-
- Kerb & Water table	2,888	-	-	-	-	-
- Public Lighting	1,898	-	-	-	-	-
- Roads	4,273	-	-	-	-	-
- Statues & Fountains	(560)	-	-	-	-	-
- Ticket Machines	609	-	-	(108)	-	-
- Traffic Signals	2,574	-	-	-	-	-
- Urban Elements	3,784	-	-	-	-	7,532
Other						
Civic Collection	29	-	-	-	-	-
Equipment, Furniture & Fittings	2,853	-	-	-	-	-
Library Books	356	-	-	-	-	-
Plant & Equipment	2,353	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	(105)	(8,101)	-	(1,616)	-	7,532
Comparatives	(56)	(7,093)	-	-	239	8,725

Note 7a (ii): Investment Property

Buildings & Structures	155	-	(82)	-	-	-
TOTAL INVESTMENT PROPERTY	155	-	(82)	-	-	-
Comparatives	56	-	45	-	-	-

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

as at 30/6/2017

\$ '000	At Fair Value	At Cost	Accumulated Dep'n	Carrying Value
Capital Work in Progress	-	30,206	-	30,206
Land				
Land - Crown	-	388,400	-	388,400
Land - Other	103,600	-	-	103,600
Land - Other	4,290	-	-	4,290
Buildings				
Buildings	378,302	-	215,592	162,710
Buildings	102,593	-	17,160	85,433
Park Land Improvements	68,580	-	39,001	29,579
Infrastructure				
- Stormwater & Drainage	107,642	-	63,537	44,105
- Bridges	156,395	-	85,975	70,420
- Footpaths	135,971	-	43,277	92,694
- Footpath Landscaping	2,831	-	-	2,831
- Kerb & Water table	66,669	-	19,647	47,022
- Public Lighting	79,883	-	31,449	48,434
- Roads	229,975	-	110,417	119,558
- Statues & Fountains	-	-	-	-
- Ticket Machines	2,986	-	1,548	1,438
- Traffic Signals	25,888	-	11,416	14,472
- Urban Elements	75,970	-	11,207	64,763
Other				
Civic Collection	-	11,311	-	11,311
Equipment, Furniture & Fittings	-	39,086	30,879	8,207
Library Books	-	7,455	5,603	1,852
Plant & Equipment	-	18,537	8,299	10,238
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	1,541,575	494,995	695,007	1,341,563
Comparatives	1,519,911	488,822	670,213	1,338,520

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

Buildings & Structures	2,816	-	-	2,816
TOTAL INVESTMENT PROPERTY	2,816	-	-	2,816
Comparatives	3,381	-	638	2,743

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

VALUATION OF ASSETS

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

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

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

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

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

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

Information on Valuations

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

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Where there is no known market for buildings, infrastructure and other assets. These assets are valued at current replacement cost. This method involves:

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

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

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.19 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of 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.

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 footpaths, ticket machines and urban elements were valued by Council officers at current replacement cost during the reporting period ended 30 June 2017. The same basis of valuation was used by Council officers for public lighting and traffic signal assets during the reporting period ended 30 June 2015. Where internal expertise was not available in that reporting period, such as the valuation of significant bridges, external valuers were utilised. The remaining classes within infrastructure assets, including roads, stormwater drainage, kerbs and watertable, were valued by Council Officers at current replacement cost during the reporting period 30 June 2014.

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	
	2017	2017	2016	2016
\$ '000	Current	Non Current	Current	Non Current
(A) TRADE AND OTHER PAYABLES				
Goods & Services	13,014	-	10,286	-
Payments Received in Advance	1,562	293	1,077	293
Accrued Expenses - Employee Entitlements	1,939	-	1,458	-
Accrued Expenses - Other	3,332	-	6,490	-
Deposits, Retentions & Bonds	761	-	995	-
Other	1,145	-	1,311	-
TOTAL TRADE AND OTHER PAYABLES	21,753	293	21,617	293
(B) BORROWINGS				
Loans	-	-	1,700	-
TOTAL BORROWINGS	-	-	1,700	-
<i>All interest bearing liabilities are secured over the future revenues of the Council</i>				
(C) PROVISIONS				
Employee Entitlements (including oncosts)	12,304	1,983	11,813	1,704
Provision for Taxation - Carbon Tax	-	52	-	52
Other	450	-	376	-
TOTAL PROVISIONS	12,754	2,035	12,189	1,756

Note 9: Reserves

Consolidated	1/7/2016	Increments (Decrements)	Transfers	30/6/2017
\$ '000				
(A) ASSET REVALUATION RESERVE				
Land & Buildings	254,166	-	-	254,166
Park Land Improvements	13,217	-	-	13,217
- Stormwater & Drainage	9,093	(1,508)	-	7,585
- 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	(108)	-	323
- Urban Elements	12,911	7,532	-	20,443
Other Assets	1,003	-	-	1,003
TOTAL ASSET REVALUATION RESERVE	485,488	5,916	-	491,404
Comparatives	476,763	8,725	-	485,488
(B) OTHER RESERVES				
Defined Benefit - Unfunded Superannuation Liability	1,044	402	-	1,446
ACMA Renewal & Enhancement Reserves	1,534	-	(863)	671
TOTAL OTHER RESERVES	2,578	402	(863)	2,117
Comparatives	3,063	179	(664)	2,578

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 2017	Consolidated 2016
CASH & FINANCIAL ASSETS		
Unexpended amounts received from Federal Government		
Open Space Contributions	58	196
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS	58	196
The following liabilities, included in Note 8, may be discharged from restricted assets in the first instance:		
Trade and Other Payables	58	196
TOTAL	58	196

Note 11: Reconciliation to Statement of Cash Flows

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:

\$ '000	Notes	Consolidated 2017	Consolidated 2016
(A) RECONCILIATION OF CASH			
Total Cash & Equivalent Assets	5	31,141	3,361
BALANCES PER STATEMENT OF CASH FLOWS		31,141	3,361
(B) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FROM OPERATING ACTIVITIES			
Net Surplus/(Deficit)		36,125	3,564
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		42,636	39,468
Fair Value Adjustments		82	(284)
Equity Movements in Equity Accounted Investments (Increase)/Decrease		13	13
Non-Cash Asset Acquisitions		(12,441)	-
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		2,713	(854)
Net (Gain) Loss on Disposals		402	(1,074)
		69,530	40,833
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(10,747)	669
Change in Allowances for Under-Recovery of Receivables		(121)	(134)
Net (Increase)/Decrease in Inventories		(44)	(111)
Net (Increase)/Decrease in Other Current Assets		(203)	268
Net Increase/(Decrease) in Trade & Other Payables		370	91
Net Increase/(Decrease) in Unpaid Employee Benefits		770	240
Net Increase/(Decrease) in Other Provisions		74	(110)
NET CASH PROVIDED BY (OR USED IN) OPERATIONS		59,629	41,746
(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		30,000	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 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$ '000										
Creative City	751	725	11,715	11,078	(10,964)	(10,353)	277	-	243,570	245,151
Liveable City	52,908	55,446	96,587	97,962	(43,679)	(42,516)	15,535	4,133	897,376	949,725
Smart City	-	202	2,392	1,899	(2,392)	(1,697)	10	104	161,759	103,975
Green City	2,513	1,842	23,607	19,360	(21,094)	(17,518)	1,178	147	-	-
Corporate	154,939	130,986	59,502	57,537	95,437	73,449	8,708	2,085	91,970	54,101
TOTAL FUNCTIONS/ ACTIVITIES	211,111	189,201	193,804	187,836	17,307	1,365	25,708	6,469	1,394,675	1,352,952

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:

Smart City

City Growth and Rundle Mall Management Authority

Green City

Sustainability, Park Lands Strategy and Public Realm Services

Liveable City

Design Projects & Strategies, Community Safety & Health, Participation & Inclusion, Wellbeing & Resilience, Planning & Heritage, Customer Experience, Infrastructure Planning & Delivery, Public Realm Infrastructure, Commercial Businesses, Adelaide Central Market Authority and Adelaide Park Lands Authority

Creative City

Culture & Lifelong Learning, Events Management, Civic Relationships & Partnerships and Visitor Growth

Corporate

CEO Office, Corporate Activities, Council Solutions, Finance, Governance, Information Management, Infrastructure Support, Marketing & Communications, On Street Parking, People, Planning Support, Program Management and Strategic Property

Note 13: Financial Instruments

RECOGNISED FINANCIAL INSTRUMENTS

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:

Short term deposits have an average maturity of 66 days and an average interest rate of 2.75%. Deposits at call return a variable rate of interest

Carrying Amount:

Approximates fair value due to the short term to maturity.

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% (2016: 7.25%). 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).

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).

Note 13: Financial Instruments (continued)

RECOGNISED FINANCIAL INSTRUMENTS

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.

Shared Equity Contribution

Accounting Policy:

Accounted for in accordance with AASB 13

Terms & Conditions:

In accordance with AASB 13, the fair value measurement of the financial asset has been assessed as a Level 2. The valuation adopted a sale price comparison approach where the sales prices of comparable property in a similar location are adjusted for differences in key attributes such as car parks, bathrooms and outdoor areas.

Carrying Amount:

Fair value.

LIABILITIES

Creditors and Accruals

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.

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, current loans are on a floating facility where surplus funds are used to pay down loan balances. 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
2017					
Financial Assets					
Cash & Equivalents	31,141	-	-	31,141	31,141
Receivables	13,414	-	-	13,414	13,414
Other Financial Assets	264	565	-	829	829
TOTAL FINANCIAL ASSETS	44,819	565	-	45,384	45,384
Financial Liabilities					
Payables	20,191	-	-	20,191	20,191
TOTAL FINANCIAL LIABILITIES	20,191	-	-	20,191	20,191
2016					
Financial Assets					
Cash & Equivalents	3,361	-	-	3,361	3,361
Receivables	2,477	-	-	2,477	2,477
Other Financial Assets	394	710	-	1,104	1,104
TOTAL FINANCIAL ASSETS	6,232	710	-	6,942	6,942
Financial Liabilities					
Payables	20,540	-	-	20,540	20,540
Current Borrowings	1,700	-	-	1,700	1,700
TOTAL FINANCIAL LIABILITIES	22,240	-	-	22,240	22,240
The following interest rates were applicable to Council's Borrowings at balance date:					
	30 June 2017		30 June 2016		
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value	
Other Variable Rates	2.91%	-	3.24%	1,700	
		-		1,700	

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

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 investments are made in line with Council's Treasury and Cash Investment Policy. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, 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. All investments are made in line with Council's Treasury and Cash Investment Policy. 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 2017	Consolidated 2016
CAPITAL COMMITMENTS		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	560	773
Infrastructure	89	342
Drainage & Waterways	1,148	54
IT Corporate System	115	248
Lighting & Electrical	555	62
Park Lands & Squares	75	1,310
Plant & Equipment	430	417
Property	-	1,037
Strategic Priorities	620	353
Streetscapes	8,161	791
Transportation	1,305	3,243
Urban Elements	36	31
	13,094	8,661
These expenditures are payable:		
Not later than one year	13,094	8,661
	13,094	8,661

Note 15: Financial Indicators

Consolidated

	Amounts	Indicator	Prior Periods	
\$ '000	2017	2017	2016	2015

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	17,294	8%	1%	10%
Total Operating Revenue	211,111			

This ratio expresses the operating surplus as a percentage of total operating revenue.

1A. ADJUSTED OPERATING SURPLUS RATIO

	16,932	8%	1%	5%
	211,111			

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

2. NET FINANCIAL LIABILITIES RATIO

Net Financial Liabilities	(11,372)	(5%)	15%	18%
Total Operating Revenue	211,111			

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

3. ASSET SUSTAINABILITY RATIO

Net Asset Renewals	31,073	123%	90%	90%
Infrastructure & Asset Management Plan required expenditure	25,295			

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

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

All Councils in South Australia 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.

\$ '000	Consolidated 2017	Consolidated 2016
Income	211,111	189,201
less Expenses	(193,817)	(187,849)
Operating Surplus / (Deficit)	17,294	1,352
add Project Related Expenditure	8,101	7,093
FUNDING SURPLUS BEFORE CAPITAL AMOUNTS	25,395	8,445
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	37,210	35,415
less Depreciation, Amortisation and Impairment	(42,636)	(39,468)
less Proceeds from Sale of Replaced Assets	(634)	(1,469)
Subtotal	(6,060)	(5,522)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	14,405	12,753
less Amounts Received Specifically for New and Upgraded Assets	(21,626)	(854)
less Proceeds from Sale of Surplus Assets	(297)	(2,342)
Subtotal	(7,518)	9,557
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	38,973	4,410

Note 17: Operating Leases

LEASES PROVIDING REVENUE TO THE COUNCIL

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever 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.

(i) Investment Property

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

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

\$ '000	Consolidated 2017	Consolidated 2016
Not later than one year	3,539	3,209
Later than one year and not later than 5 years	7,904	6,049
Later than 5 years	27,259	24,870
	38,702	34,128

(ii) Lease Payment Commitments of Council

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

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

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

Not later than one year	6,261	6,173
Later than one year and not later than 5 years	21,514	23,368
Later than 5 years	31,815	31,615
	59,590	61,156

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 2016/17; 9.50% in 2015/16). 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 2015/16) 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 2014. 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 2017 there were 4 active members.

Following an updated actuarial assessment, the asset recorded in the 2016/17 Financial Statements as per AASB 1056 requirements is \$1,446,000. 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 2017.

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 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 VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Council Solutions Regional Authority	Promotion of procurement and service delivery	88	101
TOTAL CARRYING AMOUNTS - JOINT VENTURE ENTITIES		88	101

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.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Council Solutions Regional Authority	17%	17%	17%	17%	17%	17%

(c) Movement in Investment in Joint Venture or Associate

	Council Solutions Regional Authority	
	2017	2016
Opening Balance	101	102
Share in Operating Result	(13)	(1)
COUNCIL'S EQUITY SHARE IN THE JOINT VENTURE ENTITY	88	101

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).

Name of Operation/Entity	Principal Activity and Place of Business			
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.			

Interests in Subsidiary	Ownership		Voting Rights	
	2017	2016	2017	2016
Council's Interest in Subsidiary	100%	100%	100%	100%

The nature and extent of significant restrictions relating to the Subsidiary

A 30% dividend is payable to Council annually on surplus amounts above the Asset Renewal Provision. No dividend was payable during 2016/17. The remaining surplus is retained in either a capital renewal or capital enhancement fund for future requirements.

The nature of risks associated with Council's interests in the Subsidiary

ACMA currently hold a line of credit with council to the value of \$2,197,000, with a current draw down to the value of \$1,400,000.

Other disclosures

Council manages the operational running of the car park under ACMA's control for which a management fee is payable. This totalled \$465,627 for the year.

Council has a lease agreement with ACMA for the Central Market Complex until the 30 September 2033. The lease charge totalled \$2,732,235 for the year.

ACMA contracts staff from Council with the on-charge totalling \$974,360 for the year.

Note 20: Subsidiaries (continued)

Name of Operation/Entity	Principal Activity and Place of Business			
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.			
		Ownership		Voting Rights
Interests in Subsidiary	2017	2016	2017	2016
Council's Interest in Subsidiary	100%	100%	100%	100%

The nature and extent of significant restrictions relating to the Subsidiary

Council funds the operations of APLA through the provision of an annual grant which was to the value of \$158,961.

Other disclosures

APLA contracts staff from Council with the on-charge totalling \$119,663 for the year.

Name of Operation/Entity	Principal Activity and Place of Business			
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.			
		Ownership		Voting Rights
Interests in Subsidiary	2017	2016	2017	2016
Council's Interest in Subsidiary	100%	100%	100%	100%

Other disclosures

RMMA contracts staff from Council with the on-charge totalling \$883,890 for the year.

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, however 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 waiting on the outcome of a breach of licence relating to the capping of land at a former property owned by the Corporation.

4. LAND COMPULSORY ACQUISITION

Council has reached an agreement in pursuing an increased settlement amount based on an appropriate fair value for land previously held and compulsory acquired by Renewal SA (formerly Land Management Corporation). The associated transaction can be found in Note 2.

Note 22: Events after the Balance Sheet Date

No matters or circumstances has arisen since 30 June 2017 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. Related Party Transactions

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Lord Mayor, Councillors, CEO and Directors. In all, 17 persons were paid the following total compensation:

\$ '000	2017
The compensation paid to Key Management Personnel comprises:	
Short-Term Employee Benefits	1,759,374
Post-Employment Benefits	133,810
Long-Term Benefits	11,823
Termination Benefits	118,722
Total	2,023,729

Compensation paid excludes reimbursement of expenses incurred on behalf of Council.

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents, Council received the following amounts in total:

Sale of Apartment	290,711
Total	290,711

An elected member purchased an apartment during the financial year which was owned by Council. The sale was conducted independently by an appointed sales agent at a price set by an independent valuation.

OTHER RELATED PARTY TRANSACTIONS

A close family member of a KMP is employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the Local Government Act 1999.

Note 24. Capital City Development and Economic Development

Expenditure of \$15.25m was incurred in relation to Council's commitments under the Capital City Development Program. This represents 8.80% of total expenditure for the year ended 30 June 2017.

In accordance with the requirements of the City of Adelaide Act 1998, expenditure of \$11.76m was incurred for works, services and activities that directly related to Council's economic development program. This represents 6.79% of the total expenditure for the year ended 30 June 2017.



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Adelaide (the Council), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of City of Adelaide, presents fairly, in all material respects, the Council's financial position as at 30 June 2017 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Local Government Act 1999, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the general purpose financial reports of the following regional subsidiaries of Rundle Mall Management Authority, Adelaide Park Lands Authority and the Annual Report of Council Solutions.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of Adelaide, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, 10 October 2017



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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF CITY OF ADELAIDE

Scope

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by the City of Adelaide ('the Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2016 to 30 June 2017 relevant to ensuring such transactions have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

The Council is responsible for:

- a) the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) identifying the control objectives;
- c) identifying the risks that threaten achievement of the control objectives;
- d) designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) operating effectively the controls as designed throughout the period.

Our Independence and Quality Control

We have complied with the relevant ethical requirements relating to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. In accordance with Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements, BDO Audit (SA) Pty Ltd maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibility

Our responsibility is to express an opinion on the suitability of the design to achieve the control objectives and operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Auditing and Assurance Standards Board. That standard requires that we comply with relevant ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

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An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

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

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 and so fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on operating effectiveness of 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.

Opinion

Our opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects:

- a) the controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- b) the controls operated effectively as designed throughout the period from 1 July 2016 to 30 June 2017.

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, 9 October 2017



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AUSTRALIA

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Adelaide for the year ended 30 June 2017, 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, 24 August 2017

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City of Adelaide

General Purpose Financial Statements

for the year ended 30 June 2017

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Adelaide for the year ended 30 June 2017, 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: 9th October 2017

ANNUAL REPORT 2016/17



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CONCLUSION

The Year in Review

The 2016–17 period was the fourth full year of operation for the Adelaide Central Market Authority (ACMA) after its formal establishment in October 2012.

The ACMA Board, as at 30 June 2017, included the following members:

- Mr Nick Begakis AO, Chair
- Ms Loewn Steel, Deputy Chair 2016–17
- Councillor Megan Hender (Central Ward Councillor, City of Adelaide)
- Mr Bill Howison (Trader Advisory Group Chair from March 2017)
- Mr Andrew Jonats
- Mr Peter Khoury
- Mr Dominic Lagana

The ACMA General Manager as at 30 June 2017 was Mr Aaron Brumby, who commenced with ACMA on 18 March 2015.

At the City of Adelaide Council meeting held 13 June 2017 the following reappointments to ACMA Board were endorsed:

- Chairman Nick Begakis AO reappointed for three years from 1 August 2017 to 31 July 2020
- Board Member Loewn Steel reappointed for three years from 1 August 2017 to 31 July 2020
- Board member Peter Khoury reappointed for two years from 1 August 2017 to 31 July 2019

TRADER ADVISORY GROUP

In February 2017, the ACMA Board Member Bill Zaharis of Central Fresh Fruiters retired from the Board at the conclusion of his two year term (July 2016 – March 2017) as Chair of the Trader Advisory Group following elections in February 2017. The TAG elections for both the Chair and members were held in March 2017 in accordance with the TAG Terms of Reference and ACMA Charter.

The resulting TAG member group for the period commencing April 2017 is:

- **TAG Chair (2-year term):** Bill Howison, House of Organics (Fruit & Vegetables)
- **Fruit & Vegetables (1-year term):** Arthur Kotsanis, Aubergine's

- **Bakery & Patisserie (2-year term):** Irene Noakes, Gourmet to Go
- **Meat, Poultry & Seafood (1-year term):** Tony O'Connell, O'Connell's Meat
- **Continental & Cheese (2-year term):** Peter Heaney, Say Cheese & The Smelly Cheese Shop
- **Cafés (1-year term):** Simon Bugeja, Lucia's
- **Specialty Food (2-year term):** Jane Harman, The Kangaroo Island Stall
- **Nuts, Confectionery & Coffee + Non-Produce (1-year term):** Frank Mitolo, The Coffee Bean Shop

COMPETITION

This year witnessed significant growth in competition for the Adelaide Central Market with the introduction of international supermarket chain, Aldi Supermarkets into South Australia, with 17 stores opening within the Markets catchment area and a further 23 stores proposed to open across South Australia. The impact of the refurbished and wider-ranged Foodland, IGA, Tony & Marks and Adelaide Fresh offers was observed, in addition to the new multi-million dollar fresh food area within Westfield Marion Shopping Centre. These developments have led to increased options available to the consumer for the purchase of fresh produce in particular, where many supermarkets are emulating the design and offer of the Adelaide Central Market. The buying public are becoming more convenience focussed which has had an effect on their shopping behaviours.

The number of supermarkets within the City of Adelaide has also increased dramatically in the past 15 years, up from three in 2002 to eight in 2017 with an additional three supermarkets planned to open in the next three years.

STAFF APPOINTMENT

One staff appointment was made to ACMA during 2016–17 as Ms Rennie Wanakam vacated the position of Property & Leasing Manager with a new, more senior role established as Retail Manager. Michelle Burgess was appointed to the new role commencing 3 July 2017 and joins the Authority following a successful career as Regional Casual Mall Leasing Manager SA & Tas. with national retail shopping centre management firm, Vicinity Centres.

ADELAIDE CENTRAL MARKET CONTINUES ITS VISION TO BE 'THE WORLD'S LEADING FOOD AND PRODUCE MARKET'.



The Year in Review

MANAGEMENT FOCUS

During 2016-17, ACMA continued to focus on achieving the outcomes of the Business Plan for 2016-17 and 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”. The Business Plan, which was approved by City of Adelaide on 30 June 2016 with a supporting financial budget for the 2016-17 financial year, detailed specific activities to be undertaken to underpin the Authority’s Strategic Plan.

During 2016-17, the ACMA General Manager was focused on achieving the following outcomes for the Authority to ensure a solid business and governance base to leverage a stable and sustainable business model:

1. Establish a ten-year sustainable Financial Plan for ACMA
2. Establish a ten-year fully funded Capital Expenditure Program
3. Review and finalise a position on the ACMA Lease Payment to City of Adelaide
4. Establish a Trader Lease Framework resolving future stall rentals, annual reviews and general lease terms
5. Complete all actions identified in the 2016-17 Business Plan
6. Monitor and complete ACMA three-year Strategic Plan objectives
7. Complete the ACMA Charter Review
8. Strategically manage vacant stall leasing, as they arise, to maximise new stall benefit to the Market
9. Review the ACMA Stall Fit-out Guideline and establish financial assistance model
10. Establish a three-year Strategic Marketing Plan and 2017 Marketing Plan

PRODUCER IN RESIDENCE

In July 2016, the new Producer in Residence Stall was launched at the Adelaide Central Market providing the opportunity for small, local, artisan businesses to occupy a modest, purpose-built stall to trial their products with Market customers at a low initial cost. A formal opening ceremony was hosted by the

ACMA Chairman and General Manager with Mr Nigel McBride (CEO Business SA) cutting the ribbon. The first producer to occupy the stall was Sucre, a French patisserie business.

Following the successful launch of the Producer in Residence Stall, the Market has seen a wide range of small producers occupying the site to great success, with the customer looking forward to the new local, artisan business being present during each shopping trip.

The Producer in Residence Stall establishes a constantly changing offer in the Market that will be both exciting for the customers, highly leveraged through social media and of significant interest to the traditional media. This will encourage existing and new customers to visit the Market regularly to experience a new artisan offer at the Producer in Residence Stall.

TOURISM

Throughout the year, the Adelaide Central Market garnered a number of industry honours including the 32nd Annual South Australian Tourism Industry Council Awards – Category 1, Major Tourist Attraction, and Bronze in the Excellence in Food Tourism Category; Trip Advisor – Certificate of Excellence as a tourism business; and most importantly, the Tourism Industry Council Award, qualified the Adelaide Central Market to represent South Australia in the national Qantas Tourism Australia Awards held in Darwin in 2017. Annually the Adelaide Central Market is visited by 195,000 international tourists, who generally look to purchase unique local products that have a long shelf life and are easy to carry in luggage. ACMA continues to work with interested traders identifying opportunities to merchandise further product to tourists.

ACMA will continue to focus on achieving awards that recognise the Market’s importance from a tourism perspective as the ACMA Charter seeks for the Market to be internationally recognised as a vibrant, diverse and unique fresh produce market community.

MARKET TO RIVERBANK WALK

In late July 2016, the Market to Riverbank Walk was announced by the City of Adelaide and South Australian Government. The new walk involves the upgrade of Bank Street, Leigh Street, Topham Mall, Bentham Street and Pitt Street to create an interesting, attractive and vibrant connection between the Adelaide Central Market and the Adelaide Riverbank. It will feature an upgrade to elements such as new paving, lighting, trees, landscaping, street furniture and public art.

The walk will have the potential to offer a more intimate route for pedestrians and cyclists through paved footpaths, tree canopy, public art, lighting and street furniture. These important connecting streets provide a significant daily route for city users in coming to the Market. This investment is viewed as a positive for the Market, with the potential to increase trader sales by making the Market more accessible to customers.

INFRASTRUCTURE WORKS

Significant work was undertaken during 2016 on the development of a comprehensive Market Property & Asset Services Report (MPASR) by Lucid Consulting Engineers, which detailed the lifecycle position and

required-maintenance regime for all lessor plant within the Market. The MPASR then guided the development of a ten-year Capital Works Plan for ACMA. The final, fully-costed report was completed in January 2017, identifying 90 projects that were required over the next ten years, to ensure ACMA delivers a safer, smarter, greener and more efficient Market. ACMA remains in consultation with the City of Adelaide on suitable long-term funding models for Capital Works.

POWER OUTAGE

One particularly notable event occurred on 28 September 2016, when the Market experienced a power outage at 3.59pm (approx.) due to a state-wide power outage. To manage customer and trader safety during the power outage, the Market was evacuated, as the Market has limited emergency lighting. The power outage lasted four hours, and was well within the safe timeframe to ensure refrigeration temperatures were maintained at appropriate levels to avoid product spoilage. The Market resumed trading at 9am on 29 September 2016. This event was a successful real life test of the Market's emergency management protocols as an unexpected event, to which the response team executed as planned.



The Year in Review

NATIONAL CENTRE FOR FOOD CULTURE

During 2016-17, the concept of a National Centre for Food Culture identified in 2015's Our Market District planning process (undertaken by City of Adelaide) continued its consultative process. The idea of a National Centre of Food Culture was proposed in response to the great cultural diversity and plethora of food-related businesses, including the highly significant Adelaide Central Market.

Through the consultation process, the City Of Adelaide determined that a National Centre for Food Culture would:

- a. Celebrate food culture and help position South Australia as a key centre of food culture.
- b. Build intercultural literacy and partnerships, through greater understanding of food cultures.
- c. Be focused within the Market District, but also have satellite centres and be accessible electronically.

On 29 November 2016, the City of Adelaide resolved,

“that the Adelaide Central Market Authority was to consider the idea of a National Centre for Food Culture as part of the Authority’s long-term planning, including giving consideration to leading the bringing together of potential partners.”

The National Centre for Food Culture has the potential to attract more customers to the Market and increase tourism visitation numbers.

CHRISTMAS AND NEW YEAR TRADING 2016-17

The Market experienced a very successful trading period through Christmas, in particular Friday 23 December 2016, which was the busiest of the Christmas weekdays, with a footfall of 58,474 recorded.

This was well above Christmas 2015's highest-recorded day. Many Market traders mentioned it was the best trading day for the past decade with the retail sales commencing at full pace from 6.15am and not slowing until around 4pm in the afternoon. The carpark experienced greater than 90% occupancy for a majority of the day.

The Market was then closed for a period of three days from Sunday 25 December to Tuesday 27 December 2016. The Market reopened on Wednesday 28 December 2016 and traded through to New Year's Eve 2016. The sales performance of the Market during this period was well above last year, with many of the traders operating on 28 December 2016 recording turnover far exceeding expectations, in particular the cafe/takeaway traders.

Traders also informed ACMA that the Christmas period turnover was well above 2015 and, in a majority of cases, the best trading result in the past ten years.

NATIONAL MEASUREMENT INSTITUTE - TRADE MEASUREMENT

During Q3 of 2016-17, the ACMA General Manager and Operations Manager focused on building a stronger, more collaborative relationship with the Commonwealth Government's National Measurement Institute - Trade Measurement (NMI-TM). This agency is responsible for the statutory review of scales and measuring devices in the retail industry to ensure customers are not being overcharged for scale inaccuracies. In a collaborative process, the NMI-TM undertook a targeted compliance review on fruit and vegetable businesses in the Market during the February 2017. ACMA supported this program to assist in reducing the number of expiation notices to inadvertently non-compliant traders. The collaborative approach led to significant improvement on results for traders with only minor non-compliance noted by NMI-TM. ACMA will continue to strengthen the relationship with NMI-TM into the future to the benefit of traders.

CUSTOMER FACILITIES

In early 2017, ACMA opened a new accessible toilet in the Market – the first accessible toilet in the Market's 148-year history. The new accessible toilet is compliant to the current relevant Australian Standards with the additional feature of an adult hygiene support station. It is situated adjacent the new Parents' Room, west of the Gouger dining area. The new facility was officially opened with a ribbon cutting ceremony by Kelly Vincent MLC, Member of the Legislative Council for the Dignity Party. The opening was attended by 20 guests from the disability and accessibility sector including the City of Adelaide Social Inclusion Committee. The accessible toilet, which formed one of ACMA's capital works projects for 2016, is an example of ACMA's commitment to improving accessibility to all customers in the Market and providing appropriate facilities. Since the launch of the Accessible Toilet ACMA has worked closely with several organisations that advocate for people with disabilities to ensure carers are made aware of the facilities existence in the Market should their clients need the services whilst shopping in the Market.

The new parents room was constructed simultaneously to the accessible toilet and provides parents with facilities for baby change and feeding. Presently there are more than 16,000 births in Adelaide each year, with parents with babies seeking shopping facilities with suitable service to support their children while they shop. This facility ensures families with young children are adequately catered for and ensures they have the ability to shop in the Market for as long as possible.

BUSINESS CONTINUITY

During 2016-17, the ACMA Business Continuity Plan (BCP) was reviewed by the City of Adelaide Council's Audit & Compliance team in advance of Council undertaking an emergency management exercise known as Exercise "Loki" (being an Earthquake Scenario Emergency Procedure Test). ACMA's BCP and emergency management process was considered successful through the process.

RIGHT HAND TURN - GROTE STREET

In March 2016, plans were submitted and endorsed by the City of Adelaide to restore Market access from the western suburbs with a signalised right-hand turn from Grote Street to be reinstated, with full project funding provided by the City of Adelaide. The reinstatement of the right-hand access is important for the Market district as a whole and, over time, will provide significant positive economic benefit to the Adelaide Central Market and broader Market precinct. The inability of customers from the western suburbs to access the Market from the west was identified as a significant impediment to customer patronage in the Market Research undertaken in 2016. Construction works commenced in June 2017.

FRIDAY 23 DECEMBER 2016 WAS THE BUSIEST OF THE CHRISTMAS WEEKDAYS, WITH A FOOTFALL OF 58,474 RECORDED. THIS WAS WELL ABOVE CHRISTMAS 2015'S HIGHEST-RECORDED DAY.



YEAR IN REVIEW SNAPSHOT

 **148 YEARS OF RETAILING
FRESH PRODUCE TO SA**

 **9M MARKET VISITORS[^]**

 **1M KGS OF FRESH PRODUCE
DELIVERED TO & SOLD IN
THE MARKET EVERY MONTH**

 **#1 MAJOR SA TOURIST ATTRACTION^{*}**

 **\$1.75M OF POSITIVE
MEDIA COVERAGE GENERATED**

 **39K FOLLOWERS ↑ 26.3%**

 **32K FOLLOWERS ↑ 63.2%**

 **97 FREE COOKING DEMONSTRATIONS^{*}**

 **112,881 ↑ CAR PARK TRANSACTIONS[#]**

 **\$1.7M IN CAPITAL WORKS UNDERTAKEN**

 **1,689 MAINTENANCE
TASKS COMPLETED**

[^]MARKET VISITORS IN 2016/2017

^{*}AWARDED AT THE SATIC AWARDS 2016

 FACEBOOK  INSTAGRAM

^{*}ADDED VALUE TO THE CUSTOMER EXPERIENCE

^{*}COMPARED TO 2015/16

Central Market Arcade Redevelopment

At a meeting of the City of Adelaide Council held on 12 December 2016, Council resolved to proceed with the process to revoke the Central Market Arcade land adjoining the Adelaide Central Market from its classification as Community Land being the subject of community consultation.

The land revocation consultation process commenced on 23 January 2017 and closed 10 March 2017. The consultation process included a personal after-hours briefing session, on 9 February 2017, from the City of Adelaide Lord Mayor, Martin Haese to the Market traders on the land revocation associated with the Market Arcade Redevelopment and the public consultation underway at the time.

Through the redevelopment consultation process, the Council determined that any proposed development on the Central Market Arcade site be guided by the following principles:

- Redevelopment must **secure the future of the Adelaide Central Market** for at least the next 50 years, in part by accommodating the growth of the Central Market.
- Redevelopment must **be smart, green, liveable and creative**, exemplifying and helping to achieve The City of Adelaide 2016-2020 Strategic Plan.
- **Creative and innovative mixed-use proposals are encouraged for 'airspace' developments**, with high quality design outcomes a must. residential proposals must include 15% affordable housing in the housing mix.
- **Provision of at least one north-south pedestrian link**, with consideration to 24-hour access, between Gouger and Grote Streets. An east-west link between the site, Adelaide Central Market and Victoria Square/ Tarntanyangga is to be retained.
- Proposals must be **viable for delivery in the short-term**, and must minimise disruption to the Adelaide Central Market and Market District. Innovative construction and implementation processes are encouraged to minimise impacts.
 - Redevelopment must provide **a long term sustainable source of revenue** to Adelaide City Council, whilst managing costs and risk.
- Redevelopment is to create new building assets for **Council to own**, specifically:
 - **an expanded Central Market and complementary retail offer** (approximately 6,000m²) on the ground level, with a retail shopping centre including supermarket and speciality shops, located across the ground and basement levels.
 - below-ground loading and servicing for the development with consideration to be given to the provision of infrastructure (including, but not limited to, storage, delivery facilities and refrigeration) to accommodate the needs of both the traders in the development and the Adelaide Central Market.
 - **increased car parking** (compared to existing 260 spaces), in basements or in sleeved upper levels to maximise parking capacity sensitively. Future adaptive re-use of above ground car parking must also be allowed for.
- Redevelopment proposals are to be **contained to the boundaries of the Central Market Arcade site** (except for Sir Samuel Way building), and should not negatively impact the buildings, access or activities of the neighbouring Central Market site.
- Redevelopment proposals must embrace cultural/ arts opportunities. This includes allowance for **cultural, arts, retail, tourism and mixed-use development** including through, but not limited to, adaptive re-use of the Sir Samuel Way building (noting that this building is not owned by Adelaide City Council).

- Redevelopment proposals should address the sensitive issue of **overshadowing of Gouger Street** – specifically outdoor dining on southern footpath west of Mills Street – for example by constructing buildings within a building envelope provided by a 45-degree plane, measured from natural ground level at the southern Gouger Street footpath, or through other design solutions.
- Redevelopment proposals must **involve and engage stakeholders and the wider community** in the future of the site.
- Redevelopment proposals must represent **‘sensational urban development’** and have a ‘wow factor’.
- Redevelopment proposals must **celebrate building and site heritage**, taking note of the following:
 - Council’s intent to **improve the relationship to neighbouring heritage buildings**, especially the Sir Samuel Way Building.
 - The design and feel of the redevelopment will be **sympathetic to the ambience of the market precinct**.

The Land Revocation was supported at a meeting of the City of Adelaide Council on 26 April 2017, which subsequently approved the revocation of the Central Market Arcade land to permit the redevelopment process to progress.

ACMA continues to work closely with City of Adelaide on the proposed redevelopment as the Central Market Arcade site directly abuts the eastern side of the Market. The ACMA Chair is also a member of the City of Adelaide’s Central Market Arcade Redevelopment Project Reference Group.



Finance & Reporting

The full-year financial result ended with a net deficit of funds of (\$483,000) which is \$402,000 favourable to the approved budget of (\$885,000). A majority of the deficit position is the result of continued legacy maintenance items being identified requiring immediate rectification, similar to the findings of the previous financial year. The administration result is \$217,000 favourable to budget due to budgeted contractual expenses being incorporated into capital works approvals. The Market car park was favourable to budget by \$147,000 due to negotiated savings in security monitoring with Market security onsite 24 hours for 6 days per week. Additional energy savings were realised through the installation of LED sensor lights throughout the car park. The Market Complex budget is \$38,000 favourable to budget due to savings in utility costs and air conditioner maintenance following extensive work the previous year to remedy legacy maintenance issues.

The ACMA Balance Sheet as of 30 June 2017 reflects net assets totalling \$1,695,000 which is a decrease of \$483,000 from the opening balance of \$2,178,000 at 1 July 2016. A majority of the reduced net assets reflects expenditure on planned and unplanned capital works together with infrastructure maintenance. The balances of the capital enhancement and capital renewal reserves, as required by the ACMA Charter, have been reported.

A strong focus on debtor management has continued through 2016-17, with a debtor result of \$11,722 (4.2% of total monthly rental charges) as at June 2017 being achieved.

MEETING ATTENDANCE

The table below details the number of meetings attended by each Director during the 2016-17 financial year including full meetings of Directors and Committees:

DIRECTOR/ COMMITTEE MEMBER	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
Nick Begakis AO	12	13	-	-	-	-	-	-	-	-
Peter Khoury	11	13	7	7	6	6	-	-	2	2
Dominic Lagana	12	13	-	-	-	-	8	10	-	-
Loewn Steel	12	13	-	-	-	-	-	-	2	2
Andrew Jonats	11	13	-	-	-	-	-	-	-	-
Megan Hender	12	13	6	7	5	6	-	-	-	-
Bill Zaharis	8	10	-	-	-	-	6	7	-	-
Bill Howison	2	2	-	-	-	-	3	3	-	-

^A Number of meetings attended as member

^B Number of meetings held during the time the Director held office or was a member of the committee during the period

**THE FULL YEAR
FINANCIAL RESULT
ENDED WITH A NET
DEFICIT OF \$483K,
WHICH IS \$402K
FAVOURABLE TO
THE BUDGET.**



Directors



NICK BEGAKIS AO, CHAIR

Nick co-owns and is non-executive Chairman of Bellis Fruit Bars – a business he has co-owned since 1990 with products distributed Australia-wide. Bellis Fruit Bars has a factory at Elizabeth, manufacturing interests in China, 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. Nick Chairs or is a Director of a number of boards.

Special responsibilities

Nick is part of several City of Adelaide Committees and meets regularly with City of Adelaide Lord Mayor, Councillors, the City Manager and Senior Administration Management.



LOEWN STEEL

(Deputy Chair Jul 2016 – Jun 2017)

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 eCommerce Committee, Member of Marketing Work Group, Member of 150th Work Group.



PETER KHOURY

Peter is a strong leader with vision and a demonstrable ability to implement effective and lasting change. With over 30 years in executive leadership roles in the corporate sector and over a decade advising organisations in both the public and private sectors, Peter has extensive commercial and government experience and has provided strategic management, financial management, project and change management and business development advice to organisations across the banking and finance, government services and utilities and telecommunications sectors.

Special responsibilities

Member of the eCommerce Committee, Chair of Audit & Risk Committee, Chair of Car Park Committee, Member of 150th Work Group, Member of Trader Rental Framework Work Group.



DOMINIC LAGANA

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 South Australian brands.

Special responsibilities

Member of the Trader Advisory Group.



ANDREW JONATS

Andrew holds significant property, financial and leasing experience and is the Managing Director of an Adelaide consulting firm. Andrew provides retail and property services to a wide range of clients. Andrew is a registered real estate agent, chartered accountant, registered company auditor and registered tax agent.

Special responsibilities

Member of the Trader Rental Framework Work Group.



Directors



BILL HOWISON

(commenced March 2017)

Bill Howison is the Chair of the Traders Advisory Group and sits on the Adelaide Central Market Authority board as the traders' representative. Over the 15 years that Bill has been in the Market, first as an employee and then leaseholder of the House of Organics, Bill has developed an intimate working knowledge of the Market.

Special responsibilities

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



COUNCILLOR MEGAN HENDER

Megan Hender is an elected member of the City of Adelaide and sits on the Adelaide Central Market Authority board as Council's representative. She is a qualified lawyer and has, since 2002, run her own successful management consulting business, Megan Hender Consulting.

In addition to serving on our board she sits on the Board of the Festival of Arts, on the Advisory Board of SA Leaders, and chairs a small not for profit, Connecting Foster Carers SA.

Megan has a long-standing interest in South Australian food and produce. Prior to her election as a city councillor she helped establish the Adelaide Showground's Farmers Market and served on its management committee for a number of years.

She is also a local resident and committed Market shopper.

Special responsibilities

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



BILL ZAHARIS

(July 2016 to March 2017)

Thompson's Fruit & Veg and Central Fresh Fruiterers proprietor and Traders Advisory Group (TAG) Chair, Bill has an extensive working knowledge of the Market as a leaseholder for the past five years. Bill represents 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 given the Market has over 9 million visitors annually. The 2016-17 year saw the following cumulative results of reported medically treated incidents:

- 25 medically-treated incidents occurred from 1 July 2016 to 30 June 2017. This was a slight increase from the 24 medically-treated incidents during 2015-16 and represents the diligent risk mitigation process put in place by the Market Office to reduce the incidents of slips and falls.
- Of the 25 incidents, there were seven slips, two trips, three falls and 13 incidents attributed to other factors.
- In the above number, there was just one reportable incident which was referred to Safework SA, while the other 24 incidents were categorised as non-reportable. In 2015-16 the number of reportable incidents to Safework SA was also one.

ACMA continues to implement new strategies and operational activities to reduce the number of incidents occurring within the Market complex and car park that require medical treatment.

At the City of Adelaide awards, ACMA was awarded the Council-wide Safety Award for 2016.



TRADER INVESTMENT IN FIT-OUT/REFURBISHMENT

Ten fit-outs/refurbishments were completed by Adelaide Central Market traders during 2016-17 demonstrating, by way of private investment, confidence in the sustainable future of the Market:

1. House of Organics (Stall 34/35/36)
2. The Fleurieu Milk Company (Stall 16)
3. Central Market Flowers (Stall 7)
4. Olive Tree (Stall 61)
5. Cappel's Fish Market (WR7)
6. The Kangaroo Island Stall (Stall 17)
7. Zedz Café (Stall 2)
8. Bakers Tray (Stall 25)
9. Greenside Grocer (Stall 56)
10. Vegas Poultry (Stall 62)

KEY OPERATIONAL IMPROVEMENTS

During the 2016-17 period, the following key operational improvements both in infrastructure and processes, were completed:

- The installation of new emergency lighting throughout the Market and car park was addressed after observed impacts associated with the state-wide blackout in September 2016.
- GHD Engineering performed a review of the steel columns supporting all the stall mezzanines. ACMA operational staff had initially identified deficiencies in column integrity around the Market. The works to address these deficiencies commenced this financial year.
- Security, by way of additional personnel, provided by Wilson Security, has been increased to provide 24-hour coverage, six days per week.
- Security swipe access control system has been installed throughout the Level 1 ACMA office.
- A street traffic management system was proactively implemented to Gouger Street, at the request of Market traders and in consultation with the City of Adelaide to improve pedestrian safety during trader unloading times, making for safer and faster deliveries to the Market for traders.
- New NMI approved electricity smart meters have been installed in ten stalls.
- The consistently high standard of cleaning has continued, receiving positive feedback from traders and the public.
- Legacy maintenance items were addressed, and significant repairs were completed on the Market's electrical infrastructure to ensure continued safety that electrical supply is maintained, at a total expense of \$306,562.
- Major works were undertaken to the car park entry and exit from Grote Street. The entrance to the car park was reconfigured, with the removal of one entrance lane in readiness for the capital works to reinstate the Grote Street right-hand turn.
- The car park reconfiguration allowed 13 extra car parks to be installed taking the total car parks to 1,000. This makes the Adelaide Central Market car park complex the largest in the City of Adelaide.
- A canopy was installed over the Grote Street entrance and exit from the car park to complement the right-hand turn works.
- Pram parking bays, along with extra accessible parking bays, were installed in the car park at convenient locations close to elevators for improved access to the Market to enhance the experience for customers.
- In January 2017, the newly constructed Parent's Room and accessible toilet were opened, providing much-improved facilities for families and customers with access challenges.

Capital Expenditure Works

During 2016-17, a comprehensive program of capital works projects was undertaken by ACMA to improve the 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
3. Sustainability

The works comprised of:

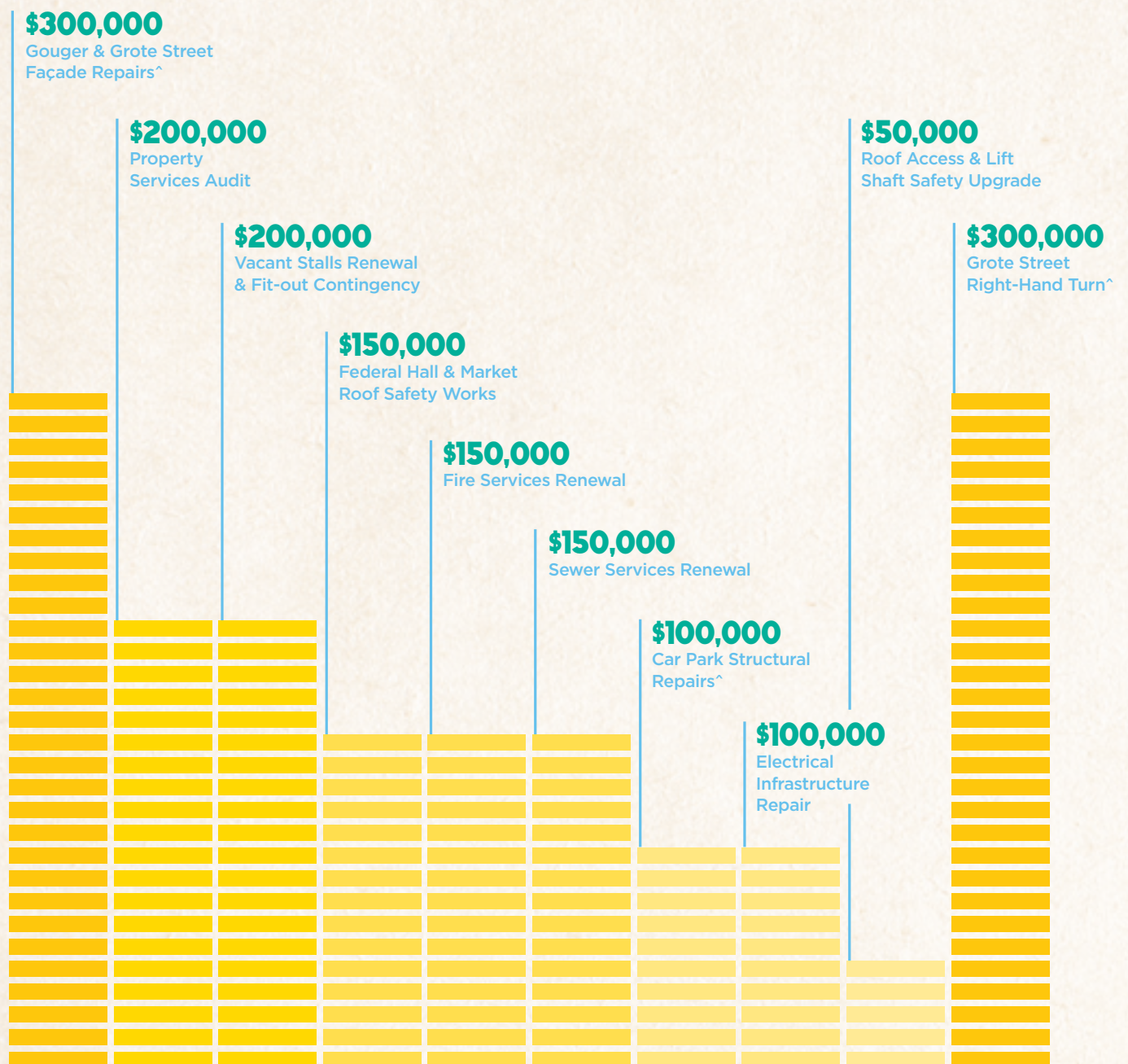
PROJECT TITLE	CATEGORY OF WORK	DESCRIPTION OF WORK	BUDGET (EX GST)
Gouger & Grote Street Façade Repairs^	Risk mitigation	A detailed report was completed by ARUP Engineers on the dilapidation survey on the historic facades of the Adelaide Central Market at 47-57 Grote Street and 44-56 Gouger Street. This report prioritised remedial works to be completed.	\$300,000
Property Services Audit	Improved ambience/ best practice retail/ sustainability	To complete an audit of the Market's operational services and infrastructure to inform the 10-year Capital Works Program: <ul style="list-style-type: none"> - Main electrical Switch Room - Toilet facility Refurbishment - Escalator lifecycle replacement - A/C Infrastructure replacement / upgrade - Services audit 	\$200,000
Vacant Stalls Renewal & Fit-out Contingency	Improved ambience/ best practice retail/ sustainability	To undertake stall remediation works and minor fit-out works as and when stalls become vacant. This includes addressing issues identified from past engineering reports.	\$200,000
Federal Hall & Market Roof Safety Works	Improvement to ambience/ best practice/ risk mitigation	As per the City of Adelaide Administration Asset life cycle report. These assets are to be repaired and maintained in accordance with the City of Adelaide annual works programming. The main roof repairs and Federal Hall roof upgrade, including height safety systems installed.	\$150,000
Fire Services Renewal	Improvement to ambience/ best practice/ risk mitigation	To continually monitor and upgrade fire services as required under current Australian Standards and relevant legislation.	\$150,000

CAPITAL WORKS DELIVER A SAFER, SMARTER, GREENER AND MORE EFFICIENT MARKET WITH IMPROVED AMENITIES FOR CUSTOMERS AND TRADERS.

PROJECT TITLE	CATEGORY OF WORK	DESCRIPTION OF WORK	BUDGET (EX GST)
Sewer System Renewal	Risk mitigation ongoing issues with Sewer System from Gouger Street leading into the Market to Plaza entrance	To upgrade current sewer system. Two-stage process: <ul style="list-style-type: none"> Stage 1: investigate and provide a report on options of functionality, efficiently, accessibility and expense consideration Stage 2: design and construct the system 	\$150,000
Car Park Structural Repairs[^]	Improvement to ambience/best practice/risk mitigation	An investigation and report have identified structural deficiencies in a number of concrete beams within the car park. Remedial work to be undertaken to priority areas of the car park that requires repair.	\$100,000
Electrical Infrastructure Repair	Risk mitigation	To undertake renewal works on the electrical infrastructure throughout the Market.	\$100,000
Roof Access & Lift Shaft Safety Upgrade	Improvement to ambience/best practice/risk mitigation	To enclose access from the Gouger Street lift shaft to the main Market roof. Currently access can be made from the lift shaft onto the roof in a very unsafe manner, security mesh to be installed to ensure access is not possible.	\$50,000
Grote Street Right-Hand Turn[^]	Improvement to ambience/best practice	Work to be undertaken in conjunction with CoA Administration. The construction of a signalised right hand turn from Grote Street to permit traffic travelling from the west to enter the car park.	\$300,000

[^] Projects with a programmed duration greater than 12 months – anticipated completion during 2017-18.

CAPITAL EXPENDITURE PROJECTS 2016/17



^ Projects with a programmed duration greater than 12 months – anticipated completion during 2017-18.

Marketing

In 2016-17, the Adelaide Central Market Authority spent a total of \$760,626 on marketing and promotional activities to achieve the outcomes set out in the annual business plan. ACMA invested a further \$303,620 in addition to the \$457,006 in the Central Market Marketing Fund (CMMF), being the cumulative amount of the collected Marketing Levy from traders, and \$46,392 to promote car park incentives. During 2016-17, ACMA proactively generated 136 positive media articles with a public relations value of \$750,000 in addition to an estimated \$1,000,000 in unprompted supplementary media on the Market, traders and events.

Significantly, the Market was awarded top honours in the South Australian Tourism Industry Council Awards, winning the Major Tourist Attraction category and representing South Australia at the national Qantas Australian Tourism Awards.

In November 2016, the Authority completed the most comprehensive market research project to date – identifying the priority market segments to encourage growth for the Market and inform the development of the Strategic Marketing Plan 2017-20.

The major marketing activities for 2016-17 included Christmas and Easter retail campaigns, promotion of car park incentives, community engagement activities and events.

**THE MARKET WAS
AWARDED TOP
HONOURS IN THE SOUTH
AUSTRALIAN TOURISM
INDUSTRY COUNCIL
AWARDS, WINNING
THE MAJOR TOURIST
ATTRACTION CATEGORY.**



Community & Customer Engagement

TRUFFLE FESTIVAL, JUNE 30 – 3 JULY 2016

The four-day event featured free cooking demonstrations from some of South Australia's best chefs, and included truffle tastings, live music, wine tastings and the long table Grand Truffle Luncheon.

Channel Nine's TODAY Show live weather crosses on Saturday 4 June and ABC RN outside broadcast with Fran Kelly on Friday 17 June provided two very valuable opportunities to promote the event and profile the Market's unique truffle and mushroom product offering, with a combined public relations value of \$381,000.

The Truffle Festival 2016 program included:

- 11 x cooking demonstrations with the state's leading chefs
- Daily truffle product tastings at the Tasting Table
- FIVEaa Listener Lunch
- Grand Truffle Luncheon, long table three-course event attended by 180 guests.

ROYAL SHOW, SEPTEMBER 2016

The Adelaide Central Market had a presence at the Royal Adelaide Show in 2016 in the Taste SA pavilion. This provided an opportunity to promote the Market brand, engage with the wider community outside the confines of the Market precinct, and provide traders with an opportunity to promote their products. The event was a successful grassroots marketing activity for the Authority, directly engaging with 14,000 children and families across the 10-day event through the popular Yellow Brick Road program. The exhibit location in the Taste SA pavilion allowed Market traders to leverage off the foot traffic from the Yellow Brick Road activity and conduct sampling and retail sales to a targeted, food-interested audience in an attempt to entice them to the Adelaide Central Market.

MARKET BIRTHDAY, JANUARY 2017

The Market Birthday event was held on Saturday 28 January 2017 to celebrate the Market's 148th anniversary. The format of the event was a family fun day to engage with customers and encourage Market visitation via a program of free activities. The public relations strategy achieved significant reach across digital media, television networks (Channels Nine and Seven), print and radio. The media highlights included a

Channel Seven Today Tonight story 'Market Secrets' reaching an audience of 74,000, valued at \$38,000 and the Channel Nine weather cross reaching an audience of 61,000.

SAUCE DAY, MARCH 2017

On Saturday 25 March 2017, the Adelaide Central Market hosted its inaugural Sauce Day event, in celebration of the Market's Italian heritage and tradition of bringing family and friends together with food. The family-friendly event program included:

- Radio Italia and FIVEaa outside broadcast
- Children's cooking classes
- Hands-on sauce making for 80 people
- Italian music

The event returned a media value of \$25,000 across Channel Nine Weather, The Advertiser feature story and significant social media reach. Events such as this entrench the Adelaide Central Market as the centre of food culture in Adelaide.

Community & Customer Engagement

TASTING AUSTRALIA, MAY 2017

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 2017, activating an in-Market associated events program consisting of:

- 15 x 45-minute cooking demonstrations with South Australia's leading chefs, Tasting Australia Festival Star Chefs and local producers
- The sold-out Movida to Comida event
- The sold-out Barossa After Dark event, hosted by The Smelly Cheese Shop and Barossa Fine Foods
- The sold-out Sew Tasty event in the Market Tower
- Free Market Party food and wine event.

Participation in important State events such as this entrench the Adelaide Central Market as the centre of food culture in Adelaide, encouraging customer visitations.

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 and do some shopping. During 2016-17, around 2,110 children interacted with fresh local produce on the Market Trail, 342 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 inspire the next generation of Market shoppers.

THE U-INSTALL-IT COMMUNITY KITCHEN, ONGOING

The U-Install-It Community Kitchen is the Adelaide Central Market's home base for recipe ideas and inspiration and to provide a place for the South Australians to celebrate their cultural heritage and cuisine and share their traditional foods more broadly with the South Australian public. Used several times on a weekly basis, the U-Install-It Community Kitchen hosts community events and cooking demonstrations to highlight Market produce, traders, local producers and local foodies. The U-Install-It Community Kitchen is an integral part of activating the Market floor, adding value to the customer experience and bringing seasonal and event campaigns to life. The U-Install-It Community Kitchen was used 97 times in 2016-17.

**2110 CHILDREN
ENCOUNTERED FRESH
LOCAL PRODUCE ON
THE MARKET TRAIL &
342 CHILDREN CREATED
A NUTRITIOUS DISH
DURING LITTLE
MARKET CHEFS.**



Campaigns

MAJOR RETAIL CAMPAIGNS: CHRISTMAS 2016 AND EASTER 2017

Both major seasonal 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 was centred around the Giant Father Christmas on the Grote Street Tower and the introduction of the 'porter' service and the 'free shopping shuttle', aimed at enhancing customer experience and increasing customer spend during the key retail period.

CENTRAL MARKET U-PARK

In 2016-17, the 'first hour free' incentive was implemented for a second year. The offer generated a significant lift in transactions, with an increase of 9.7% year-on-year. The offer was promoted through radio and AdShel activity at regular intervals throughout the period. The offer has been positively received by traders and customers and has since been trialled in other parts of the City of Adelaide. In May 2017, the Authority announced the reinstatement of the Grote Street right-hand turn into the car park. This announcement generated significant media interest, generating two talk-back opportunities on ABC 891, valued at over \$16,000. Upon completion, the right-hand turn will significantly enhance the accessibility of the car park from the western suburbs and, over time, increase car park usage.

DIGITAL AND SOCIAL MEDIA

All digital and social media platforms performed strongly in 2016-17, with exponential growth this financial year and an increase in user engagement. The adelaidecentralmarket.com website attracted over 840,000 page views with 75.48% of visitors to the site recorded as a 'new visitor'. The highest performing social media platform was Instagram with an increase of 63.2% (12,584 followers) year-on-year, followed by Facebook with an increase of 26.3% (8,150 followers) year-on-year.

Social Media continues to be one of the Market's major communication tools to its customers and potential customers noting consumers are seeking multichannel forms of advertising and promotion of products, outside the traditional media forms.

All social media platforms saw significant organic growth due to the consistent frequency of posting (one per day on Facebook and two per day on Instagram), unique product profiles, promotion of specials and monthly competitions.

ACMA has been focused on improving the social media engagement through professional photography, market trader features, competitions, special events and more targeted digital campaigns based on the market research insights.

Digital marketing platforms include:

- Market Lovers newsletters (6,000 subscribers, 16 newsletters sent)
- Website: adelaidecentralmarket.com
- Digital advertising on Facebook, Instagram and YouTube (including four target campaigns for: Christmas 2016, Sauce Day 2017, Easter 2017 and Tasting Australia 2017), which reached a total of over 1,700,000 impressions.

Digital Media Campaigns

Christmas, December 2016
278,088 IMPRESSIONS
 ACROSS   

Sauce Day, March 2017
434,109 IMPRESSIONS
 ACROSS  

Easter, April 2017
645,529 IMPRESSIONS
 ACROSS  

Tasting Australia, May 2017
432,952 IMPRESSIONS
 ACROSS  

SOCIAL MEDIA STATISTICS

f 39,094 FOLLOWERS ↑ 26.3%

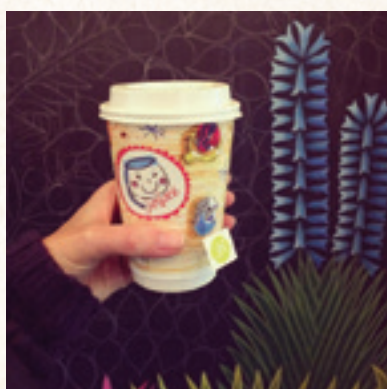
@ 32,489 FOLLOWERS ↑ 63.2%

🐦 15,963 FOLLOWERS ↑ 4.67%

🌐 SESSIONS 361,697

🌐 PAGE VIEWS 844,134

f FACEBOOK @ INSTAGRAM 🐦 TWITTER
🌐 WEBSITE 📺 YOUTUBE



Public Relations & Media

Proactive public relations services in 2016-17 earned over \$750,000 in positive media and an estimated \$1,000,000 in unprompted supplementary media on the Market, traders and events. The period saw an average of 11.3 hits per month across television, radio, print and digital media, totalling 136 positive news items. Paid retail campaigns for Christmas and Easter were significantly supported and extended by PR activity, totalling \$322,000 in media value.

Monthly Saturday morning outside radio broadcasts with FIVEaa (valued at \$60,000 in airtime annually) continued for the period of 2016-17, creating excellent relationships with the on-air talent and providing traders with a regular opportunity to showcase products.



**PROACTIVE PUBLIC
RELATION SERVICES
EARNED OVER \$750,000
IN POSITIVE MEDIA AN
ESTIMATED \$1,000,000
IN UNPROMPTED
SUPPLEMENTARY
MEDIA ON THE MARKET,
TRADERS AND EVENTS.**



Trader Engagement

MARKET TALK

Throughout the 12-month period, an average of 5.4 Market Talk e-newsletters were distributed to traders every month via email and hand-delivered to stalls. The Market Talk e-newsletter is an important communication tool to ensure traders are well informed and aware of important marketing and operational news.

TRADER BRIEFING SESSIONS

In addition to receiving the weekly Market Talk newsletters, Market traders were invited to attend quarterly trader briefing sessions, which delivered detailed information about high priority Market matters, including a market research project, Central Market Arcade Redevelopment and planned capital works. Briefing sessions were presented by the ACMA Chair, ACMA General Manager and attended by ACMA Board members and staff.

COMMUNITY PARTNERSHIPS

In 2016 – 17, ACMA actively supported The Big Issue and OzHarvest charity organisations. The Big Issue held a long table lunch inside the Market on Sunday 30 July 2017 with 388 guests in attendance raising over \$20,000 for the Big Issue's work in South Australia. OzHarvest held their Tree of Goodness campaign, accepting donations from shoppers during the Christmas retail period and hosted a pit-stop for the Great Food Rescue Race. OzHarvest volunteers rescue food from Market stalls on a weekly basis. This is a wonderful way in which the Market can be actively involved in community partnerships that provide benefit to organisations that support people in need and is considered an important role of the Market by our customers and traders. Participation confirms our place within the community at large.

In the period, the Market's partnership with OzHarvest helped rescue 63,861 meals for Adelaide's homeless and disadvantaged.

TOURISM

The Adelaide Central Market won the Major Tourist Attraction category and took out Bronze in the Excellence in Food Tourism category at the 32nd annual SATIC Awards held on Friday 4 November 2016.

The South Australian Tourism Awards are presented by the South Australian Tourism Industry Council and supported by the South Australian Tourism Commission. The awards celebrate and acknowledge businesses that have demonstrated outstanding achievement and success in tourism.

Tourism research shows that visitors to the Market come from a wide range of household types and geographic areas with a majority fitting the profile of the main grocery buyer, however, of the nine million visitations per year, 8% come from regional South Australia, interstate or overseas which equates to a significant tourist segment of approximately 720,000 visitors per year.

MARKET RESEARCH & STRATEGIC MARKETING PLAN

In order to develop a strategy to remain relevant and attract new customers, a need for market research was highlighted to provide information on our brand, and identify priority market segments (target customers) and how best to engage with these key consumer segments.

In 2016, the Adelaide Central Market conducted its largest market research project to date. Over six months, 2,271 people were interviewed, including current customers, carpark visitors, metro residents living within 5km of the Market, as well as the Market Lovers database members.

The top 3 issues identified by the customer that would reduce their likelihood of shopping at the Adelaide Central Market were:

1. Issue with access and circulation around the car park
2. Too busy and crowded
3. Dull/dowdy/needs renovating

Future strategic decisions, opportunities and directions will be developed based on the findings to ensure a sustainable and successful future for the Adelaide Central Market. The Strategic Marketing Plan 2017-2020 was developed in 2017 based on the research findings, which is aligned to the Adelaide Central Market Strategic Plan 2015-18, with an overall objective to attract new customers and strengthen the Market's current offering.

**IN THE PERIOD, THE
MARKET'S PARTNERSHIP
WITH OZHARVEST
HELPED RESCUE
63,861 MEALS FOR
ADELAIDE'S HOMELESS
AND DISADVANTAGED.**



Leasing

One new trader, The Fleurieu Milk Company, joined the Market in 2016-17, occupying Stall 16 following the consolidation of the Kangaroo Island Stall from a combined Stall 16 & 17 into Stall 17 only. ACMA had identified that fresh milk was a product within the Market that was provided in low volumes with very limited options available. Fleurieu Milk and McLaren Vale dairy now offer more than 18 versions of milk to traders and Market customers.

Through 2016-17, a total of seven lease renewals were completed for existing Market traders and five businesses within the Market were sold, with new owners taking over. These are;

- Thompsons Fruit & Vegetables (Stall 26/27)
- Pick me Fresh (Stall 30/31)
- Jagger Fine Foods (Stall 38)
- Poultry Cuisine (Stall 51)
- The Yoghurt Shop (Stall 67)

In January 2017, Cappel's Seafood relocated into a new Shop WR7 after undertaking a completely new fit-out, which more than doubled the amount of stock that can be displayed and sold within the shop. Cappel Seafood then vacated Shop GR43 on 16 January 2017.

The Authority undertook an open Registration of Interest process to find a new tenant for the prime tenancy at the north-eastern entrance of the Market, which would provide the opportunity to activate the Grote Street side of the Market and attract new customers.

All registered parties were reviewed in accordance with the approved criteria for a new lessee. Negotiations with the lead proponent on a new 5-year lease for the premises continued beyond the end of the 2016-17 financial year.

On 30 June 2017 Zedz Café vacated Stall 2 on the Eastern Roadway of the Market. ACMA is actively seeking a new café or food eatery business that can leverage its location opposite common area seating and provide new cuisine into the Market and therefore attract new customers.

Car Park

The full-year financial result for the car park was gross receipts of \$4,967,768 less discounts of \$42,180 resulting in a net revenue position of \$4,925,588. This is a decrease on last financial year of \$176,700 and is reflective of a Board initiative which commenced January 2016 to offer 'first hour free' car parking to increase the number of customers shopping at the Market. Customer feedback on the initiative continues to be overwhelmingly positive, with previously 'lost-customers' returning to the Market directly as a result of the parking incentive. The program was reviewed after 12 months and the Board resolved to continue the initiative whilst offsetting the impact with an adjustment to tariffs one-hour and longer from January 2017.

Total vehicle numbers for 2016-17 were 1,272,577 – an increase of 112,881 vehicles or 9.7% growth on the previous year, which is against the trend experienced by other CBD car parks. This increase provides additional customers to enhance Trader revenue and prosperity.

Car park operating expenditure of \$3,533,819 for 2016-17 was \$186,940 less than 2015-16 and \$203,294 favourable to the 2016-17 budget.

The tariff levels and occupancy rates for the car park are under constant review, with the ACMA Board having previously establishing a Car Park Committee to consider initiatives and incentive programs designed to grow the occupancy levels while monitoring revenue opportunities.

ACMA recognises the importance of customer experience in visiting the Adelaide Central Market. Market security and staff monitor occupancy throughout the day to assist in alleviating congestion as required. During peak times, such as Easter and Christmas, UPark (the contracted car park operator) provides on-site staff to assist at entrances and exits and provide customers with water and fruit provided by the Market.

1,272,577 VEHICLES ↑ 9.7%

\$3,533,819 OPERATING EXPENDITURE ↓ 5%



Conclusion

Throughout 2016-17, ACMA continued with a program of extensive maintenance works within the Market to address legacy maintenance issues. ACMA has undertaken further investigations to ensure the Adelaide Central Market continues to operate efficiently and effectively as a compliant retail asset for the City of Adelaide, through the delivery of a comprehensive 10-year Capital Works Program. This will ensure a safer, smarter, greener and more efficient Market for all South Australians and international visitors to experience.

ACMA has continued to build the relationships with Market traders through open two-way collaborative communication engaging in regular communication with leaseholders. For the 2016-17 year, important information was communicated to traders through 69 Market Talk Newsletters and nine after-hours trader briefing sessions, with a number of sessions specifically dedicated to the Adelaide Central Market Arcade Redevelopment process where The Right Honourable Lord Mayor, Martin Haese was the lead speaker.

It is important that the Adelaide Central Market and traders continue to evolve and remain constantly adaptable to customer retail trends, noting the ever-increasing pressure being applied by growing competition for the consumer dollar within Adelaide.

We would again like to 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 Martin Haese, City of Adelaide Councillors, City of Adelaide CEO Mark Goldstone, City of Adelaide Directors and the broader administration of the City of Adelaide offered to the Adelaide Central Market traders and Authority.

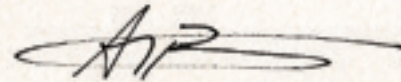
In closing, we thank the ACMA Board Members and Market Office staff for their continued enthusiasm and dedication to the vision of the Strategic Plan for the Adelaide Central Market “to be the world’s leading food and produce market”.



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 2017

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 2017 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



Nicholas Begakis AO
Chairman
ADELAIDE CENTRAL MARKET AUTHORITY

Date: 19/10/2017

Statement of Comprehensive Income

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
INCOME			
User Charges	2a	8,962	9,012
Investment Income	2b	34	68
Other Income	2c	21	34
Total Income		9,017	9,114
EXPENSES			
Materials, Contracts & Other Expenses	3a	9,327	9,636
Depreciation, Amortisation & Impairment	3b	173	99
Total Expenses		9,500	9,735
OPERATING SURPLUS / (DEFICIT)		(483)	(621)
TOTAL COMPREHENSIVE INCOME		(483)	(621)

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

Statement of Financial Position

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash & Cash Equivalents	4a	1,116	1,010
Trade & Other Receivables	4b	74	245
Inventories	4c	24	22
Total Current Assets		1,214	1,277
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	5	3,046	1,361
Total Non-Current Assets		3,046	1,361
Total Assets		4,260	2,638
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6a	1,165	460
Borrowings	6b	1,400	
Total Current Liabilities		2,565	460
Total Liabilities		2,565	460
NET ASSETS		1,695	2,178
EQUITY			
Accumulated Surplus		1,024	644
Other Reserves	7	671	1,534
TOTAL EQUITY		1,695	2,178

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

Statement of Changes in Equity

for the year ended 30 June 2017

\$ '000	Accumulated Surplus	Other Reserves	Total Equity
2017			
Balance at the end of previous reporting period	644	1,534	2,178
Net Surplus / (Deficit) for Year	(483)	-	(483)
Total Comprehensive Income	(483)	-	(483)
Transfers between Reserves	863	(863)	-
BALANCE AT THE END OF PERIOD	1,024	671	1,695
2016			
Balance at the end of previous reporting period	601	2,198	2,799
Net Surplus / (Deficit) for Year	(621)	-	(621)
Total Comprehensive Income	(621)	-	(621)
Transfers between Reserves	664	(664)	-
BALANCE AT THE END OF PERIOD	644	1,534	2,178

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

Statement of Cash Flows

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Operating Receipts		9,162	9,924
Investment Receipts		34	68
Payments			
Operating Payments to Suppliers and Employees		(8,632)	(11,341)
Net Cash provided by (or used in) Operating Activities	8b	564	(1,349)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Expenditure on Renewal/Replacement of Assets		(1,858)	(859)
Net Cash provided by (or used in) Investing Activities		(1,858)	(859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		1,400	-
Net Cash provided by (or used in) Financing Activities		1,400	-
Net Increase (Decrease) in Cash Held		106	(2,208)
plus: Cash & Cash Equivalents at beginning of period		1,010	3,218
CASH & CASH EQUIVALENTS AT END OF PERIOD	8a	1,116	1,010

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 2017

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 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

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	2 to 20 years

Building & Other Structures

Buildings – other construction	10 to 40 years
Benches, seats, etc	2 to 5 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 gross 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.

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.

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.

The Authority has not adopted any of the following standards early.

Note 1. Summary of Significant Accounting Policies (continued)

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
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities

Effective for annual reporting periods beginning on or after 13 February 2017

- AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle

Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 Financial Instruments (December 2009)
- AASB 15 Revenue from Contracts with Customers
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E)
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards

- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 1058 Income of Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

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

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	2017	2016
(A) USER CHARGES		
Off-Street Parking	4,881	5,062
Property Lease	3,367	3,293
Property Recovery	714	657
TOTAL USER CHARGES	8,962	9,012
(B) INVESTMENT INCOME		
Interest on Investments		
- Banks & Other	34	68
TOTAL INVESTMENT INCOME	34	68
(C) OTHER INCOME		
Merchandise Sales	21	34
TOTAL OTHER INCOME	21	34

Note 3: Expenses

\$ '000	2017	2016
(A) MATERIALS, CONTRACTS AND OTHER EXPENSES		
(i) Prescribed Expenses		
Auditor's Remuneration	7	7
Board Fees	114	118
Operating Lease Rentals - Non-Cancellable Leases		
- Minimum Lease Payments	4,009	4,166
Subtotal - Prescribed Expenses	4,130	4,291
(ii) Other Materials, Contracts and Expenses		
Advertising & Promotion	377	414
Bank Charges & Cash Collection	96	120
Catering	14	26
Cleaning	902	893
Communications	1	7
Contractors	1,128	1,021
Energy & Water	600	634
External Plant Hire	2	-
Insurance	94	104
Legal Expenses	48	68
Levies Paid to Government - including NRM levy	40	33
Maintenance	861	923
Minor Plant & Equipment	29	48
Parts, Accessories & Consumables	88	106
Printing, Freight & Postage	8	6
Professional Services	199	320
Rates & Taxes	17	19
Security	456	367
Training & Development	29	18
Waste Services	177	193
Other	31	25
Subtotal - Other Material, Contracts & Expenses	5,197	5,345
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES	9,327	9,636

Note 3: Expenses (continued)

\$ '000	2017	2016
(B) DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Depreciation and Amortisation		
Buildings & Other Structures	86	52
Street Furniture	10	7
Plant & Equipment	77	40
Subtotal	173	99
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	173	99

Note 4: Current Assets

\$ '000	2017	2016
(A) CASH & CASH EQUIVALENTS		
Cash on Hand at Bank	1,116	1,010
TOTAL CASH & CASH EQUIVALENTS	1,116	1,010
(B) TRADE & OTHER RECEIVABLES		
Accrued Revenues	115	103
Debtors - General	12	41
GST Recoupment	(62)	93
Prepayments	9	8
TOTAL TRADE & OTHER RECEIVABLES	74	245
(C) INVENTORIES		
Trading Stock	24	22
TOTAL INVENTORIES	24	22

Note 5: Infrastructure, Property, Plant & Equipment

	as at 1/7/2016			Asset Movements during the Reporting Period		as at 30/6/2017		
	At Cost	Accumulated Dep'n	Carrying Value	Asset Additions	Depreciation Expense (Note 3b)	At Cost	Accumulated Dep'n	Carrying Value
\$ '000								
Capital Work in Progress								
Capital Work in Progress	165	-	165	352	-	517	-	517
Buildings								
Leasehold Improvements	1,035	(74)	961	1,381	(86)	2,416	(160)	2,256
Infrastructure								
Street Furniture	28	(18)	10	-	(10)	27	(27)	-
Other								
Plant & Equipment	294	(69)	225	125	(77)	418	(145)	273
Total Infrastructure, Property, Plant & Equipment	1,522	(161)	1,361	1,858	(173)	3,378	(332)	3,046
Comparatives	622	(61)	601	859	(98)	1,522	(161)	1,361

Note 6: Liabilities

\$ '000	2017		2016	
	Current	Non Current	Current	Non Current
(A) TRADE AND OTHER PAYABLES				
Payments Received in Advance	98	-	91	-
Accrued Expenses - Other	85	-	240	-
Inter-Entity Loan Account	84	-	92	-
Other	898	-	37	-
TOTAL TRADE AND OTHER PAYABLES	1,165	-	460	-
(B) BORROWINGS				
Loans - City of Adelaide	1,400	-	-	-
TOTAL BORROWINGS	1,400	-	-	-

All liabilities associated with borrowings are secured over the future revenues of the Council

Note 7: Reserves

\$ '000	1/7/2016	Tfrs to Reserve	Tfrs from Reserve	30/6/2017
OTHER RESERVES				
Asset Renewal Reserve	1,517	-	(846)	671
Asset Enhancement Reserve	17	-	(17)	-
TOTAL OTHER RESERVES	1,534	-	(863)	671
Comparatives	2,198		(664)	1,534

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

(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:

\$ '000	Notes	2017	2016
Total Cash & Equivalent Assets	4a	1,116	1,010
BALANCES PER STATEMENT OF CASH FLOWS		1,116	1,010

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

Net Surplus/(Deficit)	(483)	(621)
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	173	99
	(310)	(522)
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	171	(22)
Net (Increase)/Decrease in Inventories	(2)	(7)
Net Increase/(Decrease) in Trade & Other Payables	705	(798)
NET CASH PROVIDED BY (OR USED IN) OPERATIONS	564	(1,349)

Note 9: Financial Instruments

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
Financial Assets					
Cash & Equivalents	1,116	-	-	1,116	1,116
Receivables	127	-	-	127	127
TOTAL FINANCIAL ASSETS	1,243	-	-	1,243	1,243
Financial Liabilities					
Payables	1,067	-	-	1,067	1,067
Non-Current Borrowings	1,400	-	-	1,400	1,400
TOTAL FINANCIAL LIABILITIES	2,467	-	-	2,467	2,467
2016					
Financial Assets					
Cash & Equivalents	1,010	-	-	1,010	1,010
Receivables	144	-	-	144	144
TOTAL FINANCIAL ASSETS	1,154	-	-	1,154	1,154
Financial Liabilities					
Payables	369	-	-	369	369
TOTAL FINANCIAL LIABILITIES	369	-	-	369	369

RISK EXPOSURES

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

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury 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

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.

\$ '000	2017	2016
(i) Lessees commitments under all non-cancellable lease agreements, are as follows:		
Not later than one year	2,728	2,747
Later than one year and not later than 5 years	3,851	5,300
	6,579	8,047

(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 2016/17 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	871	849
Later than one year and not later than 5 years	4,681	-
Later than 5 years	4,168	-
	9,720	849

The lease commitments relate to Star carpark lease which was renewed 1 July 2016 for 10 years.

Note 11: Related Party Transactions

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Adelaide Central Market Authority include Board members and the General Manager. In all, 9 persons were paid the following total cumulative compensation:

\$ '000	2017
Short-Term Employee Benefits	271
Post-Employment Benefits	16
	287

The Board of Adelaide Central Market Authority includes the Chairman of the Traders Advisory Group who is required to be a Lessee of a stall in the Adelaide Central Market and is elected by the Traders in March biennially.

Adelaide Central Market Authority received the following rent amounts from 2 Board members relating to 6 tenancies:

Rentals for properties managed by Adelaide Central Market	83
-----------------------------------------------------------	----

All Key Management Personnel are required to disclose membership of the management committees or boards of any business, sporting or not-for-profit organisations. In accordance with the *Local Government Act 1999*, these persons declare a conflict of interest and leave the meeting environs when any matter affecting their organisation is discussed or voted upon. The Board member representing Traders of the Adelaide Central Market declares a conflict of interest and leaves the meeting environs for any discussions relating to rentals or lease terms, other than discussions of a general nature.

OTHER RELATED PARTY TRANSACTIONS

The Adelaide Central Market Authority (ACMA) has a lease agreement with the City of Adelaide (Council) for the Central Market Complex until 30 September 2033. The lease charge totalled \$2,732,235 for the year.

ACMA currently holds a line of credit with the Council to the value of \$2,197,000 with current draw down to the value of \$1,400,000.

Council manages the operational running of the car park under ACMA's control for which a management fee is payable. This totalled \$465,627 for the year.

ACMA has entered into an agreement with Council regarding use of Star carpark which is leased until 30 June 2027. The value of lease payments for this year totalled \$769,167.

ACMA contracts staff from Council with the on-charge totalling \$974,360 for the year.



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adelaide Central Market Authority (the "Authority"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements by the General Manager and Chairman of Adelaide Central Market Authority.

In our opinion the financial report of Adelaide Central Market Authority, presents fairly, in all material respects, the Authority's financial position as at 30 June 2017 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the *Local Government Act 1999* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the directors of the Authority, would be in the same terms if given to the Authority's officers as at the time of this auditor's report.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Authority's officers for the Financial Report

The officers of the Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and for such internal control as the Authority's officers determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority's officers are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority's officers either intend to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

G K Edwards
Director

Adelaide, 19 October 2017



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 2017, 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.

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

G K Edwards
Director

BDO Audit (SA) Pty Ltd

Adelaide, 19 October 2017

Adelaide Central Market Authority

General Purpose Financial Statements for the year ended 30 June 2017

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 2017, 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: 19 October 2017



Adelaide Park Lands Authority **Annual Report 2016-17**

apla Adelaide
Park Lands
Authority

Adelaide
Park Lands 

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

And we also extend that respect to other Aboriginal Language Groups and other First Nations who are present today.

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Principal advisor for the protection and enhancement of the Adelaide Park Lands - for the benefit of all South Australians
A statutory body established by the Adelaide Park Lands Act 2005, as a subsidiary of Adelaide City Council

Message from the Presiding Member



Adelaide's Park Lands are an important part of what make this City so special. Visited over ten million times each year, they host thousands of events and sporting matches while at the same time providing a tranquil respite from the hustle and bustle of the City.

The Adelaide Park Lands Authority aims to protect this special relationship between City and Park Lands and is proud to have produced an exciting new Strategy which, in simple language, shapes the future of the Park Lands.

In developing the new Adelaide Park Lands Management Strategy, the Authority listened closely to what the community had to say and then worked with Adelaide City Council and the State Government to develop a document we could all agree on.

As testimony to the success of this project, the Strategy has won awards from both the Australian Institute of Landscape Architects and the Planning Institute of Australia.

The State Government and the City of Adelaide has already started to implement the new Strategy by commencing construction of new play facilities, a dog park and promenade in Pityarilla (Park 19) in the south Park Lands.

In addition, the Authority has had input into several other enhancement projects including new sporting facilities in Narnungga (Park 25), opposite the new Royal Adelaide Hospital, and in Tampawardli (Park 24) south of Adelaide High School.

At the other end of the Park Lands spectrum, the Authority provided advice on a new community garden project and provided financial support (through Council) for the Adelaide Park Lands Art Prize, an initiative of the Adelaide Park Lands Preservation Association which promotes artistic interpretation of the Park Lands.

The Authority continues to play an important and meaningful role in advising Adelaide City Council and the State Government on a range of Park Land matters.

I would like to extend my thanks to Jane Chapman, Dr Anne Sharp, Carolyn Wigg, Professor Emeritus Damien Mugavin, as well as Councillors Sandy Verschoor and Alex Antic, who reached the end of their appointments and contributed so much to the work of the Authority.

In turn I welcome the new appointments of Sally Smith as Deputy Presiding Member, Chris Kwong, Anita Allen and Councillors Sandy Wilkinson and David Slama. I also welcome back Stephanie Johnston, a former appointee.

Along with the other members of the Authority, I hope you continue to enjoy the many and varied opportunities across the wonderful Adelaide Park Lands.

A stylized, handwritten signature in black ink, appearing to read 'Martin Haese'.

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

The Year in Review

The year was spent making significant steps toward delivery of the “Big Moves” (major projects) included in the Adelaide Park Lands Management Strategy 2015-2025, which was adopted by Council in November 2016.

The new Strategy sets the context for management of the Park Lands and the operations of the Authority. With a new vision, fresh objectives, outcomes, strategies and projects for the Park Lands, the Strategy reflects the diverse range of views and ideas from the community.

During the year the Strategy received two prestigious awards:

- The 2017 Australian Institute of Landscape Architects SA Award for Landscape Planning
- A Commendation in the Planning Institute of Australia 2016 Awards for Best Planning Ideas (Large).



The 2016/17 Annual Report provides a summary of the wide variety of Park Lands planning and management matters the Authority has considered over the course of the year, guided by the Strategy.

During 2016/17, the Authority has continued to work collaboratively with the State Government and neighbouring Councils in management of the Park Lands. This collaborative approach is assisted by new members on the Authority who are employed by the State Government and the significant funding provided by the State for enhancement of the Park Lands.

The Authority has received presentations, and had the opportunity advise on, a range of State Government projects such as the:

- O'Bahn City Access Project
- Torrens Junction Project
- Pityarilla (Park 19) Enhancement Project
- proposed construction of a new sewer main through the west Park Lands.

Several facilities to support use of the Park Lands have also been proposed, and the Authority has provided advice in relation to the:

- Community Hockey Hub in Tuthangga (Park 17)
- Victoria Park/Pakapakanthi Community Building
- North Park Lands Concept Plan Proposal (Park 2 and 3)
- Enhancement of Narnungga (Park 25)
- Community garden in Mirnu Wirra (Park 21W).

Advice was also provided on a range of planning and policy matters such as:

- Heritage assessment of the Adelaide Park Lands and Squares and
- Adelaide Park Lands Naming Project.

The map below provides a high-level overview of the matters addressed by the Authority, and their location. The diversity in the nature, scale and location of these initiatives is reflective of the important work of the Authority and the opportunities and tensions associated with Park Lands management, enhancement and preservation.

Image 2 - Map illustrating projects on which the Authority provided advice across the Park Lands



1. North Park Lands Concept Plan Proposal - City of Prospect (Pardipardinyilla/Park 2, Kantarilla/Park 3 and Kangatilla/Park 4)
2. Playspace (Tidlangga/Park 9)
3. Council Nursery (Warpangga/Park 10)
4. New Park Lands High School (former Reid Building)
5. Draft Strategic Plan (Adelaide Botanic Gardens)
6. Car Park (Rymill Park/Murlawirrapurka)
7. O'Bahn City Access Project (Rymill Park/Murlawirrapurka)
8. Easement for Electrical Supply (Rymill Park/Murlawirrapurka)
9. Community Building (Victoria Park/Pakapakanthi)
10. Community Hockey Club (Tuthangga/Park 17)
11. Enhancement project (Pityarilla/Park 19)
12. Little Athletics Storage Proposal and Mural (Kurangga/Park 20)
13. Veale Gardens Commemorative Chinese Rose Garden (Walyu Yarta/Park 21)
14. Community Garden (Mirnu Wirra/Park 21 West)
15. West Cemetery Management Plan (Wirraminthe/Park 23)
16. Event Space Feasibility Study, Multi-purpose Sports Building concept and Community Activity & Sports Building (Tampawardli/Park 24)
17. Bureau of Meteorology (Tampawardli/Park 24)
18. Lease and enhancement (Narnungga/Park 25)
19. Proposed City of Adelaide Helipad (Tulya Wardli/Park 27)
20. Proposed construction of a new sewer main (Tulya Wardli/Park 27)
21. Torrens Junction Project to improve rail network (Tulya Wardli/Park 27)

Advice on Park Lands Matters

During 2016/17 the Authority 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 are grouped under the five key outcomes from the Park Lands Strategy. The work of the Authority over the past year has contributed towards the achievement of these outcomes by 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.



Outcome: Dynamic, Active and Tranquil Places

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

In 2016/17 the Authority:

Little Athletics Storage Proposal and Mural Kurangga (Park 20) South-East Park Lands Precinct, adjacent to South Terrace

- Provided advice on the built form of this proposal.
- Supported the temporary retention for a three-year period of an existing shipping container adjacent the existing building in Kurangga (Park 20) to be used for equipment storage by Adelaide Eagles Little Athletics Club.
- Supported a further shipping container subject to timber dressing, artwork and plant cover, to be reviewed after three years.

New Park Lands High School former Reid Building Botanic Park Lands Precinct, adjoins Frome Park/Nellie Raminyermmerin

- Provided in-principle support for the development of a high school on the site of the former Reid Building on the condition that no further built form encroachment occurs into the adjacent Park or Botanic Park.
- Provided advice on matters relating to the recreational needs of the students, the interface with the surrounding Park Lands and sustainable transport options.

Multi-purpose Community Activity & Sports Building Tampawardli (Park 24) West Park Lands Precinct, adjacent to West Terrace

- Received a presentation from City of Adelaide staff on optimising use of the events space in this Park through a feasibility study.
- Provided advice on access to the site and infrastructure requirements on site.
- Received a presentation from the Adelaide Comets Football Club and the architects about a proposed sports building concept, advising on Park Lands matters such as built form, community access to the facility, footprint and tenure.

Community Hockey Hub Tuthangga (Park 17) South-East Park Lands Precinct, adjacent to Greenhill Road

- Received a presentation by the architects and Adelaide Hockey Club regarding the concept to establish two synthetic surface hockey pitches and a new sports building.
- Advised on Park Lands matters such as footprint, built form, tenure, community access to the facility, impact on other Park Lands users and the need for community consultation.
- Requested explanation about the different uses of the building, access, justification for the wet turf, clarity around tenure, and how it will contribute to Council's Carbon Neutral Adelaide objectives given the footprint of the project.

Community Building Victoria Park/Pakapakanthi Victoria Park Precinct, adjacent to East Terrace

- Noted results of community engagement undertaken on the proposal to establish community amenities to support use of the southern sports fields.
- Supported construction of a prefabricated amenities building adjacent to the Central Gardens.
- Advised on the need to link demolition of the existing cream brick building at the northern end of the Park with construction of the new facility.

Pityarilla (Park 19) Activity Hub

Pityarilla (Park 19)

South-East Park Lands Precinct, adjacent to Glen Osmond Road

- Received an update on the State Government funding of the enhancement of the park via a \$5m grant from the Park Lands Demonstration Project Fund.
- Noted that the project includes:
 - » An upgrade to Marshmallow Playground
 - » Improved community court facilities
 - » A community plaza space which can facilitate pop-up events
 - » Landscaped and lit promenade for improved cycling and pedestrian connections
 - » Nature and wild play experiences.
- Was informed about a successful community engagement day conducted in this Park.

Multi-Year Event Licences

- Supported the approach of the Park Lands Event Management Plan to prepare a series of multi-year event licences in the Park Lands to provide greater certainty for event managers.

North Park Lands Concept Plan Proposal

Pardipardinyilla (Park 2), Kantarilla (Park 3) and Kangatilla (Park 4)

North Park Lands Precinct, adjacent to the City of Prospect

- Received a presentation on a proposal from the City of Prospect to enhance this part of the Park Lands. The Authority noted alignment with the Strategy.
- That the Adelaide Park Lands Authority Advised that it sees merit in submitting a funding submission to the State Government for progression of the North Park Lands Concept Plan Proposal given that the elements of the proposal generally align with the directions of the Adelaide Park Lands Management Strategy 2015-2025.
- Noted the future interests of Blackfriars Priory School in Pardipardinyilla (Park 2).

Lease and Enhancement

Narnungga (Park 25)

West Park Lands Precinct, adjacent to West Terrace

- Received a report about the consultation results and a presentation from the South Australian Cricket Association (SACA) about the proposed new multi-use community sports facility in the park.
- Provided advice about tenure, consultation, built form and community access to the proposed facility.
- Noted that no negative responses were received during consultation and that the matters identified during consultation were addressed by Administration.

Playspace

Tidlangga (Park 9)

North- East Park Lands Precinct, near Bundeys Road

- Received an update about the launch of the playspace in this Park

Other Matters

- Noted Clipsal 500 Declarations to facilitate the 2017 motorsport event in the east Park Lands.
- Received an Eminent Persons Statement regarding Prospective Private and Commercial Development on the Park Lands.
- Received an update on operations of the dry zone in the Park Lands.

Outcome: 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 2016/17 the Authority:

O'Bahn City Access Project Rymill Park/Murlawirrapurka East Park Lands Precinct

- Provided ongoing input responding to presentations on the planning process for the new O'Bahn City Access project and its Park Lands impacts such as pedestrian access, design of the entrance (portal) and landscaping.
- Requested an update on the planned doubling of car parking between the Wine Centre and Plane Tree Drive and the area around the Botanic Gardens administration buildings on Hackney Road.

Proposed City of Adelaide Helipad Tulya Wardli (Park 27) Riverbank Precinct, near Morphett Street Bridge

- Noted the summary report of the Helicopter Landing Facility Environmental and Social Assessment for five possible helipad sites in the City of Adelaide.
- Noted that a helipad located anywhere within the City of Adelaide would have varying degrees of environmental and social impacts to the City.
- Noted that all five possible helipad sites investigated could be viable, with varying degrees of environmental, planning and social impacts which needed to be addressed.
- Supported Administration exploring the opportunity to establish a helipad in Bonython Park / Tulya Wardli (Park 27), west of the Morphett Street bridge, based on having the least environmental, planning and social impacts to address.

Car Park Rymill Park / Murlawirrapurka East Park Lands Precinct, adjacent to Dequetteville Terrace

- Supported changes to parking provisions within this public car park to facilitate visitor access to the Adelaide Bowling Club (ABC) and Rymill Park.

Torrens Junction Project to improve the rail network Tulya Wardli (Park 27) Bonython Park Precinct, adjacent to Park Terrace

- Received a presentation from Department of Planning Transport and Infrastructure about the Torrens Junction Project, a \$443 M project to enhance productivity of the national freight rail network, improve transport safety and improve rail passenger infrastructure.
- Provided advice on Park Lands matters such as landscaping, pedestrian/cyclists movement, impact on fauna and the subterranean works.

Easement for Electrical Supply Rymill Park/Murlawirrapurka East Park Lands Precinct, adjacent to Bartels Road

- Received a report about an easement for electrical supply to underground services and provide improved lighting.
- Requested and received information about how roads are selected for undergrounding and the type of lighting selected.

Park Lands Trail

- Raised questions about signage of the Park Lands Trail, a ring loop which passes through the entire Park Lands providing access for pedestrians and cyclists, and its promotion to the public and visitors.
- Requested line markings to clearly identify the Trail from other Park Lands paths.
- Received information about the rollout of new wayfinding for the City and Park Lands which will make the Trail easier to navigate.
- Requested that the State Government and Council be asked to allocate funds to the Authority so it can contribute to enhancement of the Park Lands Trail.

Park Lands Policy

- Requested and received information about Park Lands policy relating to built development, car parking and fencing of areas of Park Lands which exclude the public, including the nature of the fencing and any advertising material.

Outcome: Welcoming and Attractive Places

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

In 2016/17 the Authority:

**Veale Gardens Commemorative Chinese Rose Garden
Walyu Yarta (Park 21)
South-West Park Lands Precinct, adjacent to South
Terrace**

- Supported this as the location of the proposed Commemorative Chinese Rose Garden designed 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.
- Discussed the purpose and use of a potential new building in Veale Gardens.

Community garden

Mirnu Wirra (Park 21W)

South-West Park Lands Precinct, adjacent to Greenhill Road

- Supported in principle a proposed community garden in this Park in the south-west Park Lands and recommended that community consultation be undertaken to seek the views of the community and adjacent residents.
- Sought clarity about how the proposal aligns with the Strategy.
- Considered a report which explained about directions to not fence the site, limit its size and community consultation and an expression of interest (EOI) process being undertaken.

Outcome: Sustainable and Enduring Places

Places that thrive in the face of a changing climate.

In 2016/17 the Authority:

**Bureau of Meteorology Weather Station
Tampawardli (Park 24)
West Park Lands Precinct, west of Adelaide High School**

- Noted that Bureau of Meteorology launched its new weather station, and that weather monitoring has a long history in the Park Lands dating back to 1838 when Sir George Kingston began measuring rainfall in the Park Lands and the latest new generation technology to measure all types of weather events.
- Received information about interpretive signage at the site to explain the history of the weather station and information about how it operates.

Council Nursery

Warnpangga (Park 10)

North-East Park Lands Precinct, adjacent War Memorial Drive

- Supported the retention of the Council Nursery in its current location in line with the directions of the Strategy noting:
 - » the current central location supports efficient maintenance of the Park Lands
 - » the Administration continues to investigate alternative sites.

Proposed Construction of a New Sewer Main

Tulya Wardli (Park 27)

West Park Lands Precinct, adjacent Port Road

- Received a presentation from SA Water on the Western Adelaide Wastewater Network Upgrade with the purpose of managing increased demand and noting the options which were investigated
- Advised on Park Lands matters such as tree removal, Aboriginal heritage sites and landscaping

Outcome: Memorable and Distinctive Places

Places celebrating Adelaide's unique natural and cultural heritage.

In 2016/17 the Authority:

Adelaide Park Lands Naming Project

- Provided in-principle support for the proposed additional non-indigenous Park Lands names developed by the Park Lands Naming Committee, a committee of the Authority, noting that community and stakeholder consultation would occur.

Heritage assessment of the Adelaide Park Lands and Squares

- Received a presentation from the Department of Environment, Water and Natural Resources about the South Australian Heritage Council decision to consider the assessment of the Park Lands for State heritage listing.
- Noted that heritage assessment was being undertaken by consultants with an anticipated completion date of August 2017.
- Sought information on the impacts of State Government Planning Reform on the National Heritage values of the Park Lands and as a result noted Council's ongoing monitoring of planning reform, potential State heritage listing of the Park Lands and the primacy of the Commonwealth Environment, Protection and Biodiversity Conservation Act 1999 which controls the National Heritage listing.

Park Lands Art Prize

- Received a deputation from the Adelaide Parklands Preservation Association on the Adelaide Park Lands Art Prize noting past financial support received from Council (through the Authority's budget) and the continuing success of this initiative.
- Noted that generous prize money has ensured high quality entries and the prize will next be held in 2018. Note that some of the entries have been used to illustrate this Report.

West Cemetery Management Plan

Wirrarninthe (Park 23)

West Park Lands Precinct, adjacent to West Terrace

- Received a presentation from the Adelaide Cemeteries Authority about the management plan and future management of the Cemetery
- Advised about the alternative options which were presented to extend the cemetery boundaries

Draft Strategic Plan

Adelaide Botanic Gardens

Botanic Park Lands Precinct

- Received a presentation on the draft Strategic Plan for the Adelaide Botanic Gardens by Dr Lucy Sutherland, Director of the Botanic Gardens of South Australia and State Herbarium, noting the key focus areas of the Plan are the Gardens as destinations, science supporting SA's management of natural resources and lifelong learning

Park Lands Rambles

- Members were invited by the Presiding Member of the Authority, as Lord Mayor, to attend the Park Lands Rambles, to be held on quarterly Sunday mornings.
- Noted that community members would also be invited to attend.

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.

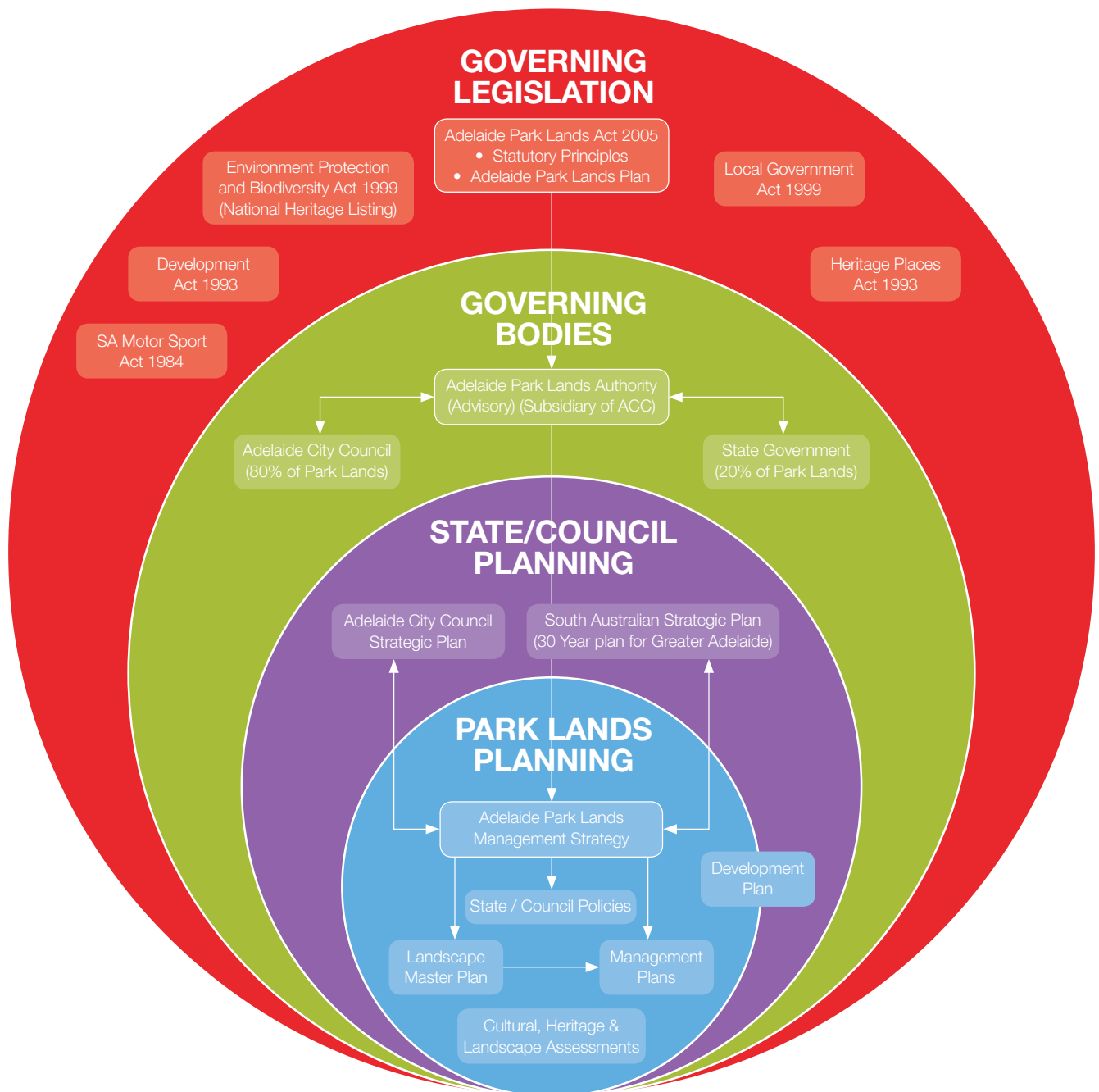
Within the Governance and Planning Framework, shown in Figure 2, the Authority was established to undertake the following Functions, as set out at section 9 of the Adelaide Park Lands Act 2005:

- 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 tenth financial year from 1 July 2016 through 30 June 2017.

Image 3: 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 Meeting Attendances

Membership

Pursuant to section 6 of the Adelaide Park Lands Act 2005, membership of the Adelaide Park Lands Authority comprises:

- The Lord Mayor (unless the Lord Mayor elects not to accept the position – in which case Council appoints someone else)
- Four members appointed by Council
- Five members appointed by the Minister responsible for the Adelaide Park Lands Act 2005.



*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*

During the 2016/17 financial year the following people served as members of the Authority:

Period 1 July 2016 to 31 December 2016	Period 1 January 2017 to 30 June 2017
Presiding Member	
The Right Honourable the Lord Mayor, Martin Haese	The Right Honourable the Lord Mayor, Martin Haese
Ministerial appointments	
Dr Rosemary Anne Sharp, Deputy Presiding Member Appointed 18 February 2016 to 31 December 2016. Previously appointed 18 February 2010 to 15 February 2013 and 31 October 2013 to 12 February 2016.	Ms Sally Smith, Deputy Presiding Member Appointed 2 February 2017 to 31 December 2018.
Ms Jane Chapman Appointed 10 March 2016 to 31 December 2016. Previously appointed 13 February 2012 to 12 February 2015 and 10 March 2015 to 9 March 2016.	Ms Anita Allen Appointed 2 February 2017 to 31 December 2018.
Mr Roger Zubrinich Appointed 18 February 2016 to 31 December 2016. Previously appointed 31 October 2013 to 12 February 2016.	Mr Chris Kwong Appointed 2 February 2017 to 31 December 2018.
Ms Elaine Bensted (Deputy to Mr Zubrinich) Appointed 31 October 2013 to 12 February 2016. Re-appointed 18 February 2016 to 31 December 2016	Ms Stephanie Johnston Appointed 2 February 2017 to 31 December 2018. Previously appointed 31 October 2013 to 12 February 2016 and 18 February 2016 to 31 December 2016 (as Deputy to Emeritus Professor Damien Mugavin).
Emeritus Professor Damien Mugavin Appointed 18 February 2016 to 31 December 2016.	Emeritus Professor Damien Mugavin (Deputy to Ms Stephanie Johnston) Appointed 2 February 2017 to 31 December 2018.
Ms Stephanie Johnston (Deputy to Emeritus Professor Damien Mugavin) Appointed 18 February 2016 to 31 December 2016.	Mr Roger Zubrinich Appointed 2 February 2017 to 31 December 2018. Previously appointed 31 October 2013 to 12 February 2016 and 18 February 2016 to 31 December 2016.
Ms Carolyn Wigg Appointed 10 March 2016 to 31 December 2016.	
Council appointments	
Councillor Anne Moran Appointed 1 January 2015 to 31 December 2016. Councillor Moran was first appointed to the Authority on 14 December 2006 and has served continuously since.	Councillor Anne Moran Appointed 1 January 2017 to 31 December 2018. Councillor Moran was first appointed to the Authority on 14 December 2006 and has served continuously since.
Councillor Priscilla Corbell Appointed 1 January 2015 to 31 December 2016.	Councillor Priscilla Corbell Re-appointed 1 January 2017 to 31 December 2018.
Councillor Alex Antic Appointed 1 January 2015 to 31 December 2016. Resigned 21 October 2016	Councillor David Slama Appointed 1 January 2017 to 31 December 2018.
Councillor Sandy Verschoor Appointed 1 February 2016 to 31 December 2016.	Councillor Sandy Wilkinson Appointed 1 January 2017 to 31 December 2018.

Meeting Attendances

The Authority held 11 meetings during the 2016/17 financial year. Attendance at meetings was recorded as follows:

Period 1 July 2016 to 31 December 2016			Period 1 January 2017 to 30 June 2017		
Authority Member	Eligible Meetings	Meetings Attended	Authority Member	Eligible Meetings	Meetings Attended
Presiding Member Lord Mayor Martin Haese	6	6	Presiding Member Lord Mayor Martin Haese	5	5
Dep. Presiding Member Dr Anne Sharp	6	4	Dep. Presiding Member Sally Smith	5	4
Ms Jane Chapman	6	6	Anita Allen	5	5
Mr Roger Zubrinich	6	5	Chris Kwong	5	4
Ms Elaine Benstead (Dep for Roger Zubrinich)	1	1	Stephanie Johnston	5	5
Emeritus Prof Damien Mugavin	6	6	Emeritus Prof Damien Mugavin (Dep for Stephanie Johnston)	0	0
Stephanie Johnston (Dep for Damian Mugavin)	0	0	Mr Roger Zubrinich	5	5
Carolyn Wigg	6	6			
Councillor Anne Moran	6	4	Councillor Anne Moran	5	5
Councillor Alex Antic	4	2	Councillor Priscilla Corbell	5	4
Councillor Priscilla Corbell	6	4	Councillor David Slama	5	2
Councillor Sandy Verschoor	6	4	Councillor Sandy Wilkinson	5	5

(in discussions about the business plan and budget for next fin year)

The Authority requested a report on the following matters relating to its operations, relating to:

- Increasing website presence and promotion of the Authority and Park Lands matters;
- Proposals to raise the profile of the Authority and Park Lands matters; and
- Removal of the use of acronyms including the current Adelaide Park Lands Authority acronym APLA.

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 2015/16

In November 2016, the Authority adopted its Annual Report for 2015/16 and forwarded a copy to the Adelaide City Council and the Minister for Sustainability, Environment and Conservation.

- Business Plan and Budget for the Authority 2017/18

In May 2016, the Authority adopted a Business Plan and Budget for the 2016/17 financial year, which was subsequently endorsed by Council.

Performance against 2016/17 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 2016 to June 2017 was adopted at its meeting held on 19 May 2016.

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 2017 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.

During the 2016/17 financial year the following people served as members of the Authority:

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"> • Raising public awareness of their importance; • Increased, appropriate use; and • Responsible management. 	<p>1. At least 12 meetings of the Authority held per year</p> <p>2. Advice provided to Council and State Government in a timely manner</p> <p>3. Receive at least two presentations on Park Lands planning and management related matters per year</p> <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"> • 11 ordinary meetings • one site visit • no special meetings <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 State Government and Council projects including 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 new Park Lands High School in the CBD. Together the planning and policy advice provided reflects the diversity and complexity of the Park Lands as a National Heritage Listed park system.</p>

SUPPORTING RESPONSIBILITIES			
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 2016/17 adopted 19 May 2016
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 2016/17 was adopted prior to 30 September 2016
The Authority is insured according to the requirements of the Local Government Mutual Liability Scheme	Insurance Requirements	The Local Government Mutual Liability Scheme insures the Authority	Insurance cover is current

ADELAIDE PARK LANDS AUTHORITY
General Purpose Financial Statements
for the year ended 30 June 2017

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 2017 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

Date: 6th October 2017

Statement of Comprehensive Income

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
INCOME			
Grants, Subsidies and Contributions	2	159	175
Total Income		159	175
EXPENSES			
Materials, Contracts & Other Expenses	3	159	175
Total Expenses		159	175
OPERATING SURPLUS / (DEFICIT)		-	-
TOTAL COMPREHENSIVE INCOME		-	-

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

Statement of Financial Position

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash & Cash Equivalents	5	1	1
Total Current Assets		1	1
Total Assets		1	1
NET ASSETS		1	1
EQUITY			
Accumulated Surplus		1	1
TOTAL EQUITY		1	1

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

Statement of Changes in Equity

for the year ended 30 June 2017

\$ '000	Accumulated Surplus	Total Equity
2017		
Balance at the end of previous reporting period	1	1
Net Surplus / (Deficit) for Year	-	-
BALANCE AT THE END OF PERIOD	1	1
2016		
Balance at the end of previous reporting period	1	1
Net Surplus / (Deficit) for Year	-	-
BALANCE AT THE END OF PERIOD	1	1

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

Statement of Cash Flows

for the year ended 30 June 2017

\$ '000	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	159	175
Payments		
Operating Payments to Suppliers & Employees	(159)	(175)
Net Cash provided by (or used in) Operating Activities	-	-
Net Increase (Decrease) in Cash Held	-	-
CASH & CASH EQUIVALENTS AT END OF PERIOD	1	1

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

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, the City of Adelaide.

Note 1: Summary of Significant Accounting Policies (continued)

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 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 2017.

Adelaide Park Lands Authority (APLA) has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year APLA has applied AASB 124 Related Party Disclosures for the first time. As a result, APLA has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 7.

The Authority has not adopted any of the following standards early.

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*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 13 February 2017:

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

Effective for annual reporting periods beginning on or after 13 December 2017:

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

Effective for annual reporting periods beginning on or after 1 January 2018:

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

Note 1: Summary of Significant Accounting Policies (continued)

Effective for annual reporting periods beginning on or after 1 January 2019:

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

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	2017	2016
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other Grants, Subsidies & Contributions	159	175
TOTAL GRANTS, SUBSIDIES, CONTRIBUTIONS	159	175
Sources of grants		
Other - City of Adelaide	159	175
TOTAL	159	175

Note 3: Expenses

\$ '000	2017	2016
MATERIALS, CONTRACTS AND OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration	1	1
Subtotal - Prescribed Expenses	1	1
Other Materials, Contracts and Expenses		
Contractors	127	132
Advertising	1	1
Insurance	14	13
Sitting Fees	6	13
Sponsorship	-	10
Legal Expenses	9	-
Sundry	2	5
Subtotal - Other Material, Contracts & Expenses	158	174
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES	159	175

Note 4: Current Assets

\$ '000	2017	2016
CASH & CASH EQUIVALENTS		
Cash on Hand at Bank	1	1
TOTAL CASH & CASH EQUIVALENTS	1	1

Note 5: Reconciliation to Cash Flow Statement

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.

\$ '000	Notes	2017	2016
(A) RECONCILIATION OF CASH			
Total Cash & Cash Equivalents	4	1	1
BALANCES AS PER CASH FLOW STATEMENT		1	1
(B) RECONCILIATION OF CHANGE IN NET ASSETS TO CASH			
Net Surplus (Deficit)		-	-
NET CASH PROVIDED BY (OR USED IN) OPERATIONS		-	-

Note 6: Uniform Presentation of Finances

The following is a high level summary of both operating and capital investment activities of the Adelaide Park Lands Authority prepared on a simplified Uniform Presentation Framework basis. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

\$ '000	2017	2016
Income	159	175
less Expenses	(159)	(175)
OPERATING SURPLUS / (DEFICIT)	-	-
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	-	-

Note 7: Related Party Transactions

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Adelaide Park Lands Authority Authority include all of the Board members.

\$ '000	2017
The compensation paid to Key Management Personnel comprises:	
Allowances and other short-term benefits paid by APLA to KMP	9,415

Amounts paid as direct reimbursement of expenses incurred on behalf of APLA have not been included above.

OTHER RELATED PARTY TRANSACTIONS

Adelaide Park Lands Authority contracts staff from the City of Adelaide with the on-charge totalling \$119,663 for the year.
The City of Adelaide provides an annual contribution to APLA matching the total expenditure incurred during the financial year.



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Adelaide Park Lands Authority ('the Authority'), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of the Adelaide Park Lands Authority, presents fairly, in all material respects, the Authority's financial position as at 30 June 2017 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the *Local Government Act 1999* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Authority, would be in the same terms if given to the Authority as at the time of this auditor's report.

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

The 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.

In preparing the financial report, the Authority's officers are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority's officers either intend to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

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

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle
Director

Adelaide, 10 October 2017



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420 King William Street
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the Adelaide Park Lands Authority for the year ended 30 June 2017, 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, 24 August 2017

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ADELAIDE PARK LANDS AUTHORITY
General Purpose Financial Statements
for the year ended 30 June 2017

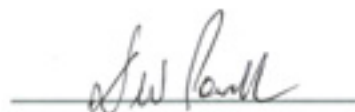
Certification of Auditor Independence

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 2017, 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: 9th October 2017

RUNDLE MALL ANNUAL REPORT 2016-2017

UNFOLD RUNDLE
MALL

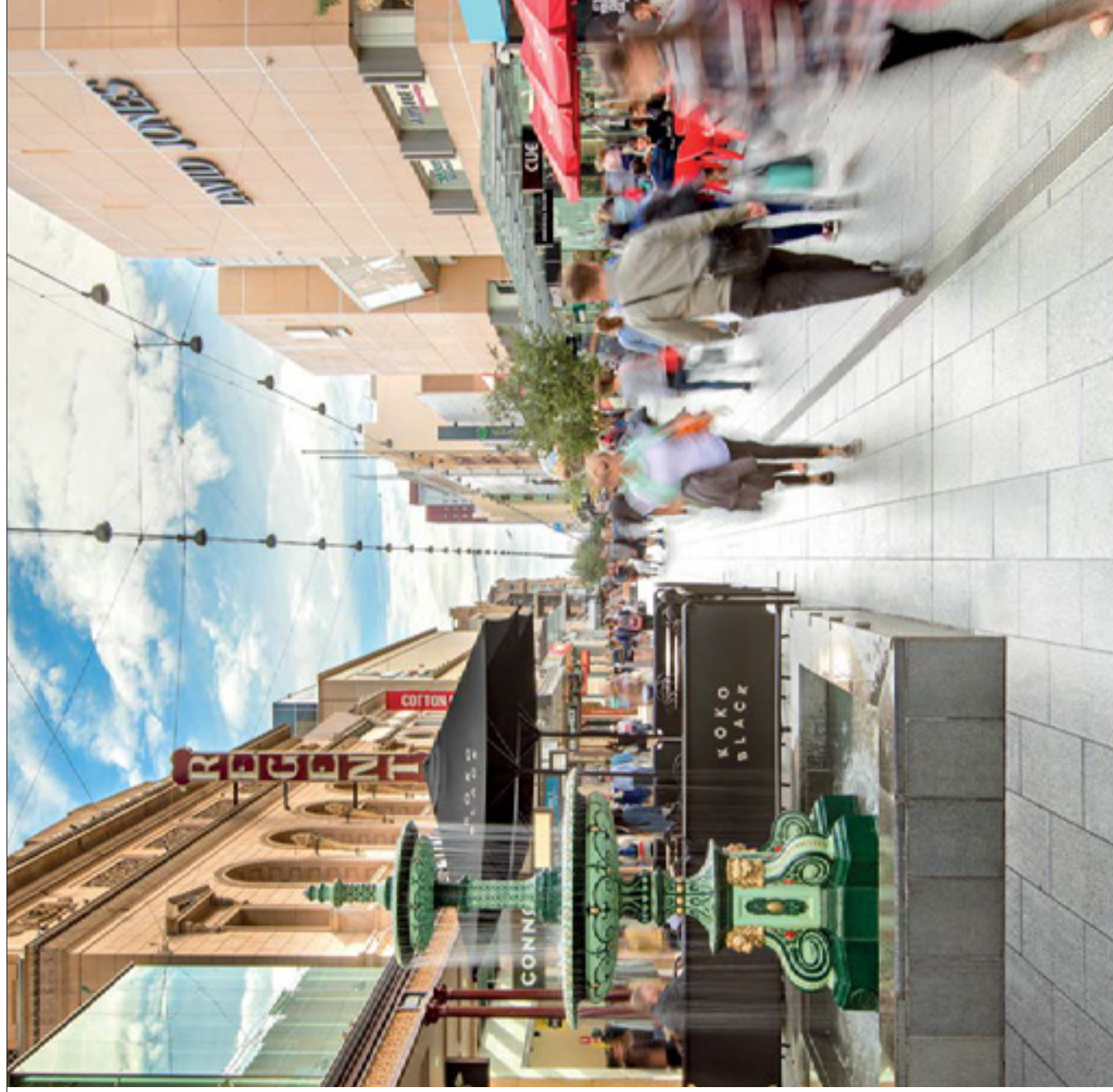






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ANNUAL REPORT SUMMARY

This Annual Report has been prepared by the Rundle Mall Management Authority (RMMA).

The Rundle Mall Management Authority Charter 2017 makes specific reference to the preparation of an Annual Report in Section 35:

The Authority must submit to the Council by 30 September in each year in respect of the immediately preceding Financial Year, the Annual Report on the work and operations of the Authority detailing achievement of the aims and objectives of its Business Plan and incorporating the audited Financial Statements of the Authority and any other information or reports as required by the Council.

As such, this Annual Report reflects the RMMA's Financial Year 2016/17 Business Plan objectives and Audited Financial Statements.

The Rundle Mall Precinct is bound by North Terrace, King William Street, Grenfell Street and Pulteney Street and is home to four leading department stores, 16 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.

The Rundle Mall Differential Separate Rate is the primary income stream for the activities of the RMMA. In FY16/17, it was levied at \$0.03611 per dollar of property value, and raised \$3,650,759 for the RMMA. These funds are levied by Council and provided to the Authority to expend in accordance with the Annual Business Plan and Budget and on projects specifically designated and approved by Council (section 8.3 of the Charter).





LETTER FROM THE CHAIRMAN

In a year filled with tragic events around the world, the 2016/17 financial year saw the RMMA focus on ensuring that stakeholders, retailers and visitors alike feel safe when they visit the Rundle Mall Precinct. The City of Adelaide took a strong lead on infrastructure projects to support public safety within the Precinct on which the RMMA was proud to partner. Rundle Mall remains a busy and vibrant public space, and the heart of Adelaide shopping, with measures in place to support this position.

Having secured an outstanding Board full of talented professionals who bring an impressive range of skills and experience to the governance and strategy of the Precinct, the 2016/17 financial year provided the Board with an opportunity to review and reevaluate the strategic direction of Rundle Mall. As such, and having taken into consideration environmental changes impacting Rundle Mall, the Board created and sought endorsement for the Rundle Mall Strategic Plan 2017 – 2022.

Constructed to build on the good work of the Authority outlined herein, the new strategic plan positions the RMMA to continue to be renowned as Adelaide's premier, smart and authentic heart, that connects people to new retail, property and place experiences. Our stated purpose is to attract more people to the Rundle Mall Precinct, encourage them to dwell longer, and to enjoy their experience.

The RMMA's focus is now squarely on four areas:

- **Information** – to better understand our customers attitudes and behaviours and share this with stakeholders
- **Customer Experience** – to ensure the experiences we offer are relevant, enjoyable and appreciated
- **Capital Works** – to influence capital projects for precinct growth and improvement and to minimise negative impacts; and
- **Brand** – to position Rundle Mall as the premier retail destination in South Australia.

The Board continue to focus on retaining the uniqueness of the Rundle Mall Precinct and facilitating stakeholders to make sound commercial decisions based on relevant information.

Once again, I thank our retail, business and stakeholder community for their support and willingness to work with the Rundle Mall Management Authority, Council and contractors. It is my belief that the only way to address the changing economic landscape of our city and the retail industry is with a united approach and we are proud to lead the way.

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 the custodian of visitor experience in the City of Adelaide. As such, it was the goal of the RMMA to solidify this position in the 2016/17 financial year; a goal that was exceeded through the talent and hard work of the RMMA team and the execution of new and interesting place experiences.

Rundle Mall continues to be a public space with which the people of South Australia have a real connection; a connection that in FY16/17 allowed the RMMA to celebrate the Mall's 40th Birthday and encourage visitors to experience the wonder of Christmas.

At the Rundle Mall Management Authority, our guiding principles are integral to all that we execute. As such, the principles of customer centricity, experience, partnerships and creativity & innovation were evident in two of the most impressive and impactful Precinct campaigns executed during the 2016/17 financial year, The Festive Forest and Urban Pantry.

The Festive Forest filled Rundle Mall with a sensory experience unlike any seen before. Over 150 real Christmas trees filled the Mall with their unmistakable scent, adorned with 5,000 baubles and 50,000 twinkling fairy lights to create a new place experience that took a team of people 4 nights to install. These Christmas installations not only acted to enhance people's shopping experience though, they created an exciting Christmas buzz for people who lived and worked in the city and visited the Mall during the season.

As the centre of our city and a destination for both locals and visitors alike, partnering with Tasting Australia to deliver The Urban Pantry and Grazing Trail gave Rundle Mall an incredible opportunity to showcase many iconic food retailers who call the Mall home, along with a huge range of cafes, independent operators and local SA Brands stocked in some of the leading

supermarkets in South Australia. The Grazing Trail provide a fun and curated exploration of the Rundle Mall Precinct for visitors to locate ten unique cafes, restaurants and retailers and be rewarded with free samples and tastings.

Despite the nature of events and activations in Rundle Mall, online shopping continues to demand a larger market share than Rundle Mall from Rundle Mall's own customers. As such, it is imperative that the retail community remain vigilant to the changing economic landscape and acknowledge the threat that online shopping poses to CBD retail and the important and integral community connection that comes from visiting the heart and hub of South Australia.

Providing exceptional experience in-store is the primary way for retailers to combat online sales, so the RMMA will continue to promote the Rundle Mall precinct as much more than the mall; a place that has a large, diverse and inclusive offering with something for everyone. Further, the RMMA is proud to have sought and received support from the City of Adelaide to execute Stage 2 of the Rundle Mall Masterplan, securing a \$7.85million investment in Gawler Place North and South, the development of which will add to the amenity available to customers in Rundle Mall and add to the sense of Precinct opportunity with the addition of an important north-south connector.

The Rundle Mall Management Authority continues to focus on ensuring that Rundle Mall is the optimum environment for people to meet, traders to trade, investors to invest; shoppers to shop and visitors to visit, and I look forward to leading the stakeholders of the Rundle Mall Precinct through the next challenging phase of retail change.

AMANDA GROCOCK MBA | General Manager
Rundle Mall Management Authority



THE RMMA

THE BUSINESS

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

OUR VISION

To be renowned as Adelaide's premier, smart and authentic heart, that connects people to new retail, property and place experiences.

OUR MISSION

To represent the interests of a diverse stakeholder community by focusing on People, Property, Place and Performance.

The RMMA will continue to focus on providing the optimum environment for people to meet, traders to trade, investors to invest, shoppers to shop and visitors to visit.

OUR GUIDING PRINCIPLES

CUSTOMER CENTRIC

Everything must focus on the experience and needs of the customer and meet and exceed their expectations.

EXPERIENCE

Must be a unique and memorable customer experience that differentiates Rundle Mall from our competitors and integrates with our partners, supporters and stakeholder sponsored events and activities.

SMART ADOPTER OF TECH CHANGE

Ensure the necessary technological infrastructure and smart support is in place for stakeholders to achieve their goals.

PARTNERSHIPS

Strengthen existing partnerships and continue to forge new professional relationships and alliances using synergies and physical links to adjoining Precincts and leveraging the RMMA's relationship with The City of Adelaide.

FINANCIAL SUSTAINABILITY

Deliver sound economic growth and viable returns on investment.

CREATIVITY AND INNOVATION

Deliver all activity with creativity and innovative thinking.

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, seven fulltime staff with responsibility for marketing and events. Two additional part-time employees resource program administration.

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 RMMA's Board of Directors and staff remain ever cognisant of the need to enhance and support positive commercial outcomes within the precinct at every opportunity. A highly successful Mall is a catalyst for similar outcomes within neighbouring precincts and for added relevance and vibrancy within the wider City of Adelaide.

The Rundle Mall Precinct is bound by the Southern side of North Terrace, the eastern side of King William Street, the Northern side of Grenfell Street, the Western side of Pulteney Street and all of the land in-between. Comprising of approximately 700 retail stores and 300 service based businesses, the Precinct includes 16 arcades and centres, 4 department stores and a myriad of laneways which interconnect with the Mall and the neighbouring 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 8.3 of the Charter).

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

RMMA BOARD

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.



RMMA BOARD OF DIRECTORS



CHAIRMAN
PETER JOY



DEPUTY CHAIRMAN
ROB MCKAY



COUNCILLOR
DAVID SLAMA



COUNCILLOR
NATASHA MALANI



DIRECTOR
DAVID COOKE



DIRECTOR
KATE GOULD

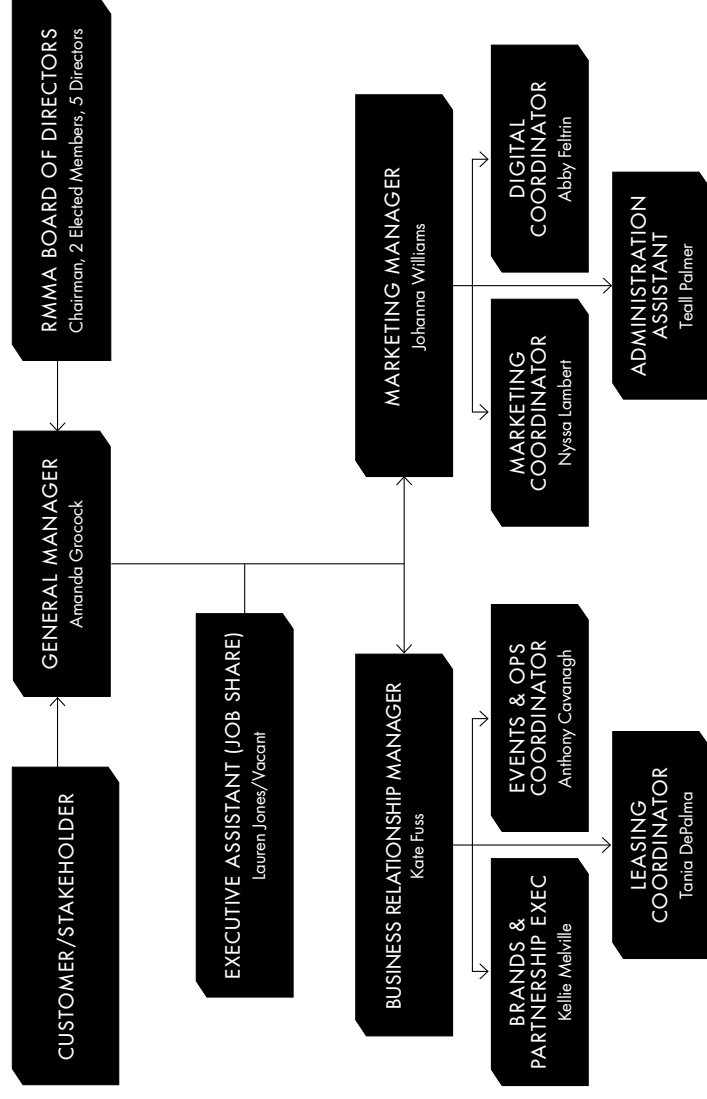


DIRECTOR
DEBORAH MILLER



DIRECTOR
LAUREN FRIED

RMMA ORGANISATIONAL CHART



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
- Financial management experience
- Local Government experience
- Planning, design or place making

During its 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 the City of Adelaide, with each party focussing on what their strategic skill set in a spirit of co-creation. The RMMA, therefore, continued its close working relationship with the City of Adelaide throughout the 2016/17 Financial Year.

STATUTORY REQUIREMENTS

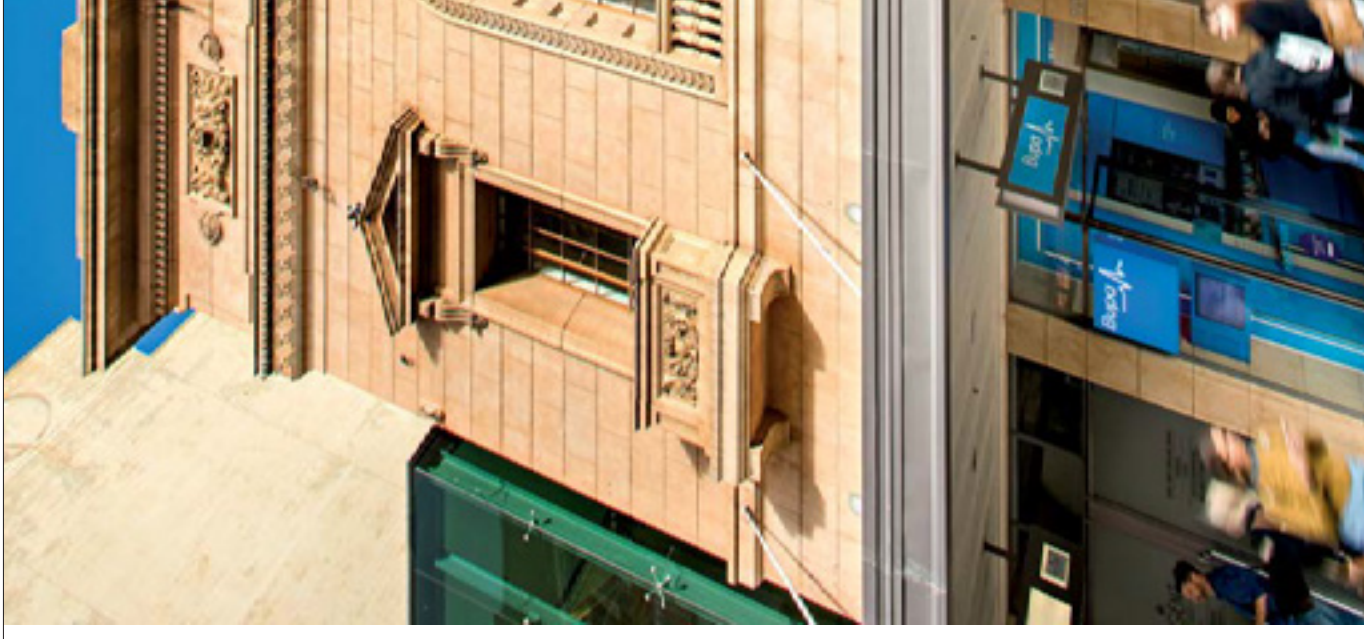
The Rundle Mall Management Authority must in accordance with its Charter submit to Council an Annual Business Plan including a financial budget for the year ahead and subsequently an Annual Report on its work and operations during the preceding financial year. The Business Plan and financial budget details 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.

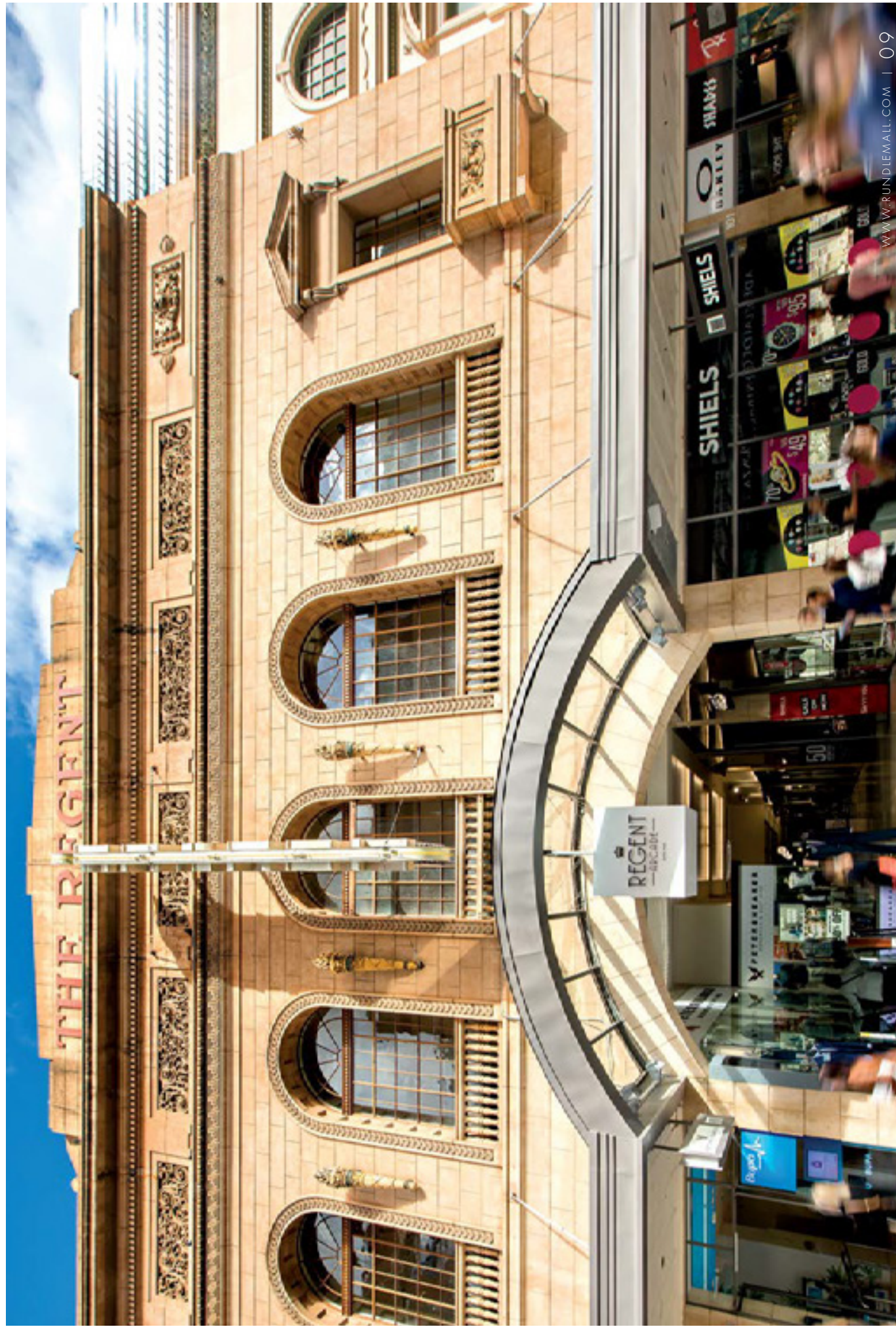
DELEGATIONS

The Board of the RMMA has been granted a number of sub-delegations from the CEO of City of Adelaide. 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 City of Adelaide negotiated an Operating Agreement. The Agreement outlines the formal working relationship between CoA 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 OUTCOMES

PEOPLE				
AIM: CREATE A PEOPLE FRIENDLY, SAFE SHOPPING EXPERIENCE				
OUTCOME: EXPERIENCE A VIBRANT, MULTI-FACETED, EVOLVING EXPERIENTIAL PLACE				
GOAL	YR 1 OBJECTIVES	HOW	STATUS	OUTCOME
Create a safe shopping precinct	Undertake quarterly meetings with SAPOL and ACC Community Safety Officers with the aim to reduce reported crime in the precinct by 5% annually	Work with the ACC to consider design improvements to deter crime	●	Engaged with CoA to review CCTV surveillance and seek improved design elements in the public realm to deter crime
		Work with RMMA and retailer security teams on approach to crime	●	Sought increased visibility of CoA Community Safety Officers to support RM Security Officers in their core duties
Encourage customer foot traffic to traverse the Rundle Mall Precinct	Lobby Adelaide City Council to continue with capital investment and staff resources to activate and upgrade all laneways between North Terrace and Grenfell Street	Work with the ACC to support the Gawler Place upgrade	●	Secured \$7million CoA investment in Gawler Place Redevelopment
		Work with the ACC to bring Public Art to activate the laneways	●	Installed public art on a CoA owned building in James Place
	Develop an Access Strategy incorporating considerations for Tram Network extensions (North Terrace East), Car Parking, Public Transport, Pedestrian Traffic, Cycling Traffic, Retail delivery vehicles etc. that is integrated with the ACC Smart Move Strategy	Invest in research to identify current access behaviour and set objectives for future strategy in line with leading precincts in order to inform the Strategy	●	Research undertaken and used to inform FY17/18 strategy
		Installation In progress in conjunction with ACC	●	Signage installed throughout the RM Precinct in conjunction with CoA

PROPERTY PARTNERSHIPS				
AIM: CREATE VIBRANT AND SMART PROPERTIES				
OUTCOME: TO DEVELOP CUSTOMER INTIMACY AND ENHANCE CUSTOMER EXPERIENCE BY ACTIVATING PROPERTIES AND LANEWAYS AND ENCOURAGING PRIVATE AND PUBLIC INVESTMENT IN THE PRECINCT				
GOAL	YR 1 OBJECTIVES	HOW	STATUS	OUTCOME
Engage with and create value for property owners	Strengthen relationship with Property Owners and Managers through quarterly network events, while encouraging investment in the precinct – grants / laneways / pop ups.	Quarterly networking events to be put in place	●	Semi-Annual Retailer Forums executed. Implemented and executed bi-monthly Property Owner & Manager meetings
		Ad hoc one on one meetings with Property Owners and Managers	●	Implemented and executed
		Actively research trends, innovative ideas and new contacts to take to Property Owners and Managers	●	International retail brands introduced to Property Owners. 'China Ready' education program offered to all Stakeholders. Engaged with CoA re: trends in retail shopfronts and its impact on Development policies
	By the end of 2016/2017 financial year, RMMA will have created a contact database for all property owners, business owners and business managers within the Rundle Mall Precinct.	Invest in CRM project	●	CRM Project scoped. Project incomplete at financial year end
Create smart vibrant properties and reduce underutilised buildings	Working with ACC and using the Precinct database contact and meet with on a quarterly basis all owners of underutilised and vacant buildings within the Precinct, collaborating with Renew Adelaide to find solutions to activate and utilise such properties	Leverage ACC Rates Department for stakeholder information	●	Information received and utilise for Stakeholder Engagement
		Build upon the already good relationship with Renew Adelaide to find innovative ways to bring spaces to life alongside the building owners.	●	Engaged with Renew Adelaide to support the launch three new businesses in Parc Arcade

KEY OBJECTIVES AND OUTCOMES

PROPERTY PARTNERSHIPS				
AIM: CREATE VIBRANT AND SMART PROPERTIES				
OUTCOME: TO DEVELOP CUSTOMER INTIMACY AND ENHANCE CUSTOMER EXPERIENCE BY ACTIVATING PROPERTIES AND LANEWAYS AND ENCOURAGING PRIVATE AND PUBLIC INVESTMENT IN THE PRECINCT				
GOAL	YR 1 OBJECTIVES	HOW	STATUS	OUTCOME
Encourage investment in the precinct	All projects will be analysed to determine if such project costs can be supplemented or matched by way of Federal/State Government grants or alternate external funding	Identify key departments to further build on relationships with the Federal and State government to ensure RMMA are kept up to date with funding opportunities.	●	Strong working relationships forged with Renewal SA, Safework SA and the Department of Planning, Transport & Infrastructure
	Promote the precinct as a place in high demand for retailers and property owners.	Work with our PR partner to ensure a robust trade PR strategy	●	Key industry sources identified and program commenced with trade media publications
	Encourage and lobby the ACC for ongoing policy support.	Continue to build on the relationship with the ACC with particular regards to following policies:		
		Building development	●	Engaged with CoA Planning to discuss trend in retail shopfronts and their alignment to current Council policy
		Incentivising investment	●	Engaged with CoA Economic Development to reinforce the importance of Investment Attraction to the economic viability and health of the retail sector in the city

PLACE				
AIM: A PLACE TO GO FOR NEW AND UNEXPECTED EXPERIENCES				
OUTCOME: A WORLD CLASS ACTIVATED, SMART PRECINCT WITH A GLOBALLY CONNECTED, GROWING, DIVERSE, RESILIENT AND OPPORTUNITY RICH 21ST CENTURY ECONOMY				
GOAL	YR 1 OBJECTIVES	HOW	STATUS	OUTCOME
Use technology to engage people with places and events	Install and activate by the end of the 2016/2017 Financial Year five digital wayfinders within Rundle Mall.	In progress for installation and content creation	●	Contractor did not receive Development Approval. Project incomplete at financial year end
	Implement the Rundle Mall Digital & Social Media Strategies to drive connections to places, events and retailers.	Engage Digital Agency to implement strategies to full benefit	●	Engaged contractor for 12-month period
		Staff training and development in digital economy to ensure RMMA is leading by example	●	Staff training undertaken and Agency engaged
Increase the volume of activation present in the Rundle Mall Precinct	Continue to lobby ACC and the State government, and garner support from precinct retailers and hospitality providers, to increase by June 2017 Open for Business trading hours to at least 7pm Monday to Friday, within the Precinct.	Build on B2B relationships through networking events	●	Semi-Annual Retailer Forums executed
		Events Strategy to demonstrate value of evening economy	●	Strategy Framework adopted by Board in Q1 and then implemented
		Leveraging Festival period to support retailer engagement in trading hours	●	Chinese New Year, Fringe and Adelaide Festival support stage in Rundle Mall, with activity scheduled in line with trading hours

KEY OBJECTIVES AND OUTCOMES

PERFORMANCE				
AIM: GET SMART TO MEASURE OUR SUCCESS				
OUTCOME: USE SMART MEASURING AND REPORTING TO ENSURE WE ARE DELIVERING THE DESIRED OUTCOMES OF THIS PLAN				
GOAL	YR 1 OBJECTIVES	HOW	STATUS	OUTCOME
Increase retail sales, foot traffic and market share	By the end of 2016/17 financial year, RMMA and the ACC will have in place a tool to determine the current market position of the RMMA Precinct in terms of key measures such as; visitor numbers to the Precinct, retail sales, number of business operating in the Precinct, gross income for the Precinct across all sectors, building investment in the Precinct and vacancy rates within the Precinct.	Partner with ACC to implement smart technology	●	Project incomplete at financial year end
		Install people counting mechanism to give an accurate figure of visitor numbers	●	Project incomplete at financial year end
		Create sales data capture system	●	Research and data partnership undertaken to inform strategy
		Invest in CRM project	●	RMMA prioritised outcomes of CRM project
		Leverage ACC information already available (e.g. vacancies)	●	Received stakeholder information and Customer User Profile data
	Visitor numbers to the Rundle Mall Precinct are to increase 1.5% annually over the next four years of this plan.	Install people counting mechanism	●	Project incomplete at financial year end
		Post-campaign/event analysis to measure success	●	Project incomplete at financial year end
		Marketing & Events Plan	●	Executed key campaigns against marketing plan

PERFORMANCE				
AIM: GET SMART TO MEASURE OUR SUCCESS				
OUTCOME: USE SMART MEASURING AND REPORTING TO ENSURE WE ARE DELIVERING THE DESIRED OUTCOMES OF THIS PLAN				
GOAL	YR 1 OBJECTIVES	HOW	STATUS	OUTCOME
Showcase business improvements	Each year RMMA will conduct six business-to-business networking functions to develop a sense of community within the Rundle Mall Precinct and support continued learning by Rundle Mall stakeholders	Create a B2B events calendar with key topics and speakers	●	Christmas Visual Merchandising (Sept), two China Ready Workshops in partnership with SATC (Oct & May), and Fringe retailer event (Feb)
		Give businesses an opportunity to present at these functions	●	Project incomplete at financial year end
		Communicate the calendar to ensure engagement	●	Monthly communications to all Stakeholders
Use a high-level scorecard to measure our success	Work with a local university to develop appropriate Market Research to identify best retail practice measurements for a city retail sector Define measurements and optimise results from activation projects as identified in this strategy	Create scorecard based on: RMMA identified criteria International standards	●	Project incomplete at financial year end
		Set objectives and post-analyse	●	Project incomplete at financial year end
Financial Sustainability	RMMA will work with ACC to ensure the Authority has in place a Long Term Financial Plan by end of the 2016/17 Financial year.	Identify key projects for long term planning	●	Project incomplete at financial year end
		Identify risks and risk management plans	●	Risk register updated monthly and risk managed accordingly
	RMMA will explore potential external funding support from Federal and State government for Strategic Plan projects.	Identify key departments to further build on relationships with the Federal and State government to ensure RMMA are kept up to date with funding opportunities	●	Relationships established with key State Government Departments. No grant opportunities forthcoming

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 considered the general rating principles outlined in Section 150 of the Local Government Act 1999, the City of Adelaide applied a differential separate rate of \$0.03611 in the dollar of the AAV (annually assessed value) in FY16/17.

RUNDLE MALL DIFFERENTIAL SEPARATE RATE

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

In the FY16/17, the Differential Rate provided approximately \$3.651 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:

- **Marketing & Communications:** promoting the Precinct as a destination, as a place to work, meet and shop, promoting all businesses within the precinct online, and attracting international and domestic visitors.
- **Public Relations:** re-enforcing the Precinct as the heart of the city and a great place to visit, leveraging and supporting media and PR opportunities for Precinct activity and businesses.
- **Advocacy Services:** regular consultation, information sessions and communications to support ideal outcomes for the Precinct.
- **Events & Activation:** encouraging visitations, dwell time and positive sentiment for the Precinct through entertainment and engagement, and providing a new experience of a known space for employees in the Precinct.
- **Improved Precinct Economy:** attracting greater foot fall, dwell time and heightened customer experience to attract the attention of investors, property developers, brands and the industry at large.
- **Amenity Services:** the coordination of high standard amenity in the precinct including additional cleansing and security within the public realm.

SELF-GENERATED FUNDS

Section 8.9 of the Rundle Mall Management Authority Charter states that the RMMA has "The power to raise funds over and above those raised through the separate rate declared by the Council to further the Authority's objects and purposes through fees and charges". In line with this power, this document confirms that \$498,000 of self-generated funds were created via the provision of Casual Mall Leasing, Concession permits and Advertising within the 2016 - 2017 Financial Year.

UNSPENT AND CARRIED FORWARD FUNDS

Section 8.10 of the Rundle Mall Management Authority Charter states that the RMMA has "The power to accumulate surplus funds". In line with this power, this document confirms that \$381,000 was carried forward into the 2017 – 2018 Financial Year.

TOTAL INCOME: (\$'000)

DESCRIPTION	2016-17	2015-16	VARIANCE	COMMENT:
Differential Rate	3,681	3,581	70	Increase driven by increased property valuation.
Self-Generated Income	498	614	(116)	Concessions income reduced as a result of seeking suitable replacements for end of contract expiries. Print advertising reduced against FY15/16 reflective of a strategic repositioning of UNFOLD Magazine in FY16/17.
TOTAL	4,149	4,195	(46)	-

TOTAL EXPENDITURE: (\$'000)

DESCRIPTION	2016-17	2015-16	VARIANCE	COMMENT:
Advertising & Sponsorships	1,297	2,052	(755)	Fashion Parades staged in FY15/16 not staged in FY16/17. Other event design and management costs previously accounted for in 'Advertising & Sponsorships' now included in 'Contractor & Professional Services'.
Contractors & Professional Services	2,069	1,393	676	Market Research project undertaken in FY16/17, not undertaken in FY15/16. Event design and management costs previously accounted for in 'Advertising & Sponsorships' now included in 'Contractor & Professional Services'.
Security	258	210	48	Indicative of contractual increases in Security fees and event security previously reported in 'Advertising & Sponsorships' now included in 'Security'.
Premises	92	94	(2)	-
Plant & Equipment	265	84	181	Event staging/infrastructure costs previously accounted for in 'Advertising & Sponsorships' now reported in 'Plant & Equipment'.
Minor Assets	27	52	(25)	Infrastructure accounted for in FY15/16 not replicated in FY16/17.
Printing	100	42	58	UNFOLD Magazine Production costs previously accounted for in 'Advertising & Sponsorships' now included in 'Printing'.
Insurance	13	13	0	-
Catering	12	10	2	-
Car parking	7	8	(1)	-
Telephone	3	3	0	-
Tax	2	1	1	-
Bad & Doubtful Debts	(1)	16	(17)	Bad debt accounted for in FY15/16 unrequired in FY16/17.
Sundry	71	23	48	Variance attributable to Sponsorship Fees previously accounted for in 'Advertising & Sponsorships' now reported in 'Sundry'.
Auditors	1	1	0	-
TOTAL	4,215	4,002	213	-

AUDITOR'S REPORT & FINANCIAL STATEMENTS SEE APPENDIX A



RUNDLE MALL MANAGEMENT AUTHORITY

General Purpose Financial Statements

for the year ended 30 June 2017

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 2017 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

Date: 7/06/17

Statement of Comprehensive Income

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
INCOME			
Rates Revenue	2	3,651	3,581
User Charges	2	498	614
Total Income		4,149	4,195
EXPENSES			
Materials, Contracts & Other Expenses	3	4,215	4,002
Total Expenses		4,215	4,002
OPERATING SURPLUS / (DEFICIT)		(66)	193
TOTAL COMPREHENSIVE INCOME		(66)	193

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

Statement of Financial Position

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Trade & Other Receivables	4	382	461
Total Current Assets		382	461
Total Assets		382	461
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5	1	15
Total Current Liabilities		1	15
Total Liabilities		1	15
NET ASSETS		381	447
EQUITY			
Accumulated Surplus		381	447
TOTAL EQUITY		381	447

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

Statement of Changes in Equity

for the year ended 30 June 2017

\$ '000	Accumulated Surplus	Total Equity
2017		
Balance at the end of previous reporting period	447	447
Net Surplus / (Deficit) for Year	(66)	(66)
BALANCE AT THE END OF PERIOD	381	381
2016		
Balance at the end of previous reporting period	254	254
Net Surplus / (Deficit) for Year	193	193
BALANCE AT THE END OF PERIOD	447	447

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

Statement of Cash Flows

for the year ended 30 June 2017

\$ '000	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Operating Receipts	4,229	3,997
Payments		
Operating Payments to Suppliers and Employees	4,229	(3,997)
Net Cash provided by (or used in) Operating Activities	-	-
Net Increase (Decrease) in Cash Held	-	-
CASH & CASH EQUIVALENTS AT END OF PERIOD	-	-

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2017

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, the City of Adelaide.

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 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 2017.

Rundle Mall Management Authority (RMMA) has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Note 1: Summary of Significant Accounting Policies (continued)

This year RMMA has applied AASB 124 Related Party Disclosures for the first time. As a result, RMMA has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 8.

The Authority has not adopted any of the following standards early.

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
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities

Effective for annual reporting periods beginning on or after 13 February 2017

- AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle

Effective for annual reporting periods beginning on or after 13 December 2017

- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 Financial Instruments (December 2009)
- AASB 15 Revenue from Contracts with Customers
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E)

- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
- AASB 1058 Income of Not-for-Profit Entities
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

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	2017	2016
RATES REVENUES		
Rundle Mall Levy	3,651	3,581
TOTAL GENERAL RATES	3,651	3,581
USER CHARGES		
Advertising & Leasing	498	614
TOTAL USER CHARGES	498	614

Note 3: Expenses

\$ '000	2017	2016
MATERIALS, CONTRACTS AND OTHER EXPENSES		
Prescribed Expenses		
Auditor's Remuneration	1	1
Subtotal - Prescribed Expenses	1	1
Other Materials, Contracts and Expenses		
Advertising & Sponsorship	1,297	2,052
Contractors & Professional Services	2,069	1,393
Security	258	210
Premises Hire & Associated Costs	92	94
Plant & Equipment	265	84
Minor Assets, Furniture & Fittings & Materials	27	52
Printing	100	42
Insurance	13	13
Catering	12	10
Car Parking	7	8
Telephone	3	3
Tax	2	1
Bad & Doubtful Debts	(1)	16
Sundry	71	23
Subtotal - Other Material, Contracts & Expenses	4,214	4,001
TOTAL MATERIALS, CONTRACTS AND OTHER EXPENSES	4,215	4,002

Note 4: Current Assets

\$ '000	2017	2016
TRADE & OTHER RECEIVABLES		
Trade & Other Receivables - CoA	336	393
Trade & Other Receivables	19	64
GST Recoupment	23	20
Prepaid Expenses	4	-
Less: Allowance for Doubtful Debts	-	(16)
TOTAL CASH & CASH EQUIVALENTS	382	461

Note 5: Current Liabilities

\$ '000	2017	2016
TRADE & OTHER PAYABLES		
Accrued Expenses	1	15
TOTAL TRADE AND OTHER PAYABLES	1	15

Note 6: Reconciliation to Cash Flow Statement

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

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.

\$ '000	2017	2016
Net Surplus (Deficit)	(66)	193
Net (increase) decrease in receivables	66	(193)
NET CASH PROVIDED BY (OR USED IN) OPERATIONS	0	0

Note 7: Uniform Presentation of Finances

The following is a high level summary of both operating and capital investment activities of the Rundle Mall Management Authority prepared on a 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 councils finances.

\$ '000	2017	2016
Income	4,149	4,195
less Expenses	(4,215)	(4,002)
OPERATING SURPLUS / (DEFICIT)	(66)	193
NET LENDING / (BORROWING) FOR FINANCIAL YEAR	(66)	193

Note 8. Related Party Transactions

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Rundle Mall Management Authority include Board members and the General Manager.

\$ '000	2017
The compensation paid to Key Management Personnel comprises:	
Salaries, allowances and other short-term benefits paid by Rundle Mall Management Authority to KMP	280,380

Amounts paid as direct reimbursement of expenses incurred on behalf of Rundle Mall Management Authority have not been included above.

OTHER RELATED PARTY TRANSACTIONS

Rundle Mall Management Authority contracts staff from the City of Adelaide with the on-charge totalling \$870,731 for the year.



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Rundle Mall Management Authority ('the Authority'), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of the Rundle Mall Management Authority, presents fairly, in all material respects, the Authority's financial position as at 30 June 2017 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the *Local Government Act 1999* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Authority, would be in the same terms if given to the Authority as at the time of this auditor's report.

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

The 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.

In preparing the financial report, the Authority's officers are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority's officers either intend to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

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, 8 September 2017



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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 2017, 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, 24 August 2017

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RUNDLE MALL MANAGEMENT AUTHORITY

General Purpose Financial Statements

for the year ended 30 June 2017

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 2017, 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: 24th August 2017



CITY OF
ADELAIDE

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